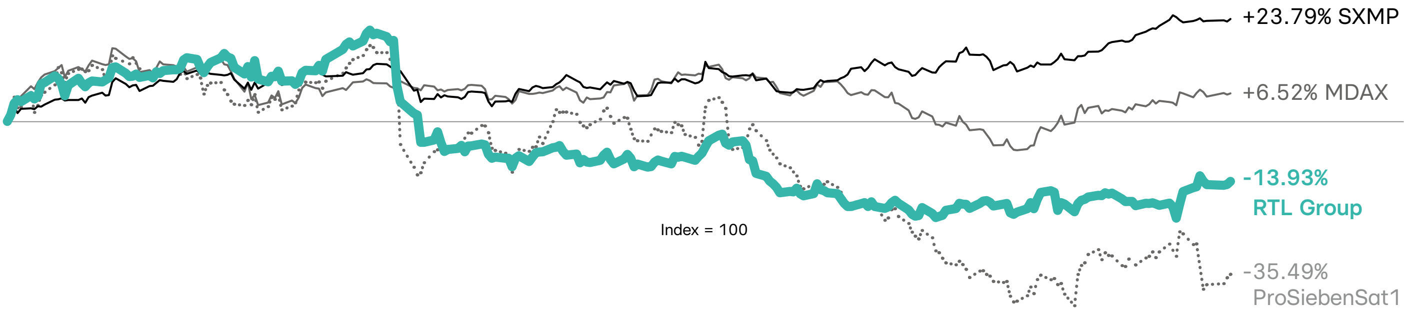
RTL Group
Annual Report 2023

Key figures

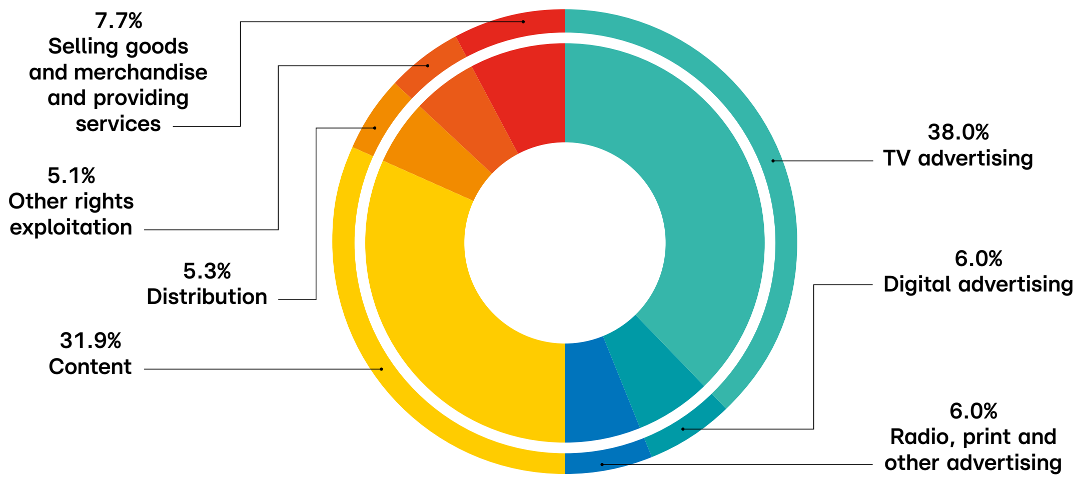
Share performance

1 January 2023 to 31 December 2023
in per cent



RTL Group share price development for January to December 2023 based on the Frankfurt Stock Exchange (Xetra) against MDAX, Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group revenue split



RTL Group's revenue is well-diversified, with 38.0 per cent from TV advertising, 6.0 per cent from digital advertising, 6.0 from radio, print and other advertising, 31.9 per cent from content, 5.3 per cent from distribution revenue, 5.1 per cent from other rights exploitation revenue and 7.7 per cent from selling goods and merchandise and providing services.

Revenue

2019–2023 (€ million)	Reported figures	Pro-forma figures
23	**6,234**	**6,854**
22	6,589	7,224
21	6,637	
20	6,017	
19	6,651	

Adjusted EBITA*

2019–2023 (€ million)	Reported figures	Pro-forma figures
23	**782**	**927**
22	922	1,083
21	1,152	
20	853	
19	1,156	

*See **Key performance indicators** on pages 57 to 58

Total Group profit

2019–2023 (€ million)	
23	**598**
22	766
21	1,454
20	625
19	864

Equity

2019–2023 (€ million)	
23	**5,100**
22	5,220*
21	5,304
20	4,353
19	3,825

*This figure has been adjusted (see note 1.30)

Market capitalisation*

2019–2023 (€ billion)	
23	**5.4**
22	6.1
21	7.2
20	6.2
19	6.8

*As of 31 December

Total dividend/ dividend yield per share

2019–2023	(€)	(%)
23	**2.75**	**7.2**
22	4.00	9.5
21	5.00	10.3
20	3.00	8.9
19	Nil*	–

*On 2 April 2020, RTL Group's Board of Directors decided to withdraw its earlier proposal of a €4.00 per share dividend in respect of the fiscal year 2019, due to the Covid-19 outbreak

Operating cash conversion rate*

2019–2023 (%)	Reported figures
23	**68**
22	49
21	114
20	123
19	105

*Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on page 60

Streaming revenue*

2019–2023 (€ million)	Reported figures	Pro-forma figures
23	**283**	**401**
22	164	267
21	223	
20	170	
19	141	

*Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany and Hungary and starting from 2023 6play in France (Videoland/RTL XL included until 2021, as of 2022 shown as pro-forma)

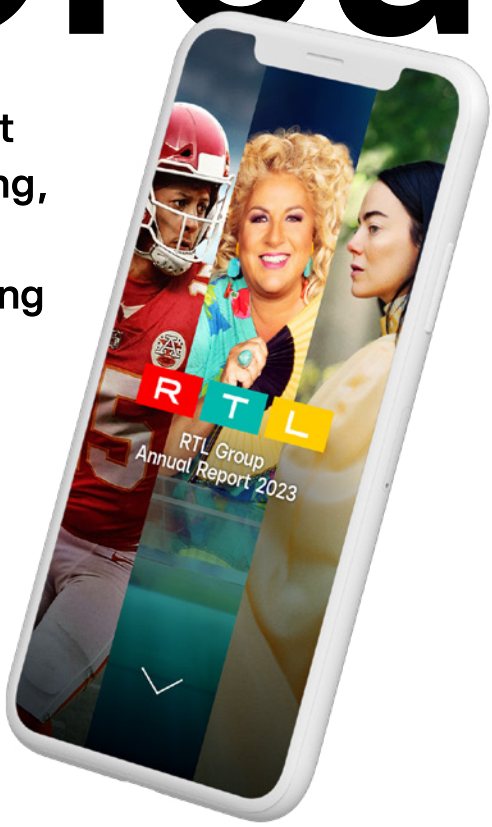
From top left to bottom right: Original music show *That's My Jam mit Bill & Tom Kaulitz* on RTL+ in Germany; award-winning series *Fellow Travelers* co-produced by Fremantle and Showtime; popular entertainment format *La France a un incroyable talent* (Got Talent) from Groupe M6; boxing competition *Sztárbox* from RTL Hungary; and NFL moderator Jana Wosnitza.

Contents

Corporate information

Financial information

About RTL Group



RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 60 television channels, seven streaming services and 36 radio stations.

Find the detailed corporate profile of RTL Group on page 40.

Visit the interactive online report

annual-report2023.rtl.com

From top left to bottom right: Competition reality spin-off *Ninja Warrior Kids* from RTL Deutschland; entertainment show *La France a un incroyable talent* (Got Talent) from Groupe M6; award-winning biographical drama *Priscilla* from Fremantle; and celebrity drag show *Viva la Diva – Wer ist die Queen?* from RTL Deutschland.

Explore the world of RTL Group

Thomas Rabe
Chief Executive Officer
RTL Group

Chief Executive's report

In 2023, we demonstrated the resilience of our businesses in a particularly challenging environment. As announced, we invested through the cycle. We grew our streaming services, extended our market leadership positions, in particular in Germany, and released globally acclaimed content. The second half of 2023 was one of the most profitable half-years in the history of RTL Group despite weak advertising markets and significant investments, enabling us to pay an attractive dividend. Our shareholders will also benefit in 2025 from the value crystallised by the expected sale of RTL Nederland for €1.1 billion.

"In 2023, we demonstrated the resilience of our businesses in a particularly challenging environment."

Gains in streaming and linear TV

Due to challenging TV advertising markets and lower Fremantle revenue, our Group revenue was down 5.4 per cent to €6.2 billion in 2023. Our Adjusted EBITA decreased from €922 million in 2022 to €782 million. This was mainly due to lower profit contributions from RTL Deutschland, caused by the significant decline of the German TV advertising market.

Our streaming services progressed strongly. Paying subscribers for our streaming services in Germany, Hungary and France grew by 30.5 per cent to 5.6 million, and our streaming revenue grew by 72.6 per cent to €283 million, thanks to the rapidly growing number of paying subscribers, higher revenue per subscriber and the first-time inclusion of 6play in France.

In Germany, our family of TV channels increased its combined audience share to 27.4 per cent in the target group of viewers aged 14 to 59. RTL and Vox were the leading two commercial channels in the country, and RTL Deutschland extended its lead over ProSiebenSat1, the main commercial competitor, to 5.8 percentage points – the biggest lead in the last decade.

Strengthening our core with sports rights

Our strategic framework – to strengthen our core businesses, to grow our streaming and content businesses, and to build alliances and partnerships – remains unchanged and continued to guide us in 2023.

To strengthen our linear TV channels and gain new subscribers for our streaming services, we continued to invest in premium content across all genres – including the exclusive rights for live sports events. With a new studio, on-air team and coverage across linear TV, streaming and radio, RTL Deutschland successfully added American Football to its content portfolio. As the exclusive TV partner of NFL in Germany, RTL Deutschland increased the audience share in the 14 to 59 and 14 to 49 target groups in comparison to the average figures for the previous season. With an average share of 23.0 per cent in the 14 to 29 male target group for games with a 22:00 kick-off in Germany, the NFL was particularly successful among young men – allowing us to reach viewers which are particularly important for advertising clients.

RTL Deutschland will continue to show Uefa Europa League and Uefa Europa Conference League games on linear channels RTL and Nitro and streaming service RTL+. RTL Hungary will start broadcasting around 200 Uefa Champions League games per season from 2024/25. For the Uefa Euro 2024, RTL Deutschland acquired the free-to-air TV rights to 12 matches from Deutsche Telekom, while Groupe M6 will broadcast 13 matches – including the final, one semi-final and two quarter finals.

Thomas Rabe with CFO Björn Bauer and Deputy CEO & COO Elmar Heggen at the 2023 Virtual Management Meeting.

A streaming milestone

In August 2023, RTL Deutschland reached a milestone with the launch of its all-inclusive entertainment offer – Germany's first multimedia app. Alongside video content, RTL+ now offers music, podcasts, audio books and magazine content in one single app. Thanks to a cross-media marketing campaign and an attractive mix of reality formats, football matches and films and series, RTL+ enjoyed significant growth.

Groupe M6 recently announced plans to expand its streaming service M6+, previously known as 6play. The additional investments of €100 million in content, technology and marketing will ramp up over time. The service will be primarily financed by advertising (AVOD), complemented by a premium subscription tier (SVOD). With a range of high-quality free content and multi-screen accessibility, M6+ will offer viewers an innovative experience while strengthening its value proposition for advertisers.

Following the envisaged disposal of our Dutch streaming service Videoland and the investments in M6+ in France, we have updated the targets for our streaming services RTL+ in Germany, RTL+ in Hungary and M6+ in France. By 2026, we aim to reach around 9 million paying subscribers and around €750 million of streaming revenue. We plan to increase the content spend for our streaming services to around €500 million and to become profitable by 2026.

Award-winning content

As part of Fremantle's boost plan to reach full-year revenue of €3 billion by 2025/2026, we continued to invest in our global content business in 2023.

Fremantle was named 'International Producer of the Year' by The Hollywood Reporter for its outstanding achievements in drama and film production. In the documentary sector, the company launched Undeniable, a new premium documentary label. Fremantle continues its acquisition strategy in 2024, with the acquisitions of France-based Asacha Media Group, which has majority stakes in eight production companies in France, Italy and the UK, and Singapore-based Beach House Pictures, which focuses on non-scripted entertainment.

Our investments in production and talent are paying off, with Fremantle celebrating major creative successes in 2023. The company won a total of 145 awards, including two Golden Globes and The Golden Lion for Element Pictures film *Poor Things*, and three awards at the Rome Film Festival for Wildside film *C'è ancora domani* (There's Still Tomorrow). The success of *Poor Things* has continued into this year, with the film winning five BAFTA awards in February 2024 and four Oscars in March 2024.

We are on track to reach our ambitious revenue target – which would effectively double the Fremantle business within five to six years.

Future-focused alliances and partnerships

Alliances and partnerships will shape the future of the European media industry and help us compete with the global technology platforms. We have established stronger collaboration in the areas of national and international advertising sales, advertising and streaming technology, and content – and we are exploring additional opportunities. For example, as part of the sale of RTL Nederland to DPG Media, we will enter into a strategic partnership with DPG Media in the areas of technology, advertising sales and content. With Sky Deutschland, we formed a content partnership under which RTL Deutschland will broadcast and stream seven Formula One races and one game from the English Premiere League per match week.

End of an era for Groupe M6

Nicolas de Tavernost decided to step down from his position as Chairman of the Executive Board of Groupe M6. On 23 April 2024, David Larramendy, currently a member of the Groupe M6 Executive Board, takes over and will lead the company into the next phase of growth and transformation.

Nicolas de Tavernost is one of Europe's most distinguished and successful media managers and a pioneer of commercial television. He has been with M6 since its foundation in 1987 and over the past 30 years, has shaped the company into one of the most successful media groups on the continent. He is an inspiration for our Group and a role model for all executives: Merci, Nicolas!

Long-term prospects

The transformation of the media industry is a formidable challenge. I remain convinced that it holds big opportunities for those ready to shape the future. RTL Group is actively shaping the future: by investing in content and technology to maximise reach across linear and streaming, by developing advertising technology to drive monetisation, by forming alliances and partnerships and by actively managing its portfolio to create value for all its shareholders.

Thomas Rabe presented the Bertelsmann Entrepreneurial Award to Nicolas de Tavernost, Chairman of the Executive Board of Groupe M6, in 2022.

"Nicolas de Tavernost is an inspiration for our Group and a role model for all executives: Merci, Nicolas!"

Our role in society

We believe...

... video is the most complete medium. It engages our minds and captures our hearts. It demands our attention and inspires our imagination. There is no better way to tell a story. Since our first radio broadcast in 1924, and through the growth of video and digital, our aim has always been to entertain, inform and engage our audiences. This is our role in society.

As a partner of the Special Olympic World Games media alliance, RTL Deutschland had a strong presence at the Special Olympics in Berlin, which is the world's largest inclusive sports event.

Our clear set of brand principles defines who we are, what we do and what we stand for. RTL stands for entertainment, independent journalism, inspiration, energy and attitude with one overriding purpose: just inspire. We respect people, nature and the communities we serve. We take a stand and embrace diversity and cohesion, sustainability and humanity. We think internationally and act locally.

Viewers, listeners, digital users

Every day, millions of people access RTL Group's content on television, streaming services, digital platforms, print magazines and radio across an ever-growing range of devices. This audience is at the heart of what we do.

Over the years, we've grown by covering the events and issues people care about – and we've never strayed from our commitment to be refreshingly different and always close to our audience. The millions of people who turn to us each day for the latest news must be able to trust us. A healthy, diverse and high-quality media landscape is the foundation of a democratic and connected society, which is why our local CEOs act as publishers and do not interfere with editorial decision-making or restrict the independence of our editorial staff. Our editors-in-chief apply rigorous ethical standards and ensure compliance with local guidelines. This allows our journalists the freedom to express a range and balance of opinions that reflect the diverse societies we serve.

Since the early 1990s, we've been building families of TV channels, radio stations, digital platforms and streaming services. They offer our audiences a vast range of high-quality entertainment and information programmes that people from all demographics and circumstances can enjoy. We also take great care to protect all media users – especially minors. For example, our newsroom guidelines contain a framework for how we handle the personal rights of minors with sensitivity.

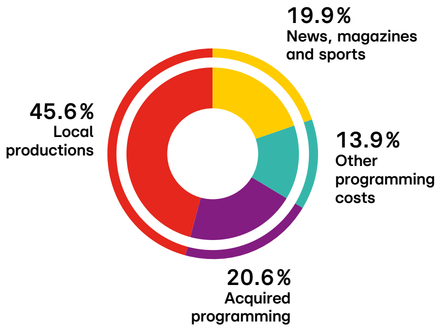
The creative community

We succeed in entertainment by building inspiring environments where creative and pioneering spirits can thrive. Our broadcasters and streaming services commission content from production companies or their own in-house producers. Our international production company Fremantle commissions scriptwriters, artists and many other creatives, and our talent agency and digital studio We Are Era showcases young video talent.

To enhance our creative output, we continue to develop strategic alliances and partnerships. Within the Bertelsmann Content Alliance, RTL Group companies work closely with other Bertelsmann companies on several content cooperation projects – not only adding value and a competitive edge, but also aiming to attract fresh new artists and creators. In 2023, the Bertelsmann Content Alliance collaborated with UFA on the launch of the series *Gute Freunde – der Aufstieg des FC Bayern* (Good Friends – The Rise of FC Bayern). The internal Programme Synergy Committee (SyCo) – part of a Group-wide network of SyCos spanning Sales, Streaming, Data, Tech & Broadcast, and Social Media – also provides space for RTL Group's business units to come together on a regular basis to discuss content cooperation, format cases, local adaptions, internal pitches and the use of Artificial Intelligence (AI).

We also continued to innovate in the market by expanding RTL+ to become an all-inclusive entertainment app, which bundles video, music, podcast, audiobook and magazine content in one single app. In 2023, Sky Deutschland and RTL Deutschland announced a strategic content partnership to offer German viewers access to more live sport. The innovative partnership is unique in the German TV market and a major step for the all-inclusive entertainment promise of RTL+.

RTL Group's broadcasters' programme spend in 2023*



*based on fully consolidated businesses; figures include broadcasting and streaming services

Whether we buy a programme from a production company or create one ourselves or within a partnership, the production of quality content requires substantial investment. Our ability to recoup this investment is grounded in our exclusive rights to show and distribute the programme in a particular geographic area.

Successful programmes attract large audiences that, in turn, attract advertisers who pay us to show their advertisements. This cycle ensures production companies and other creators are suitably rewarded, so they can continue to develop new, entertaining and compelling content.

Maintaining the integrity of this cycle is crucial, which is why copyright is the lifeblood of our industry. Effective protection and enforcement of intellectual property rights are especially important in a digital world, where people can watch whatever they want, wherever they want, whenever they want. Without this protection and enforcement, the rewards to creators would fade away – as would their creativity. Our unwavering commitment to copyright is therefore one important way we add value to society.

We Are Era celebrated the best of the best in Germany's content creator scene at the VideoDays Festival.

Our people

Our business is based on talent. We depend on the creativity and dedication of our employees, so we give our people the freedom to create.

With a unified RTL employer brand, we want to be the employer of choice, attracting and retaining the best talent. To help us achieve this, we offer attractive salaries and other financial incentives, plus a wide range of training and coaching to help our people develop both personally and professionally. We foster a fair, flexible and inspiring work environment that encourages a healthy work-life balance.

The Covid-19 crisis has deeply changed the world of work. The balance between working in the office and remotely is a relevant step to continue offering flexibility and efficiency for those employees whose functions do not require on-site presence.

With a diverse audience, we need to be a diverse business. To remain an attractive and successful employer, we reflect the audiences we entertain, and so we embrace workplace diversity in gender, ethnicity, disability and socio-economic status. We offer equal opportunities and recognise everyone's unique value, treating each person with courtesy, honesty and dignity. In our Diversity Statement, we reinforce our commitment to equal opportunities and non-discrimination throughout all RTL Group companies.

In 2023, Fremantle continued its partnership with The TV Collective on the Breakthrough Leaders programme in the UK, supporting 150 black, Asian and minority-ethnic future leaders. In Sweden, Fremantle's leadership team is participating in an external mentoring programme, All of Us, for young people of colour in the creative industries and supporting the WomenUp programme, which consists of 40 women and their mentors and addresses the female leadership gap. In Germany, RTL Deutschland initiated its second Diversity Week, placing people with disabilities at the centre of its content. As a partner of the Special Olympic World Games media alliance, RTL Deutschland included coverage from the world's largest inclusive sports event in its Diversity Week campaign.

UFA joined forces with Arvato Systems to take part in Christopher's Street Day (CSD) in Cologne – one of the most popular pride parades in Germany. This year's motto was "Space for All!".

RTL Beach – a Total Video event from RTL AdAlliance – took place at the Cannes Lions International Festival of Creativity in 2023 focusing on linear TV, content and creativity.

Advertisers

Television and video offer the most effective forms of advertising. TV remains the dominant ingredient in the advertising mix, with its ability to reach mass audiences. It establishes the key message of a major advertising campaign in a brand-safe environment, which then resonates across other media. We continue to take action to expand our position in the rapidly growing markets for addressable TV and online video advertising.

Television and video advertisements work best when they tell interesting, informative stories that connect with viewers' emotions. Together, high-quality programming and engaging advertisements are the basis for successful free-to-air broadcasting and an important factor for streaming. Advertising helps shape people's lifestyles, guides their purchasing decisions and keeps the global economy moving. It also fosters media neutrality – an essential ingredient of a democratic society. Our free-to-air TV channels are mainly financed by advertising.

Advertising remains a major contributor to economic growth – and a Europe without advertising would be less affluent, informed and competitive. Advertising different products and services gives consumers choice and can encourage the competition and innovation that maintain that choice.

We also help our advertising clients with their environmental ambitions. Our German advertising sales house Ad Alliance joined the Green GRP initiative, with the aim of offsetting campaigns' carbon dioxide emissions. M6 Publicité in France continued to create carbon-neutral advertising slots and offers. The 'Comportements Responsables' (Responsible Behaviour), for example, highlights commercials from brands that meet one of eight responsible shopping behaviours.

Project sponsor Wayne Carpendale visits Tanzania on behalf of *Stiftung RTL – Wir helfen Kindern.*

Communities and charities

As a leading entertainment company across broadcast, streaming, content and digital, we have social responsibilities to the communities and audiences we serve. These include raising awareness of important social and environmental issues, particularly those that might otherwise go unreported or under-funded. We do this through TV and radio reports, publishing, magazine programmes and series, and on many digital platforms. We are well aware of the care and responsibility we must take as both an opinion former and information provider.

We give back to our communities by using our profile to raise public awareness of, and funds for, important social issues. We provide free airtime worth several million euros to charities and non-profit organisations to enable them to raise awareness for their cause. Since 1996, the annual *RTL-Spendenmarathon* in Germany has raised more than €286 million for children in need. A total of more than €20 million was donated during the 2023 *RTL-Spendenmarathon.*

In 2023, we raised €1,639,570 through our *Télévie* charity events in Luxembourg. The donations support scientific research to fight cancer – particularly leukaemia. We also support many organisations and projects that help sick or disadvantaged children and young people in Hungary, the UK and France. In 2023, the German actor and moderator Wayne Carpendale presented the 'School of the Future' project at the *RTL-Spendenmarathon,* based on his first-hand experience of the tragic situation of children in Tanzania. The collected donations are now used by the *Stiftung RTL – Wir helfen Kindern* foundation to finance new schools and community centres in Tanzania.

The 28th edition of the *RTL-Spendenmarathon* raised over €20 million for disadvantaged children.

Environment

We work hard to combine our business success with responsible action to protect the environment. Conserving resources and protecting the climate are key challenges in today's society. We aim to minimise our impact on the environment by reducing our energy use and the direct and indirect emission of greenhouse gases. We aim to become carbon neutral by 2030, including both company-related emissions and emissions from the production of our programmes and products. The goal is to reduce the Group's total emissions by more than 50 per cent compared to the 2018 baseline. As of 2030, RTL Group will offset all remaining emissions. In 2023, we continued to work intensively with our Group-wide Climate Task Force on environmental issues, such as implementing greener productions to reduce our carbon footprint. At Fremantle, over 50 shows complied with the standards required by Albert, a global carbon calculator that helps production companies measure their environmental impact, and were therefore certified as Sustainable Productions in 2023.
In Germany, more than 60 of RTL Deutschland's TV productions have been produced with environmentally friendly standards since 2022.
RTL Deutschland is also working on a structured approach to decrease the product carbon footprint of its magazines.
In France, *Top Chef,* which has been broadcast on Groupe M6's channels since 2010, was the first prime-time entertainment programme in France to receive an Ecoprod Label in 2023 – an important recognition of the work and commitment towards sustainable production practices of Studio 89, a subsidiary of Groupe M6.

RTL Deutschland launched its theme week 'Packen wir's an' (Let's do it!) with a marketing campaign focusing on the topic of conscious consumption.

In addition, we use our scale and reach to draw attention to environmental issues. Since 2019, RTL Deutschland is organising regular sustainability weeks to promote socially relevant topics and a sustainable future. Groupe M6 also provides extensive on-air, online and social media coverage to put environmental topics in the spotlight.

UFA Documentary exclusively accompanied the ArcWatch expedition and produced the sequel to the award-winning UFA Show & Factual documentary *Arctic Drift.*

Our year in awards

Poor Things

4 Oscars
2 Golden Globes
5 BAFTA Awards

RTL Deutschland recognised with 28 awards for designs and campaigns

International Eyes & Ears Awards 2023

German Design Awards for RTL Deutschland, RTL AdAlliance, RTL Luxembourg and Smartclip

German Design Award

Priscilla

Venice Film Festival

5 Awards for RTL and Vox in Germany

Deutscher Fernsehpreis

Fremantle International Producer of the Year

The Hollywood Reporter

Zum Schwarzwälder Hirsch

Grimme Awards

RTL Hungary journalist Balázs Rédli

Hégető Honorka Awards

Chairman's statement

Dear shareholders,

After an unexpectedly difficult year in 2022 for many businesses, the market environment remained challenging throughout 2023. The world is facing severe geopolitical and therefore macroeconomic uncertainty. In addition, long-term structural shifts in video viewing are accelerating, and we are witnessing the commercial emergence of Artificial Intelligence (AI).

Given the intense pressure on our businesses arising from the steep decline of TV advertising markets across Europe, I believe that our financial results, thanks to a recovery in operating profits in the second half of the year, may be considered pleasing.

Martin Taylor
Chairman of the Board of Directors

“Over the past year, despite the tricky operating environment, RTL Group made considerable progress in bringing our strategy to life.”

RTL Group’s revenue declined by 5.4 per cent to €6.2 billion, mainly due to significantly lower TV advertising revenue. Adjusted EBITA reached €782 million, down from €922 million in 2022, reflecting significantly lower profit contributions from RTL Deutschland. Cost savings in programming and overheads have played an important part in delivering strong profitability in the second half-year. Including RTL Nederland, the pro-forma Adjusted EBITA was €927 million – in line with our guidance, which we adjusted to reflect the market developments in November 2023.

The Board of Directors is therefore proposing our Annual General Meeting a dividend of €2.75 per share, which corresponds to a dividend yield of 7.2 per cent on the average share price for 2023. While our proposal is lower in absolute terms than the previous year’s €4.00, we continue to apply our policy of paying out at least 80 per cent of the adjusted full-year net result. Next year, the payout to shareholders will benefit significantly from the envisaged disposal of RTL Nederland.

Over the past year, despite the tricky operating environment, RTL Group made considerable progress in bringing our strategy to life: strengthening the core business, growing the streaming and content businesses, and building alliances and partnerships.

In my statement in last year’s annual report, I expressed my sincere disappointment that our consolidation moves in France and the Netherlands had been blocked by the respective competition authorities. The developments in 2023 underline why we sought these transactions: continued transformation of video viewing, pressure on TV advertising markets and large international streaming platforms adding advertising tiers to their subscription services. Market consolidation in the European TV industry is now more necessary than ever to compete with the global tech giants, and the impulse to consolidate remains strong.

Thus, after careful consideration, we accepted the offer from DPG Media to acquire RTL Nederland for a total consideration of €1.1 billion in cash. We had hoped to drive consolidation in the Netherlands ourselves, but after our rejected merger with Talpa Network, both the Board of Directors and the Executive Committee view the sale to DPG Media as the best strategic option for RTL Nederland and all its stakeholders. With the envisaged sale, RTL Group continues to focus strategically on its largest business units: RTL Deutschland, Groupe M6 and Fremantle.

RTL Deutschland, in particular, has made progress in the past year. It has completed the reorganisation of its publishing business, which is now concentrating on core brands such as *Stern, Geo, Capital* and *Brigitte.* Other titles and line extensions have been sold or discontinued.

The development of our streaming services is especially notable. Both paying subscribers and streaming revenue have grown strongly. By the end of 2023, RTL Group had registered almost 5.6 million paying subscribers, an

increase of 30.5 per cent year on year, with streaming revenues up 72.6 per cent to €283 million. We are broadly on track to reach our long-term streaming targets, which we have now adjusted to reflect the envisaged sale of RTL Nederland and its important streaming service Videoland, and to support investment in the French streaming service M6+ (previous 6play).

In Germany, RTL Deutschland started the roll-out of Germany's first multimedia app RTL+, with video, music, podcasts, audiobooks and magazine content in one single app. The app is achieving strong customer traction.

As ever, the Board has been busy advising the Executive Committee, reviewing and approving the Group's budget as well as scrutinising business and financial performance in the light of geopolitical and macroeconomic uncertainties. We paid particular attention to the Group's consolidation plans, including the offer by DPG Media for RTL Nederland. Other important aspects of our work included the growth plans for both RTL+ in Germany and Fremantle. The Board will continue to engage regularly with our management teams, supporting their initiatives to transform the Group.

Last year, we said goodbye to Bettina Wulf, a non-executive director who had served on the Board since June 2020. I would like to extend my thanks to Bettina for her service and dedication to RTL Group and wish her all the best for the future. In turn, we welcomed Carsten Coesfeld, CEO of Bertelsmann Investments and a member of Bertelsmann's Executive Board, and Alexander von Torklus, Executive Vice President Corporate Controlling and Strategy at Bertelsmann, to the Board.

I count myself lucky to work with many remarkable colleagues, not only at Board level but throughout the Group. I extend my heartfelt thanks to all those who have worked so hard for the success of RTL Group in 2023. It is the unique blend of diverse and talented individuals that drives our success – today and tomorrow.

Martin Taylor
Chairman of the Board of Directors

The Board

Executive Directors

Thomas Rabe
Chief Executive Officer of RTL Group, Chairman of the Management Board of RTL Deutschland (until 31 December 2023), and Chief Executive Officer and Chairman of the Bertelsmann Management SE Executive Board

Thomas Rabe, born in 1965, holds a diploma and a doctorate in economics from the University of Cologne, Germany. He started his career in 1989 at the European Commission in Brussels. From 1990 to 1996 he held various senior positions at Forrester Norall & Sutton (now White & Case) in Brussels, the state privatisation agency Treuhandanstalt, and a venture capital fund in Berlin. In 1996, he joined Cedel International (now Clearstream), where he was appointed CFO and member of the Management Board in 1998.

In 2000, Thomas Rabe became CFO and member of the Executive Committee of RTL Group. In March 2003, he was also appointed Head of the Corporate Centre. With effect from 1 January 2006, Thomas Rabe was appointed to the Executive Board of Bertelsmann AG as the Group's CFO. From 2006 to 2008, he was also responsible for Bertelsmann AG's music business.

Since 1 January 2012, Thomas Rabe has been CEO and Chairman of the Executive Board of Bertelsmann.

In May 2019, Thomas Rabe was appointed member of the Supervisory Board of Adidas AG and has served as Chairman since 11 August 2020.

On 1 April 2019, Thomas Rabe was appointed CEO of RTL Group. From August 2022 until December 2023, he was Chairman of the Management Board of RTL Deutschland.

Nationality: **German**
First appointed: **12 December 2005** (effective 1 January 2006)
Re-elected: **28 April 2021**
Mandates in listed companies:
Chairman of the Supervisory Board of Adidas AG, Herzogenaurach

Elmar Heggen
Chief Operating Officer and Deputy Chief Executive Officer, RTL Group

Elmar Heggen, born in 1968, holds a diploma in business administration from the European Business School Oestrich-Winkel, and graduated with a Master of Business Administration (MBA) in finance.

In 1992, he started his career at the Felix Schoeller Group, becoming Vice President and General Manager of Felix Schoeller Digital Imaging in the UK in 1999. Elmar Heggen first joined the RTL Group Corporate Centre in 2000 as Vice President Mergers and Acquisitions.

In January 2003, he was promoted to Senior Vice President Controlling and Investments. From July 2003 until December 2005, he was Executive Vice President Strategy and Controlling.

Elmar Heggen has served on the RTL Group Executive Management Team since January 2006, and been CFO and Head of the Corporate Centre of RTL Group since 1 October 2006.

In January 2018, he was appointed Deputy CEO of RTL Group, in addition to his role as CFO.

Since August 2019, Elmar Heggen has been Chief Operating Officer and Deputy CEO of RTL Group.

Nationality: **German**
First appointed: **18 April 2012**
Re-elected: **28 April 2021**

Non-Executive Directors

Martin Taylor
Chairman and Independent Director

Martin Taylor, born in 1952, began his career as a financial journalist with Reuters and the *Financial Times.* He then joined Courtaulds PLC, becoming a director in 1987, then Chief Executive of Courtaulds Textiles PLC on its demerger in 1990. He moved to Barclays PLC in 1993 as Chief Executive, a post he held until the end of 1998. From 1999 to 2003, he was Chairman of WHSmith PLC, and from 1999 to 2005, International Advisor to Goldman Sachs. From 2005 until 2013, he was Chairman of the Board of Syngenta AG.

From 2013 until March 2020, Martin Taylor served as an external member of the Financial Policy Committee of the Bank of England.

He has worked on various projects for the British Government and served for five years as a member of its Council for Science and Technology. Appointed as Independent Non-Executive Director in July 2000 (when RTL Group was created), Martin Taylor took over the responsibilities of Vice-Chairman of the Board in December 2004.

On 1 April 2019, Martin Taylor was appointed Chairman of the RTL Group Board of Directors.

Nationality: **British**
First appointed: **25 July 2000**
Re-elected: **28 April 2021**
Committee membership:
Audit, Nomination and Compensation (Chairman)

Jean-Louis Schiltz
Vice-Chairman and Independent Director, Tech Law Advisor, Professor (hon.)

Jean-Louis Schiltz, born in 1964, holds a post-graduate degree (DEA) in business law from the University of Paris I, Panthéon-Sorbonne. He also taught at his alma mater in the early 1990s.

From 2004 to 2009, Jean-Louis Schiltz was a cabinet minister in Luxembourg. His portfolios included media, telecommunications, technology (IT and internet in particular), international development, and defence.

Jean-Louis Schiltz is a tech law advisor, a senior partner at Schiltz & Schiltz (avocats) and a professor (hon.) at the University of Luxembourg. His work focuses on technology, regulatory, mergers and acquisitions, and finance. He is a regular speaker at tech law conferences and has authored and co-authored a number of articles and reports in this field.

Jean-Louis Schiltz serves on the boards of a limited number of other companies.

With effect from 27 April 2022, Jean-Louis Schiltz was appointed Vice-Chairman of the RTL Group Board of Directors.

Nationality: **Luxembourgish**
First appointed: **19 April 2017**
Re-elected: **28 April 2021**
Committee membership: **Audit**

Carsten Coesfeld
Chief Executive Officer of Bertelsmann Investments and member of the Bertelsmann Management SE Executive Board, Bertelsmann Investments and Financial Solutions

Carsten Coesfeld, born in 1987, earned a bachelor's degree in business from the WHU Otto Beisheim School of Management and a master's degree from the London School of Economics. He started his career in the Merchant Banking Division of Goldman Sachs in London in October 2009.

In 2011, he began his tenure at Bertelsmann as a management associate for the Chief Executive Officer. In 2012, he moved to New York City to join Penguin Random House, where he held a variety of business development and strategy roles throughout the globally active book publishing group.

At the beginning of 2016, Carsten Coesfeld was appointed President Telecommunications and Managing Director at Arvato Supply Chain Solutions. Together with his team, he transformed the business by partnering with leading, high-growth technology companies.

Carsten Coesfeld became CEO of the London-based global nonfiction publisher Dorling Kindersley (DK) in March 2020, where he focused on DK's online channel, pursued collaborations with sister publishers, and ended the 2021 financial year with record results.

On 1 June 2022, Carsten Coesfeld was named CEO of Bertelsmann Investments.

In November 2023, Carsten Coesfeld was appointed to the Bertelsmann Executive Board with effect from 1 January 2024.

Nationality: **German**
First appointed: **26 April 2023**

Non-Executive Directors

Pernille Erenbjerg
Independent Director

Pernille Erenbjerg, born in 1967, was appointed as an Independent Non-Executive Director to RTL Group's Board of Directors on 28 April 2021.

Pernille Erenbjerg graduated from the Copenhagen Business School with a Master of Science in Economics. She started her career at Arthur Andersen as Auditor and Consultant and later joined Deloitte as Equity Partner.

From 2003 to 2018, Pernille Erenbjerg held several positions at Denmark's largest telecommunications company, TDC Group, most recently as Group CEO and President, and before that as Group CFO and Deputy CEO.

As well as being a Non-Executive Director for RTL Group, she is Deputy Chairman of the Board and Chairman of the Remuneration Committee at Millicom, and Deputy Chairman of the Board, Chairman of the Audit and Finance Committee, and member of the Nomination and Corporate Governance Committee at Genmab.

Pernille Erenbjerg was previously Chairman of the Board of Viaplay Group (until 12 July 2023) and Non-Executive Director at Nordea, DFDS, and the Royal Danish Theatre.

On 10 January 2024, Pernille Erenbjerg was appointed Chairman of KK Wind Solutions' Board of Directors.

Nationality: **Danish**
First appointed: **28 April 2021**
Committee membership: **Audit (Chairman)**
Mandates in listed companies: **Chairman of the Board of Viaplay Group** (until 12 July 2023), **Chairman of the Board of Directors at KK Wind Solutions** (since 10 January 2024), **Deputy Chairman of the Board of Directors of Millicom and Genmab**

Thomas Götz
General Counsel,
Bertelsmann SE & Co KGaA

Thomas Götz, born in 1971, graduated from the University of Bayreuth with a doctorate in law in 1999. A year earlier, during his studies, he joined Bertelsmann's Corporate Legal department as an in-house lawyer.

From 2009 to 2013, he was Co-Head of Mergers and Acquisitions at Bertelsmann. Prior to this, he worked for two years as Senior Vice President Mergers and Acquisitions.

Thomas Götz has been General Counsel at Bertelsmann SE & Co KGaA since January 2014.

Nationality: **German**
First appointed: **15 April 2015**
Re-elected: **28 April 2021**
Committee membership:
Audit, Nomination and Compensation

Rolf Hellermann
Chief Financial Officer and member of the Bertelsmann Management SE Executive Board

Rolf Hellermann, born in 1976, studied business administration in Vallendar, Los Angeles, and Nancy, and received his doctorate from WHU – Otto Beisheim School of Management in Vallendar. He started working at the Bertelsmann Corporate Centre directly afterwards, in 2004.

In 2012, Rolf Hellermann became head of Bertelsmann's Corporate Controlling and Strategy department.

From 2015 until 2018 he was CFO of Arvato, the services division of Bertelsmann. He served as CEO of Arvato Financial Solutions from November 2018 until December 2020 and has been a member of Bertelsmann's Group Management Committee since January 2019.

He also heads the Bertelsmann Tech and Data Advisory Board, which advises the Executive Board on technology issues and advances Bertelsmann's evolution into a leading global media, services, and education company in tech.

Rolf Hellermann was appointed CFO and member of the Board at Bertelsmann Management SE on 1 January 2021.

He previously served as a non-executive member of RTL Group's Board of Directors from August 2015 to December 2018.

Nationality: **German**
First appointed: **1 January 2021**
Re-elected: **28 April 2021**
Committee membership: **Audit**

Non-Executive Directors

Immanuel Hermreck
Chief Human Resources Officer and member of the Bertelsmann Management SE Executive Board

Immanuel Hermreck, born in 1969, has been Chief Human Resources Officer and member of the Executive Board at Bertelsmann Management SE since 2015. His responsibilities include the worldwide leadership of Bertelsmann's HR function, with particular attention to executive development, organisational learning and education, compensation, HR strategy, services, corporate responsibility and corporate culture.

Immanuel Hermreck was appointed Global Head of HR for Bertelsmann in 2006. Before this, he was Director of the Media Economics Department at the Bertelsmann Foundation, and became Managing Director of Bertelsmann University – the company's global knowledge and learning institution – in 2000.

Immanuel Hermreck volunteers as a member or trustee of several non-profit organisations, including as a founding Executive Committee member of the German Association of HR Managers.

He holds a PhD in communication and economics, and is both a Stanford University graduate and a former scholar of the prestigious Konrad-Adenauer Foundation.

Nationality: **German**
First appointed: **12 December 2018**
(with effect from 1 January 2019)
Re-elected: **28 April 2021**
Committee membership:
Nomination and Compensation

Guillaume de Posch
Business Founder and Investor

Guillaume de Posch, born in 1958, started his career at the international energy and services company Tractebel (1985 to 1990) and then joined the global management consulting firm McKinsey & Company (1990 to 1993).

He began working in the media industry at the Compagnie Luxembourgeoise de Télédiffusion (CLT) as assistant to the Managing Director (1993 to 1994) before becoming Head of CLT's TV operations in French-speaking countries (1995 to 1997). From 1997 to 2003, he was Deputy General Manager and Programming Director of the French pay-TV company TPS, before joining the publicly listed ProSiebenSat1 Media AG in August 2003, first as Chief Operating Officer and then as Chairman of the Executive Board and CEO (2004 to 2008).

Guillaume de Posch was appointed Chief Operating Officer and member of the RTL Group Executive Committee on 1 January 2012.

With effect from 18 April 2012, Guillaume de Posch assumed the role of Co-CEO of RTL Group. In January 2018, he stepped down as Co-CEO and has since served as a non-executive member of RTL Group's Board of Directors.

Guillaume de Posch served as President of the ACT (Association of Commercial Television) in Europe from 2017 to 2023.

Nationality: **Belgian**
First appointed: **18 April 2012**
Re-elected: **28 April 2021**

Alexander von Torklus
Executive Vice President Corporate Controlling and Strategy at Bertelsmann

Alexander von Torklus, born in 1979, studied and earned his doctorate at Freie Universität Berlin, before starting his career at PricewaterhouseCoopers in 2003.

From there, he moved to Arvato in October 2006. As Director Corporate Controlling and Consulting, his responsibilities included international investment controlling. In September 2009, he was appointed Senior Vice President Corporate Controlling and Consulting. In this role, he was responsible for various M&A projects, strategic topics, and controlling.
In October 2015, Alexander von Torklus became CFO of Arvato Supply Chain Solutions, where he led a team of 500 employees and was responsible for the Finance, Strategy, and Purchasing Departments.

On 1 January 2023, he was appointed Executive Vice President Corporate Controlling and Strategy at Bertelsmann.

Nationality: **German**
First appointed: **26 April 2023**

Non-Executive Directors

Bettina Wulf
Senior Vice President Corporate Legal, Bertelsmann

Bettina Wulf, born in 1962, has been a member of the Corporate Legal Department at Bertelsmann SE & Co KGaA since July 1993. Prior to this she worked as an in-house lawyer for an international IT company, with a particular focus on global mergers and acquisitions.

Bettina Wulf graduated from the University of Bielefeld, Germany, with a degree in law in 1988. In 2014, she was honoured by the International Law Office with the European Counsel Award for her prominent role in highly complex merger and acquisition transactions requiring level-headed negotiation skills.

Nationality: **German**
First appointed: **30 June 2020**
Resigned: **26 April 2023**
Mandates in listed companies:
Majorel Group Luxembourg SA
(until 8 November 2023)

Lauren Zalaznick
Media Executive and Industry Advisor, Independent Director

Lauren Zalaznick, born in 1963, has devoted her career in media to transforming the cultural landscape. She has been responsible for the growth of some of the strongest TV and digital brands in media and is widely recognised as an industry shape-shifter and innovator, and has received many honours for her achievements.

Currently, she serves is a strategic adviser to leading digital and media brands. She began her career making independent feature films, transitioning to a career in television. Her most recent corporate role was as Executive Vice President, Comcast NBC Universal, where she was responsible for a large portfolio overseeing brands such as Bravo, Oxygen, Telemundo, and Fandango.

Aside from many Emmy, BDA, Webby, and Peabody Award nominations and wins, Zalaznick has been named one of *Time Magazine's 100 Most Influential People,* has delivered a TED Talk with close to a million views, and has been the subject of a *New York Times Magazine* cover story.

Lauren Zalaznick is currently Chairman of the Board of National CineMedia Inc. and is a director of GoPro Inc. She is also a Trustee Emerita of Brown University, from which she graduated magna cum laude and Phi Beta Kappa.

Nationality: **American**
First appointed: **18 April 2018**
Re-elected: **28 April 2021**
Mandates in listed companies:
Chairman of the Board of National CineMedia and Director of GoPro Inc
Committee membership:
Nomination and Compensation

Executive Committee

Thomas Rabe
Chief Executive Officer

- CEO since 2019
- Portfolio responsibility: RTL Deutschland and Fremantle
- Corporate Centre responsibility: Audit and European Affairs

Elmar Heggen
Chief Operating Officer and Deputy CEO

- Deputy CEO since 2018
- COO since 2019
- Portfolio responsibility: Groupe M6, RTL Nederland, RTL Hungary, We Are Era and the Luxembourg operations.
- Representing RTL Group on the Board of Atresmedia, Spain
- Corporate Centre responsibility: Business Development, Legal, Communications and Marketing, and HR

Björn Bauer
Chief Financial Officer

- CFO since 2019
- Corporate Centre responsibility: Finance, Investor Relations, IT and Compliance

Responsibilities of the Executive Committee

The Executive Committee is vested with internal management authority

Active dialogue with the Board of Directors about the status and development of the Group

Proposal of annual budgets, to be approved by the Board of Directors

Remuneration report

1 Introduction

1.1 Categories of persons to whom the Remuneration Report applies:
The RTL Group Remuneration Policy, as published on RTL Group's website, *rtl.com,* applies to the Non-Executive Directors (the **"Non-Executive Directors"**) and to the CEO and Deputy CEO (the **"Executive Directors"**) of RTL Group S.A. (**"RTL Group"**), all together the **"Directors"**.

1.2 This Remuneration Report concerns the financial year 2023.

Non-Executive Directors

1.3 In order to achieve its goals, RTL Group must be able to attract a broad spectrum of competencies, skills, know-how and experience to its Board, mirroring RTL Group's diverse businesses. Furthermore, the composition of the Board of Directors must embody a thorough knowledge of business dynamics and markets in the sectors of audio-visual media, communication, information and all related technologies.

1.4 Non-Executive Directors are paid only a fixed remuneration. Due to the greater responsibility and time required by their respective functions, an additional annual remuneration is granted to the Chairman and the Vice-Chairman of the Board, and to the Chairmen of the Board's sub-committees. Such remuneration is prorated in case the Director concerned is appointed to, or leaves, the Board during the year.

1.5 The Board of Directors may grant additional remuneration or indemnities to those Board members who are entrusted with specific duties or missions. They shall not receive incentives nor other forms of variable compensation from RTL Group.

Executive Directors

1.6 The Remuneration Policy's section addressing Executive Directors is designed to support RTL Group's high-performance culture and the creation of long-term sustainable value for its shareholders. Its goal is to reward Executive Directors with an attractive compensation, in line with the market, which is conditional upon both their own and RTL Group's performance and which, beyond driving performance, also aims to attract and retain the best talent. As a result of the general principles outlined above, the proportion of performance-related pay is generally higher for the Executive Directors than for lower ranking executives in the Group.

1.7 Executive Directors are compensated in line with their responsibilities, and according to both their own and the company's performance.

2 Remuneration of the Non-Executive Directors (or members of the Board of Directors)

The Non-Executive Directors receive a fixed fee for their attendance at the meetings of the RTL Group Board of Directors. No variable remuneration, pension rights, options, loans nor other benefits were granted to the Non-Executive Directors during the financial year 2023.
The detailed disclosure on Directors' fees paid is provided in Exhibit 1 on page 34.

3 Remuneration of the CEO and Deputy CEO

3.1 **Fixed remuneration (base salary)**
The base salary for the CEO and the Deputy CEO (the Executive Directors) is within a competitive range of the third quartile base salary for comparable positions in their peer groups. The base salary reflects the individual's position, scope of responsibility, experience and contribution to the business. Base salary levels are generally reviewed every three years, and their development depends on the individual's performance and salary level in relation to the external benchmarks.

3.2 **Board attendance fees**
RTL Group does not pay any attendance fees to its Executive Directors. As a result, the Deputy CEO receives Board attendance fees only from other Group entities, which are deducted from his annual base remuneration at the end of the year. The detailed disclosure on such Board attendance fees paid is provided in Exhibit 2 on page 35.

3.3 Variable remuneration: annual short-term incentive plan (STIP) and long-term incentive plan (LTIP)

3.3.1 STIP

The Executive Directors are eligible for a STIP which is capped at an amount stipulated in their employment contract. The STIP payout is linked to the achievement of three sets of targets, as set out in the Executive Directors' bonus agreements:

- **Financial targets**;
  This target is linked to a financial metric (e.g. Adjusted EBITA) and is weighted higher than the business and leadership targets. Its calibration is defined by the Nomination and Compensation Committee (NCC) on an annual basis.
- **Business targets**;
  These are targets, which may be quantitative (e.g. number of paying subscribers, audience share or market share targets), or qualitative targets consistent with the company's strategic initiatives.
- **Leadership targets**.

The amount due under the STIP is paid latest in April of the following year.

3.3.2 LTIP

RTL Group offers its Executive Directors a long-term incentive plan (LTIP, the "Plan"), to reward them for entrepreneurial performance, to retain key executives and to align the interests of management and shareholders. The performance targets of the LTIP are approved by the NCC and are based on the financial metric Adjusted EBITA.

RTL Group's LTIP for the period 2023 to 2025 has the following features:

- The metric used in the Plan for the year 2023 is Adjusted EBITA.
- The length of the Plan's term (the "Term") is three years (N, N+1, N+2), starting on 1 January 2023 and ending on 31 December 2025.
- The performance is measured based on yearly targets, which are defined annually.
- The vesting of the LTIP occurs at the end of the Term (i.e. at the end of the year N+2).
- The payment occurs in the year N+3 (see below).
- The reward basis is the annual contractual maximum cash compensation.
- The maximum annual incentive amount equals the reward basis multiplied by one third, multiplied by 1.5, multiplied by the participation rate.
- The total maximum incentive amount over the Term of the Plan corresponds to the sum of the maximum annual incentive amounts, taking into account the length of participation in the Plan.
- The actual annual incentive amount equals the total maximum annual incentive amount multiplied by the achievement rate. The resulting amount is accrued for deferred payment at the end of the Term, subject to the terms and conditions of the Plan.
- The total incentive amount corresponds to the sum of the actual annual incentive amounts over the Term.

The total incentive amount due under the LTIP in force for the period 2023 to 2025 is paid after the end of the Term, within 90 days from the later of (i) the approval by RTL Group's shareholders of the financial statements of RTL Group for the previous year, (ii) the approval by the Business Unit's shareholders of the financial statements of the Business Unit for the previous year.

3.4 Complementary pension plan

The pension plan granted to all employees of RTL Group S.A. who joined the company as from 1 January 2023 is a defined contribution plan, which also covers death and invalidity risks. The pension plan granted to all employees of RTL Group GmbH is a defined benefit plan, managed by Bertelsmann SE & Co KGaA. Each year, a capital component is set aside and accrued accordingly. The individual pension contribution is calculated by multiplying a basic pension contribution by the personal earnings ratio pursuant to the plan. A specific age factor applies for each age. The actuarial interest rate is reviewed annually on 1 April and adjusted in line with capital market developments.

3.5 Benefits

These comprise an accident insurance, which covers both death and disability, a complementary health insurance and a car allowance to finance a company car at the executive's discretion.

Remunerations of the CEO and Deputy CEO in 2023

The remuneration received by the executives during the period (i.e. already paid to the executives), and the remuneration earned during the period (i.e. the total amounts to which the executives are entitled under certain conditions for their services rendered during the period, including amounts already received and amounts still to be received) are summarised in Exhibit 2 and 3 on page 35.

Exhibit 1	2023	2022	2021	2020
	€	€	€	€
Non-Executive Directors				
Coesfeld, Carsten Non-Executive Member of the Board of Directors (as of 26 April 2023)	**61,644**	–	–	–
Erenbjerg, Pernille Chairman of the Audit Committee	**180,000**	151,151	61,151	–
Götz, Thomas Member of the Audit and Nomination and Compensation Committee	**90,000**	90,000	90,000	90,000
Hermreck, Immanuel Member of the Nomination and Compensation Committee	**90,000**	90,000	90,000	90,000
Hellermann, Rolf Member of the Audit Committee	**90,000**	90,000	90,000	–
de Posch, Guillaume Non-Executive Member of the Board of Directors	**90,000**	90,000	90,000	90,000
Schiltz, Jean-Louis Vice Chairman of the Board of Directors (as of 28 April 2022) Member of the Audit Committee	**180,000**	151,151	90,000	90,000
Taylor, Martin Chairman of the Board of Directors Chairman of the Nomination and Compensation Committee	**400,000**	400,000	400,000	400,000
Von Torklus, Alexander Non-Executive Member of the Board of Directors (as of 26 April 2023)	**61,644**	–	–	–
Zalaznick, Lauren Member of the Nomination and Compensation Committee	**90,000**	90,000	90,000	90,000
Former Non-Executive Directors				
Kundrun, Bernd Non-Executive Member of the Board of Directors (until 28 April 2021)	**–**	–	29,096	90,000
Hirsch, Bernd Member of the Audit Committee (until 31 December 2020)	**–**	–	–	90,000
Schmidt-Holtz, Rolf Member of the Nomination and Compensation Committee (until 28 April 2021)	**–**	–	29,096	90,000
Singh, James Vice Chairman of the Board of Directors and Chairman of the Audit Committee (until 27 April 2022)	**–**	64,110	200,000	200,000
Wulf, Bettina Non-Executive Member of the Board of Directors (until 26 April 2023)	**28,603**	90,000	90,000	45,370
Executive Directors[1]				
Rabe, Thomas[2] Chief Executive Officer	**2,863,884**	2,863,884	3,000,416	2,604,416
Heggen, Elmar Chief Operating Officer and Deputy CEO Excluding Transaction / Exceptional Bonus	**4,000,940**	4,000,940	3,836,725	2,319,131
Company performance (in € million, including discontinued operations)				
Revenue	**6,854**	7,224	6,637	6,017
Adjusted EBITA	**927**	1,083	1,152	853
Average remuneration on a full-time equivalent (FTE) basis of employees				
Wages and salaries RTL Group (in € million)	**1,002**	1,030	929	811
Average FTE (expensed) RTL Group	**12,835**	12,975	10,861	10,598
Average wage per FTE	**78,051**	79,399	85,573	76,524

1 Remuneration earned (Exhibit 2 and 3)
2 Thomas Rabe is on a 50% part-time contract; his remuneration is shown on a full-time basis (100%)

Exhibit 2

	Elmar Heggen			
	Earned 2023		Received 2023	
	€	per cent	€	per cent
Annual base salary	906,119		906,119	
Fixed allowances[1]	188,603		188,603	
Director fees:				
– Métropole Télévision Supervisory Board	35,048		35,048	
– Atresmedia Board of Directors	58,833		58,833	
Other allowances:				
– Housing allowance	24,000		24,000	
Benefits:				
– Car allowance / Lease	21,210		21,210	
– Complementary Pension / Other benefits	4,051		4,051	
Total fixed remuneration	**1,237,864**	**38**	**1,237,864**	**25**
Variable remuneration:		62		75
– STIP 2021				
– STIP 2022			1,386,570	
– STIP 2023	1,264,560			
– LTIP 2022 annualised				
– LTIP 2020 to 2022			2,252,375	
– LTIP 2023 annualised	791,125			
– Transaction Bonus				
Total remuneration	**3,293,549**	**100**	**4,876,809**	**100**

[1]Compensation for lost pension entitlements

Exhibit 3

	Thomas Rabe			
	Earned 2023		Received 2023	
	€	per cent	€	per cent
Annual base salary	600,000		600,000	
Fixed allowances				
Director fees				
Other allowances:				
– Housing allowance				
Benefits:				
– Car allowance / Lease				
– Complementary Pension / Other benefits	208		208	
Total fixed remuneration	**600,208**	**44**	**600,208**	**42**
Variable remuneration:		56		58
– STIP 2021				
– STIP 2022			831,942	
– STIP 2023	758,736			
– LTIP 2020-2022 annualised[1]				
– LTIP 2020-20221				
– LTIP 2023-2025 annualised[1]				
– Transaction Bonus				
Total remuneration	**1,358,944**	**100**	**1,432,150**	**100**

[1]Thomas Rabe does not participate in the LTIP

From top left to bottom right: RTL Deutschland is the exclusive TV partner of the NFL in Germany; Pinar Atalay, moderator of RTL Deutschland's news programme *RTL Direkt; Cápák között* (Dragon's Den) from RTL Hungary; and Emma Stone starring in *Poor Things* from Fremantle's Element Pictures.

Financial information

Directors' report

Financial year 2023 in review

In December 2023, RTL Group announced the envisaged sale of RTL Nederland to DPG Media, and therefore presents its full-year results for 2023 without RTL Nederland (IFRS 5, discontinued operations). As RTL Nederland was included in the Group's outlook for 2023, selected pro-forma figures including RTL Nederland are provided below:

Pro-forma figures (including RTL Nederland)[1]

- With a strong second half of the year, RTL Group's results came in in line with the guidance for the full year 2023: On a pro-forma basis, Group revenue of €6,854 million and Adjusted EBITA of €927 million, the latter including streaming start-up losses of €179 million.
- In H2/2023, RTL Group generated an Adjusted EBITA of €677 million on a pro-forma basis, up 16.3 per cent on H2/2022 (€582 million) and the second highest ever despite challenging advertising markets and significant streaming start-up losses.

Reported figures (continuing operations, without RTL Nederland)[2]

- **Group revenue** was down 5.4 per cent to €6,234 million (2022: €6,589 million), mainly due to significantly lower TV advertising revenue from broadcasting businesses and lower Fremantle revenue. Group revenue was down 4.1 per cent organically[3] compared to 2022.
- **TV advertising revenue** across the Group was down 8.2 per cent year on year, despite market share gains, particularly in Germany.
- **Streaming revenue**[4] was up 72.6 per cent to €283 million (2022: €164 million), thanks to the rapidly growing number of paying subscribers, higher revenue per subscriber and the first-time inclusion of 6play in France.

1 The pro-forma figures for the financial year 2023 include RTL Nederland. RTL Group's outlook for the full-year 2023, as communicated on 8 November 2023, is based on these pro-forma accounts
2 Due to the reached agreement to sell RTL Nederland, as communicated on 15 December 2023, the operating segment RTL Nederland is classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023 (Application of IFRS 5 'Non-current assets held for sale and discontinued operations' to the operating segment RTL Nederland). The figures of the consolidated income statement and the consolidated cash flow statement for the year 2022 are restated in accordance with IFRS 5 to report the discontinued operations separately from continuing operations. If not indicated otherwise, all figures presented/reported in this document refer to continuing operations. The sale of RTL Nederland is subject to regulatory approvals and the consultation process with the respective works councils
3 Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 57
4 Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany, 6play in France and RTL+ in Hungary (including RTL+/RTL+ Active/RTL+ Light)

Reported figures
(continuing operations, without RTL Nederland)

- **Distribution revenue**[5] was stable at €331 million (2022: €332 million).
- **Adjusted EBITA**[6] declined to €782 million (2022: €922 million), mainly due to lower profit contributions from RTL Deutschland as the German TV advertising market decreased significantly in 2023. The Adjusted EBITA includes **streaming start-up** losses of €176 million (2022: €222 million). **The Adjusted EBITA margin**[6] was 12.5 per cent (2022: 14.0 per cent).
- **Group profit from continuing operations** was €483 million (2022: €642 million). **Group profit from discontinued operations** was €115 million (2022: €124 million). **Total Group profit** was €598 million (2022: €766 million).
- **Total net cash from operating activities** was €537 million, thereof €77 million from discontinued operations. The **operating cash conversion rate**[7] for continuing operations was 68 per cent (2022: 49 per cent). RTL Group had **net debt**[8] of €-291 million at the end of 2023 (end of 2022: net cash of €180 million).
- For RTL Group's Annual General Meeting on 24 April 2024, RTL Group's Board of Directors has proposed a **dividend** of €2.75 per share for 2023. The ex-dividend date of the dividend payment would be 25 April 2024 and the payment date 29 April 2024.
- Based on the average share price in 2023 (€38.44[9]), the proposed dividend of €2.75 per share represents a **dividend yield** of 7.2 per cent.

Financial review[10]

	2023 €m	2022 €m	Per cent change
Revenue	**6,234**	6,589	**(5.4)**
Adjusted EBITA	**782**	922	**(15.2)**
Adjusted EBITA margin (in %)	**12.5**	14.0	
Adjusted EBITA	**782**	922	**(15.2)**
Significant special items	(125)	(42)	
Impairment and reversals of investments accounted for using the equity method	–	(5)	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(43)	(46)	
Impairment and reversals on other financial assets at amortised cost	(2)	(30)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	40	107	
Fair value measurement of investments and re-measurement of earn-out arrangements	(32)	(78)	
EBIT	**620**	828	**(25.1)**
Financial result	(13)	(56)	
Income tax expense	(124)	(130)	
Group profit from continuing operations	**483**	642	
Group profit from discontinued operations	115	124	
Total Group profit	**598**	766	**(21.9)**
Attributable to:			
RTL Group shareholders	**467**	673	**(30.6)**
– Continuing operations	**352**	549	**(35.9)**
– Discontinued operations	115	124	(7.3)
Non-controlling interests	131	93	+40.9
– Continuing operations	131	93	+40.9
– Discontinued operations	–	–	
Basic and diluted EPS (in €)	**3.02**	4.35	**(30.6)**
– Continuing operations	2.27	3.55	(35.9)
– Discontinued operations	0.74	0.80	(7.3)

5 Revenue generated across all distribution platforms (cable, satellite, internet TV) including re-transmission fees
6 See **Key performance indicators** on pages 57 to 59
7 Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on page 60
8 Net cash/(debt) excludes current and non-current lease liabilities. Including these, net debt as of 31 December 2023 was €-592 million (31 December 2022: net debt of €-205 million). See **Key performance indicators** on page 61
9 Frankfurt Stock Exchange
10 The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements)

Corporate profile

About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 60 television channels, seven streaming services and 36 radio stations.

The Group's families of TV channels are either number one or number two in six European countries, while RTL Group owns, or has interests in, radio stations in France, Germany, the Netherlands, Spain and Luxembourg. RTL Deutschland is the Group's largest business unit and Germany's first cross-media champion, operating across TV, streaming, radio and digital publishing. RTL Group's streaming services include RTL+ in Germany and Hungary, Videoland in the Netherlands and 6play in France.

Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, and is responsible for more than 11,000 hours of programming per year, alongside an international network of teams operating in 27 countries. The streaming tech company, Bedrock, and the ad-tech company, Smartclip, are also owned by RTL Group.

As a market leader, RTL Group strives to foster alliances and partnerships within the European media industry – for example, by building one-stop advertising sales houses in Germany with Ad Alliance, and driving international advertising sales with RTL AdAlliance.

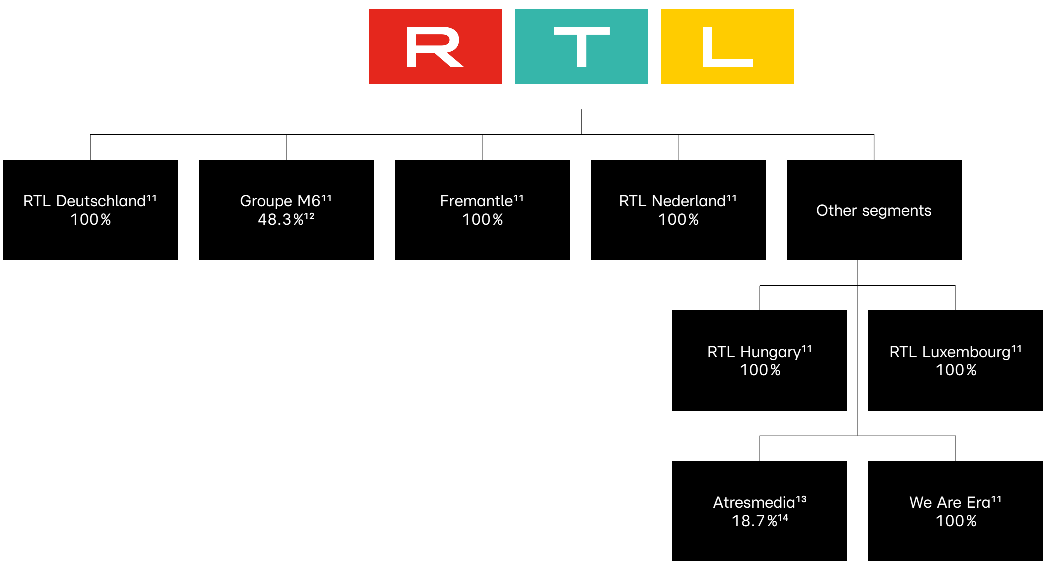
The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same wavelength.

RTL Group itself was created in spring 2000, following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by Pearson Plc. CLT-UFA was created in 1997 when the shareholders of UFA (Bertelsmann) and the historic Compagnie Luxembourgeoise de Télédiffusion – CLT (Audiofina) merged their TV, radio and production businesses.

Bertelsmann has been the majority shareholder of RTL Group since July 2001. RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt and Luxembourg Stock Exchanges. RTL Group is listed in the MDAX stock index. RTL Group publishes its consolidated financial statements in accordance with IFRS as adopted by the European Union.

RTL Group corporate structure (simplified)

as at 31 December 2023



11 Fully consolidated. RTL Nederland is classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023 (Application of IFRS 5 'Non-current assets held for sale and discontinued operations' to the operating segment RTL Nederland)
12 Net of treasury shares and own shares held by Métropole Télévision SA under liquidity contract
13 Investment accounted for using the equity method
14 Net of treasury shares

Management approach

The Group's business units are run by management teams with entrepreneurial freedom and editorial independence. This enables each unit to act flexibly in its market, to build its own local identity, and to benefit from one of the most important success factors in the media business: proximity to its audience.

Responsibility for the day-to-day management of the company rests with the Chief Executive Officer (CEO), who – on a regular basis and upon request of the Board – informs the Board of Directors about the status and development of the company. The Executive Committee is comprised of the CEO, the Deputy CEO & Chief Operating Officer (COO) and the Chief Financial Officer (CFO). The Executive Committee is vested with internal management authority.

In the Operations Management Committee (OMC), the Executive Committee meets with CEOs of the Group's units to share information, discuss opportunities and challenges, and foster cooperation.

RTL Group has strengthened cross-border collaboration in the areas of streaming technology (led by Bedrock); advertising technology (led by Smartclip); international advertising sales (led by RTL AdAlliance); tech & data; content creation, sourcing and distribution.

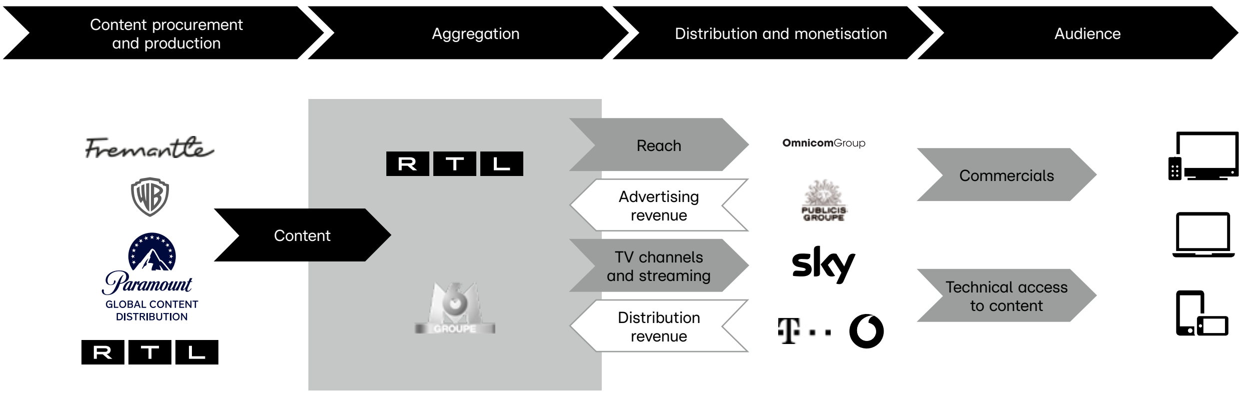
In addition, all units benefit from sharing information, knowledge and experience across the Group through the Group's Synergy Committees (SyCos). These SyCos – which are comprised of executives and experts from each segment and from the Group's Corporate Centre – meet regularly to discuss topics such as programming, advertising sales, streaming and tech and data. While each unit makes its own decisions, it is encouraged to draw on the understanding and expertise of other RTL Group companies.

The Corporate Centre provides strategic direction and financial controls as well as a number of service functions in areas such as financial systems and processes, while managing the Group's portfolio of holdings.

Business model

RTL Group's business model is to produce, aggregate, distribute and monetise the most attractive video content, across all formats and platforms.

Broadcast



Generic broadcast value chain

RTL Group's broadcasters buy, produce and commission mostly local content. They also buy or license broadcasting rights for films, TV series and sporting events. TV channels and radio stations, meanwhile, create and schedule programming that helps them shape their channel brands. Rather than focusing on a single genre, RTL Group's flagship channels create a general interest programming mix across all genres, including drama, factual entertainment, news, talk, soaps, reality and sport.
In today's fragmented marketplace with a huge number of available linear TV channels, streaming services and other social video platforms, it's crucial for broadcasters to offer content that makes them stand out.

Since advertising is the primary source of revenue for RTL Group's broadcasters, they offer their advertising clients a range of ad formats – from the traditional 30-second commercial to tailored packages of TV and digital ads to addressable TV advertising.

RTL Group's advertising sales houses sell spots in the channels' linear and non-linear programming and also increasingly across several media categories such as TV, radio/audio, print and online display (cross-media). The price advertisers pay generally depends on the reach and demographic structure of the audience they target. Higher audience shares and more sought-after target groups lead to higher spot prices, generally priced at CPM (cost per mille).

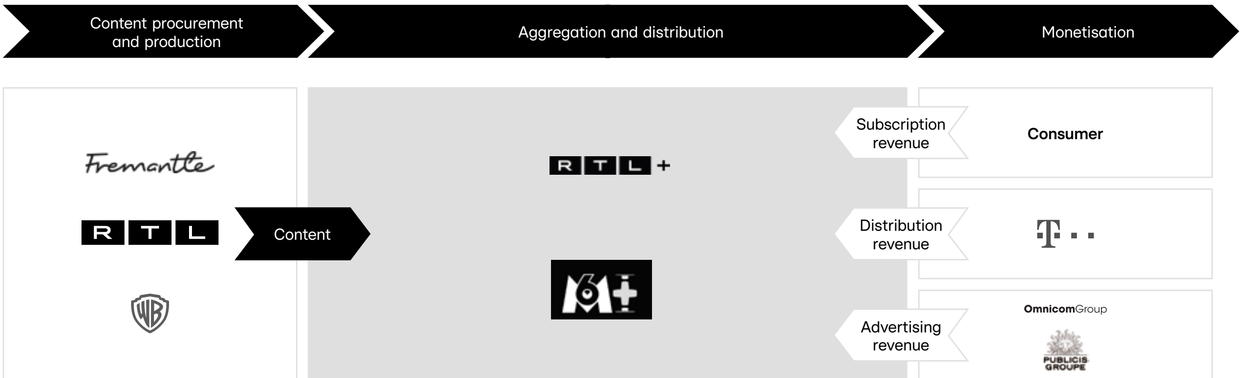
RTL Group broadcasters distribute their content via all platforms, such as cable, satellite, terrestrial broadcasting and internet TV. In exchange for the broadcasting signal in high definition (HDTV) or additional services – such as the RTL Group broadcasters' pay-TV channels or streaming services – the broadcasters receive fees from platform operators. RTL Group reports this figure separately as distribution revenue. Between 2012 and 2023, this high-margin revenue rose from €175 million to €331 million.

Streaming

In order to make their programmes available on all devices at all times, RTL Group's broadcasters have established their own streaming services, which are financed by subscription fees, advertising and distribution. These broadcasters continue to increase their production volume of original content for their streaming services and have further developed their direct-to-consumer business models to attract new users, retain users and increase engagement.

RTL Group's streaming services have all opted for hybrid business models. For example, 6play in France has added a paid tier for users who wish to have a premium experience with early content access and comfortable features such as download to go and HD quality.

Tiers are built differently across streaming services to fit the business objectives and user experience envisioned by each broadcaster. Features include, for example, several parallel streams on various devices, the live signal of RTL TV channels in HD quality, and premium content bundles that offer local programmes from the Group's linear TV channels, plus premium content either exclusively produced or licensed from third parties. In 2022, RTL Deutschland launched an innovative offer with cross-media content that was bundled in one all-inclusive entertainment app in 2023. In addition to video content, RTL+ Max users have access to more than 90 million songs, more than 100 radio streams, podcasts and a growing selection of audiobooks and digital magazines.

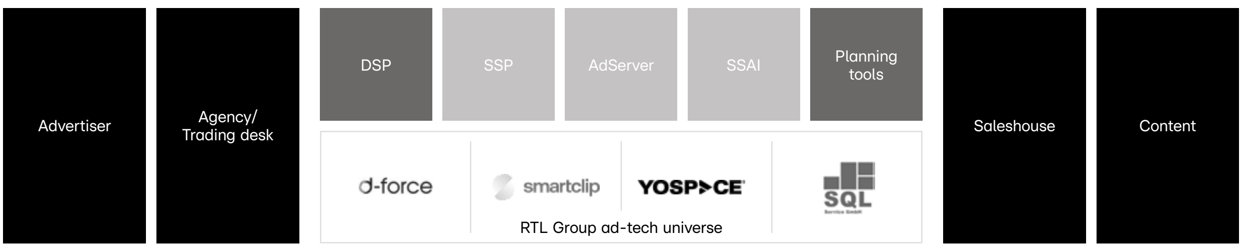


Streaming value chain

Advertising technology

While linear television remains the key medium to reach mass audiences daily, digital video advertising allows advertisers to deliver message to an engaged audience, which can be enhanced using technology and data. This is done using a sophisticated method that automates the advertising sales process: within milliseconds, an ad space on a website or streaming service can be sold to advertisers looking for a particular demographic and willing to pay a price within a given range.

In brief, advertising technology fulfils two main goals: a) to find the best possible match between advertiser and user and, b) to find the best achievable price for both advertiser and publisher. The main difference to traditional advertising sales is the targeting of individual users instead of a broad reach. Addressable TV advertising aims to combine the advantages of traditional TV advertising – such as high reach and brand safety – with the targeting solutions of digital advertising.



Content

RTL Group's broadcasters produce and commission a wide variety of local content, while the Group's global production arm, Fremantle, is responsible for more than 11,000 hours of programming per year.

Concept creation	Pre-production[15]	Production	Post-production	International distribution
IP creation Script Character design Story	IP development Funding Scheduling Integration of process Attach key cast Storyboard	Shooting Screenplay Storyboard	Cut VFX Sound Music DRM	Tape sales Rights management Commercial exploitation Ancillary exploitation

Content production value chain

As one of the world's largest creators, producers and distributors of content, Fremantle operates differently to RTL Group's broadcasters. The company produces, licenses and distributes a vast array of programmes that range from high-end drama and documentaries through to game shows, daily dramas and reality TV formats. As a production company, Fremantle provides broadcasters and streaming services with content that they can use to build their businesses. Fremantle has an international network of teams across production and distribution, operating in 27 countries.

Fremantle's international distribution business sells finished programmes and formats around the world, while acquiring, developing, financing and co-producing new titles for the international market. Its catalogue contains a diverse range of programming across all major genres. Supported by a sales network that spans eleven international offices across five continents, Fremantle distributes content in over 180 territories worldwide.

The distribution business also plays an important role in providing financing for high-quality drama series and documentaries and is then able to sell these formats internationally to help to refinance the production costs, thereby making the productions more profitable.

The business model of drama series, films and documentaries is based on creating long-term library value. Ideally, these series will entertain viewers and thereby generate revenue and profits for five to 20 years. The development cycle of high-end drama series – from concept to screening – ranges from two to three years.

The time of delivery of a finished programme and the date of initial transmission are determined by the broadcaster or streaming service. This affects the timing of revenue recognition at Group level. These phasing or timing effects can swing significantly from one quarter to another, but are often balanced over the course of the year.

15 Pre-production only starts once the idea is sold to a commissioning client network

Other

Radio/Audio

Alongside the flagship radio station RTL in France, RTL Group owns or has interests in other stations in France, Germany, Spain and Luxembourg – reaching millions of listeners every day. RTL Group's radio stations create and schedule programming to shape their channel brands. In France, the Group's flagship channel balances a mix of genres such as news, talk and comedy to create a general interest programming mix, whereas smaller channels such as Fun Radio focus only on music and younger listeners.

In the case of France, Germany and Luxembourg, RTL Group operates TV broadcasting and radio broadcasting in the same market. This creates significant synergies, ranging from cost to programme and cross-promotion – for example with joint advertising sales houses. Next to traditional advertising-financed radio broadcasting (which has a similar business model to linear free-TV as detailed on page 42), RTL Group is active in the production of podcasts – for example with Audio Alliance in Germany.

Publishing

RTL Group's German publishing business includes established magazine brands such as *Stern*, *Brigitte* and *Geo*, as well as digital products in all publishing segments. The business model is comparable to radio and TV: the publisher collects, produces and distributes local content and RTL Deutschland's advertising sales house Ad Alliance sells print and online advertising. The main sources of revenue are advertising and distribution, which is divided into subscription and retail sales.

RTL Deutschland's publishing business has been undergoing a digital transformation. The shift from print to digital marks a change in consumer behaviour amplified by a challenging market environment. This is mainly due to increased prices for paper and energy, increasing inflation and supply chain issues and significantly decreasing print advertising revenue. The restructuring of the business, which was completed in 2023, is accompanied by an investment of €80 million by 2025 in the Group's publishing business, €30 million thereof in the expansion of the digital paid offer Stern+.

Market

Market environment

Digitisation has significantly transformed the TV market. More than 99 per cent of European households now receive their TV signal digitally and, in Germany alone, viewers have access to more than 80 linear television channels.

Digitisation has brought new ways of reaching viewers – including short-form video content made for consumption on mobile devices and streaming services – which complement conventional modes of TV distribution such as terrestrial television, cable and satellite (free-to-air and pay-TV). RTL Group and other broadcasters have welcomed the opportunity to distribute their programmes on both a linear (scheduled) and non-linear (on demand – anywhere, any time and on any device) basis.

With these extensive changes in the technical infrastructure of content distribution, the rise in viewing consumption through new devices (connected TVs, mobile devices and game consoles) has led to far-reaching changes in TV viewing behaviour. Now that media convergence has become a technical reality, the media industry has experienced noticeable shifts in audience reach, advertising and distribution.

The video market comprises:
- Linear TV (commercial free-to-air channels, pay-TV channels, public broadcasters and linear TV channels delivered ‘over-the-top’)
- Streaming services financed by subscriptions, advertising, distribution revenue or pay-per-view (especially long-form)
- YouTube, Facebook/Instagram, TikTok, Twitch and other online video platforms (especially short-form)

Market trends

Due to ongoing digitisation, RTL Group’s markets are currently shaped by two key trends: **competition** and **consolidation.**

While linear TV is still the way most viewers consume video content, non-linear viewing or streaming is growing fast. The following trends can be observed:
- The younger the target group, the higher the share of non-linear viewing
- The younger the target group, the higher the share of viewing on mobile devices
- Linear viewing time in young target groups has decreased over the past decade
- Younger target groups spend more of their entertainment time on more social and interactive forms of entertainment, including video games and social experiences
- Streaming services are now also increasingly attracting older target groups
- Watching video content on mobile devices increases the demand for short-form video (short clips that last just a few minutes)
- There is a high demand for high-end drama series, films and documentaries on streaming platforms
- Films are increasingly produced for streaming services and broadcasters, while cinemas decrease in relevance

Competition

Traditional media companies, particularly in the United States, spend enormous amounts in the battle with global tech platforms such as Netflix, Amazon and YouTube (Google). In what became known as the ‘streaming wars’, in a short space of time, Disney, Apple, Warner Bros. Discovery, Paramount Global (formerly ViacomCBS) and Comcast/NBCUniversal all launched new streaming services. Subscriptions for libraries of films and shows, along with other services, cost up to €18 a month in Germany, for example. In addition to the subscription fees, streaming services such as Netflix, Disney+ and Amazon Prime introduced ad-supported price tiers to their services. Amazon complemented its Amazon Prime service with a purely advertising-financed offer, Freevee, which is available for free in major markets such as the United States, the United Kingdom and Germany. Streaming services also offer an increasing number of free ad-supported streaming TV (FAST) channels. In contrast to ad-supported video-on-demand (AVOD), FAST channels offer live TV – like a linear TV channel via CTV devices. Although this increases competition, it also offers opportunities for content production companies such as Fremantle.

As a result, the production business around the world was thriving in the years 2018 to 2022, especially for high-end drama series, causing rapidly increasing prices for the best content and talent:

- According to data from research firm Ampere Analysis, the global production market represented $243 billion in 2022 – twice as much as 10 years ago. However, this trend is expected to slow down, according to an Ampere Analysis report published in January 2023. Despite macroeconomic headwinds, budget cuts of streaming companies, a challenging TV advertising environment, which especially burdened free-to-air broadcasters, and industry challenges from the writers' strike in the US, the market is estimated to be stable in 2023, with a total value of $245 billion.
- Content production prices increased rapidly over the past years. According to *FT.com*, *Citadel* on Amazon Prime was the most expensive series of 2023, with production costs of $50 million per episode. The first season of the *Lord of the Rings* series for Amazon Prime, which launched in 2022, is still the most expensive series ever, costing $58 million per episode.
- However, streaming services worldwide have faced slower growth in paying subscribers, driven by the high number of available services and increased customer churn. The focus of streaming players has shifted towards profitability, with cost-saving measures and tighter control on content spend. For example, content commissioning has partly moved from expensive scripted series to less expensive unscripted content, such as entertainment and reality shows. In addition, several subscription-based streaming services further strengthened their activities to increase revenue from advertising.
- Since the peak of the streaming wars in 2022, major US studios and content rights holders – such as Disney, Paramount Global and Warner Bros. Discovery – have again started to license films and shows to competitors, international broadcasters and streaming services. This move partly reverses their strategy to withhold such content for exclusive use on their own direct-to-consumer streaming services. Global streaming services – which previously asked for worldwide exclusive rights from production companies – have also become more flexible in their content acquisition strategy. Both developments offer opportunities for RTL Group's broadcasters and streamers, as well as for the Group's global content business, Fremantle.

The developments in the field of artificial intelligence (AI) have accelerated significantly. Tools and applications based on AI are being adopted by consumers and institutions alike. For TV, streaming and content production, generative AI poses both risks and opportunities. While copyright considerations in this context are unchartered territory, the applications have the potential to drive efficiency gains in areas such as advertising planning, video and advertising production, and post-production (for example, subtitling and dubbing). For further examples on AI at RTL Group see **Innovation** on page 84.

Consolidation

In the past 10 years, some media groups have been folded into vertically integrated conglomerates that control both the production and distribution of content. For example, Comcast bought US media company NBCUniversal and the European pay-TV provider Sky.

The world's largest media company, Disney, expanded horizontally, with its $71 billion acquisition of 21st Century Fox in 2019 and previous acquisitions of Pixar (animation studio), Lucasfilm *(Star Wars)* and Marvel Entertainment (Marvel Comics). US telecommunications company AT&T bought DirecTV, a satellite firm, and Time Warner, owner of HBO and Warner Bros. Studio. AT&T split off WarnerMedia and combined it with Discovery in April 2022 – now called Warner Bros. Discovery. US media companies CBS Corporation and Viacom formed ViacomCBS (called Paramount Global since February 2022). This period of consolidation has created a handful of content companies with huge back catalogues.

In Europe, larger consolidation moves initiated by RTL Group, such as the planned mergers between Groupe TF1 and Groupe M6 in France and Talpa Network and RTL Nederland in the Netherlands, were blocked by the competition authorities. In both countries, the competition authorities did not take into account the speed and extent of the changes in the European media landscape and the impact of these changes on local media companies.

As outlined in Deloitte's TMT predictions for 2024, the streaming model will shift from subscriber growth to profitability. Streamers are expected to consolidate, firstly commercially and secondly via M&A. With this so-called 'commercial consolidation', streamers are expected to offer bundles that combine several streaming or other media services at a lower combined price and with longer subscription periods, for example six months or a year-long subscription. This bundling is also possible in collaboration with telecommunication companies, such as the hard bundling of Deutsche Telekom's Magenta TV and RTL+ in Germany.

The production business, although much more fragmented than broadcasting and streaming, shows a similar consolidation trend, as demand for talent – including authors, scriptwriters and showrunners – increases. Thus, large production businesses merge with, or increasingly acquire, smaller production companies. An international example is the French TV production firm Banijay, which acquired Endemol Shine from Disney and Apollo Global Management, creating a global production giant – the largest TV producer outside the US. Fremantle has invested heavily in a large number of smaller production companies to accelerate its growth in scripted series, films and documentaries.

Strategy

The international media industry is in the middle of a fundamental transformation, with huge opportunities for those prepared to shape the future.

RTL Group transforms its business for higher reach and better monetisation to unlock these opportunities. Combining linear TV channels and non-linear services increases total reach and requires investments in content, marketing and state-of-the-art streaming services. Targeting, personalisation and recommendation improve the monetisation of that reach and require investments in advertising technology and data.

RTL Group's Board of Directors and Executive Committee have defined a strategy that builds upon three priorities:

1. Strengthening the Group's **core** businesses.
2. Expanding RTL Group's **growth** businesses, in particular in the areas of streaming, content production and technology.
3. Fostering **alliances and partnerships** in the European media industry.

Core

Strengthening RTL Group's families of channels
Wherever attractive opportunities arise, the Group **aims to consolidate** across its existing European broadcasting footprint – including mergers and acquisitions. The strategic rationale is about scale, pooling resources and creativity to compete with global tech platforms in the respective national markets. Instead of consolidating in larger steps, as initially planned, RTL Group executes a series of smaller steps as an alternative path to scale. This includes, for example, strengthening the Group's national and international ad sales businesses, fostering distribution partnerships, investments in streaming technology and data, or smaller consolidation steps. In Belgium, Croatia and most recently in the Netherlands, RTL Group decided to sell its TV and streaming businesses to regional media companies so that they can act as consolidators in these markets.

Building and extending families of TV channels addresses increasing audience fragmentation and competition in a digital, multi-channel world, with the overall goal of maintaining or growing RTL Group's audience shares and net TV advertising market shares in the various countries. Over the past years, RTL Group's families of channels have been extended by **digital channels**, including Nitro, RTL Up, Vox Up, and 6ter.

To further strengthen its broadcasting business, **RTL Group aims to increase non-advertising revenue.** This includes growing revenue from platform operators – cable network operators, satellite companies and internet TV providers – for services such as high-definition TV channels, streaming platforms and digital pay channels (distribution revenue) as well as intensifying distribution and pay streaming partnerships.

Investing in premium content

Investing in premium content and exploring all ways to develop and own new hit formats are key to strengthening RTL Group's core business. In 2023, RTL Group spent around €4 billion on content, combining the programming spend of its broadcasters and the productions of its global content business, Fremantle. Investment in local, exclusive content – including the rights for live sports events – strengthens RTL Group's linear TV channels, streaming services and its news and magazine formats.

The following deals strengthen the Group's linear channels, helping to attract male audiences, and play an important part in gaining new paying subscribers for the Group's streaming services:

Germany

- **Uefa Europa League** and **Europa Conference League** for the seasons 2024/25 to 2026/27
- Sub-licence of the exclusive rights to 12 **Uefa Euro 2024 matches** from Deutsche Telekom
- Half of all football matches of the **German national team** in the Uefa Nations League until 2028
- **European Qualifiers** for both the Fifa World Cup 2026 and Uefa Euro 2028
- **National Football League (NFL)** matches including the Super Bowl until 2028
- Content partnership with **Sky Deutschland:** seven Formula 1 races broadcast live on RTL in Germany, alongside one game from the English Premier League per match week on RTL+, and three conference broadcasts of the 2nd Bundesliga on RTL. The partnership also includes selected highlights rights and Sky fiction productions. Sky Deutschland will receive rights to two Uefa Europa League or Uefa Europa Conference League games per match week
- Licensing agreement with **Paramount Global Content Distribution:** attractive programme package for RTL+ and RTL Deutschland's free-to-air TV channels, including German premieres and highlights from Paramount's library
- Strategic partnership with **Constantin Film:** cross-platform licensing of exclusive free-to-air TV content and exclusive streaming rights for all theatrical productions in Germany

France

- **Uefa Europa League and Europa Conference League** for the 2022/23 and 2023/24 seasons
- Free-to-air TV rights of the **Uefa Champions League finals** in 2025, 2026 and 2027
- Shared free-to-air TV rights of the **Uefa Euro 2024** with TF1, with Groupe M6 broadcasting a total of 13 matches including the final, one semi-final and two quarter-finals
- 18 matches of the 2023 **Rugby World Cup**

Others

- Hungary: **Uefa Champions League** starting in the 2024/25 season for three years
- Hungary: retained linear and digital rights to the **Uefa Europa League** and the **Uefa European Conference League** for three years for the seasons 2024/25 to 2026/27
- Luxembourg: **Uefa Champions League** until 2024 and **Uefa European Qualifiers until 2028**
- Luxembourg: **Formula 1** races until 2026

Managing the portfolio

RTL Group's management continuously reviews the Group's portfolio. In the past years, RTL Group sold several non-core assets in Europe, including the football club Girondins de Bordeaux and the website MonAlbumPhoto in France, the home entertainment and theatrical distribution company Universum Film in Germany, the Vancouver-based digital video network BroadbandTV (BBTV), the US ad-tech company SpotX, the US-based mobile entertainment company Ludia and the US software and data company for media measurement, VideoAmp.

These disposals are consistent with RTL Group's strategy to focus on growing its European digital businesses in the areas of streaming and advertising technology, alongside the Group's global content business, Fremantle.

Growth

Building national streaming champions
RTL Group is building national streaming champions in the European countries where it has leading families of TV channels. These streaming services capitalise on the Group's competitive advantage in local programming to complement global services such as Netflix, Amazon Prime and Disney+.

RTL Group operates the services RTL+ in Germany and Hungary and 6play in France that have gradually introduced a **hybrid business model** consisting of various price packages. Lower-priced or free packages are predominantly or fully financed by advertising. Various premium price packages include, for example, parallel streams on various devices, the live signal of RTL TV channels in HD quality and premium content bundles. These content bundles offer programmes from the Group's linear TV channels in the respective countries, plus premium content either exclusively produced or licensed from third parties.

Following the envisaged disposal of the Dutch streaming service Videoland and the investments in M6+ in France, RTL Group has updated the targets for its streaming services RTL+ in Germany, RTL+ in Hungary and M6+ (previously 6play) in France: by 2026, the Group aims to reach around 9 million paying subscribers and around €750 million of streaming revenue. RTL Group plans to increase its content spend to around €500 million and to become profitable by 2026. At the end of December 2023, RTL Group registered **5.569 million paying subscribers** for its streaming services RTL+ in Germany and Hungary and 6play in France, up 30.5 per cent year on year (end of December 2022: 4.267 million).

In Germany, the Group rebranded its rapidly growing streaming service as **RTL+** in November 2021 and launched the RTL+ multimedia app at the beginning of August 2023. RTL+ is the first German all-in-one streaming bundle that combines video, music, audiobooks, podcasts and magazine content in one subscription and one app, which is a unique selling proposition in the German-speaking market.

In France, Groupe M6's streaming service **6play** is the ad-funded streaming service, with 21.3 million active users. In October 2022, Groupe M6 launched 6play Max, a paid subscription video-on-demand version of 6play, developed by RTL Group's streaming technology company Bedrock. Within this subscription offer, users can watch content without advertising, in full HD and including download features. In March 2024, Groupe M6 presented its investment plan for its streaming service M6+ (previously 6play). The additional investments of €100 million in content, technology and marketing will build up over time. The service will be primarily financed by advertising (AVOD), complemented by a premium subscription tier (SVOD). It will feature exclusive local content accessible from all screens alongside offering innovative experiences for the viewers and a higher value proposition for advertisers.

In Hungary, **RTL Hungary** launched its streaming service **RTL+** in November 2022. The new service offers exclusive local content, which is a unique feature in the Hungarian streaming landscape, and is also based on the technology of Bedrock.

Expanding RTL Group's global content business, Fremantle
RTL Group's content business, Fremantle, is one of the world's largest creators, producers and distributors of scripted and unscripted content. Fremantle runs an international network of teams across production and distribution in 27 countries. The company is responsible for more than 11,000 hours of programming per year, and distributes content worldwide.

Fremantle aims to achieve full-year revenue of €3 billion by 2025/2026. To reach this goal, RTL Group is investing in Fremantle across **entertainment, drama and film,** and **documentaries** – both organically and via acquisitions. After integrating its acquired labels/production companies into the Fremantle network and reducing overhead, Fremantle's Adjusted EBITA margin is expected to increase to 9 per cent by 2026.

Fremantle pursues three strategic goals:
- **Protect and grow the core:** Maintaining its position as a leading producer and distributor of quality programming by nurturing established brands such as *Idols, Got Talent* and *Farmer Wants a Wife,* while investing in creating new formats and brands and expanding the client base with global streaming platforms such as Netflix and Amazon Prime.
- **Grow drama, film and documentaries:** Fremantle has made a series of investments in talent and labels to grow its drama, film and documentary business, and be the best choice for talent. The company has strengthened its European footprint, expanded its scripted business and invested in several documentary production companies to become a leading producer of high-end documentaries.
- **Create a portfolio business** by exploiting new monetisation models such as branded entertainment, direct-to-consumer and FAST channels. Fremantle has launched 23 own FAST channels in 12 territories, such as *Family Feud Classic, Jamie Oliver, Baywatch* and *America's Got Talent,* which are currently available on different platforms. Fremantle has an ambitious plan to leverage its global footprint and grow the business internationally.

Fremantle continues to invest in high-end productions to **accelerate its growth in drama series, films and documentaries.** Acquisitions include, for example, Miso Film in Scandinavia, This is Nice Group in the Nordics, Wildside and Lux Vide in Italy, Asacha Media Group and Kwaï in France, A Team Productions in Belgium, Abot Hameiri and Silvio Productions in Israel, Dancing Ledge Productions, 72 Films, Wildstar Films and Boldprint Studios in the UK, Passenger and Fabel in the US, Eureka in the US and Australia, Element Pictures in Ireland and Beach House Pictures in Asia.

Fremantle also bought minority stakes in a number of new production companies to secure first access to their creative talent and output. Working with world-class storytellers is key to Fremantle's scripted strategy.

As a result of this strategy, Fremantle generated 31 per cent of its total revenue in 2023 from drama and film productions.

To replicate this success in documentaries, Fremantle has established a new global documentaries division, acquired documentary production companies, and set up its own premium documentary label Undeniable, which focuses on producing world-class premium feature documentaries.

Investing in technology and data
Combining the strengths of RTL Group's core business – high reach, brand safety and emotional storytelling – with data and targeting offers significant growth potential for the Group's largest revenue stream: advertising. Addressable TV will grow the available inventory, attract new advertisers and can be sold with a premium compared to traditional linear TV advertising.

RTL Group's largest unit, RTL Deutschland, is responsible for the Group's ad-tech business, Smartclip. Based on the Smartclip technology, RTL aims to create an open ad-tech platform tailored to the needs of European broadcasters and streaming services. Accordingly, RTL Deutschland will invest further in evolving and growing the Smartclip platform. This includes acquisitions such as French ad-tech company Realytics, which complemented the existing ad-tech stack. Realytics systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decision-making.

With its European ad-tech businesses, RTL Group made significant progress in building an open European ad-tech platform and in tapping into the high-growth market of addressable TV (ATV) advertising. In 2021, it was predicted that in Germany alone, the market for ATV advertising was expected to grow to more than €500 million by 2025. Based on this prediction, RTL Deutschland was expected to generate approximately €200 million in ATV advertising revenue by 2025. However, the macroeconomic environment in the past three years, the slower technical distribution of connected smart TV devices and set top boxes, and the acceptance of ATV advertising by clients delayed market growth. RTL Group expects that RTL Deutschland will generate approximately € 200 million in ATV advertising revenue by 2027, two years later than previously planned.

Bedrock, a French technology company co-founded by RTL Group and Groupe M6, builds the tech platform for Groupe M6's streaming service 6play, Videoland in the Netherlands and RTL+ in Hungary. This common platform allows RTL Group to bundle streaming technology investments.

Alliances and partnerships

In competing with the global tech platforms, new alliances and partnerships between European media companies become increasingly important.

In autumn 2019, RTL Group's management started to promote new partnership opportunities – all based on the philosophy of bundling European broadcasters' resources to establish open and neutral platforms. RTL Group offers these partnership opportunities in areas such as advertising sales, advertising technology, streaming technology, content creation and data.

As part of the envisaged sale of RTL Nederland, **RTL Group** and **DPG Media** will enter into a strategic partnership, spanning from technology to advertising sales and content. At the time of closing the transaction, the service agreements for RTL Nederland in the areas of streaming technology (via Bedrock), broadcasting operations (via RTL Group's technical services provider BCE) and international advertising sales (via RTL AdAlliance) will be renewed for at least three years. RTL Nederland will also continue to use the solutions provided by RTL Group's ad-tech business, Smartclip.

In November 2020, **RTL Deutschland** and **Deutsche Telekom** announced a **strategic partnership** to integrate the streaming subscription RTL+ Premium within Deutsche Telekom's TV offer, Magenta TV. Since then, price plans for both Magenta TV Smart and Magenta TV Smart Flex have included RTL+ Premium with no additional fee for customers. In addition, RTL Deutschland sub-licensed the exclusive rights to 12 Uefa Euro 2024 matches from Deutsche Telekom.

In December 2023, **Sky Deutschland** and RTL Deutschland announced a strategic two-year content partnership to offer German viewers access to even more live sport. The innovative partnership, which is unique in the German TV market so far, has the goal of delivering greater value to both Sky and RTL viewers by exchanging content. This includes sub-licensing seven Formula 1 races, one game from the English Premier League per match week on RTL+, alongside three conference broadcasts of the 2nd Bundesliga for RTL Deutschland and Uefa Europa League or Uefa Europa Conference League matches for Sky Deutschland. The partnership additionally includes selected highlights rights, Sky fiction blockbusters and close collaboration in production and on-screen editorial between the two broadcasters.

Driving international advertising sales

One key development for RTL Group's largest revenue stream – advertising – has been the increased demand from advertisers and agencies for global ad-buying opportunities. Consequently, RTL Group is expanding **international advertising sales** to cater to the demand from international advertisers and agencies for easy access to the Group's large portfolio of TV and streaming services, digital video company and advertising technology in a brand-safe environment.

In 2022, RTL Group combined RTL AdConnect, G+J iMS and the media division of Smartclip to create an international advertising sales champion: **RTL AdAlliance.** RTL AdAlliance provides international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

Building one-stop sales houses for cross-media campaigns

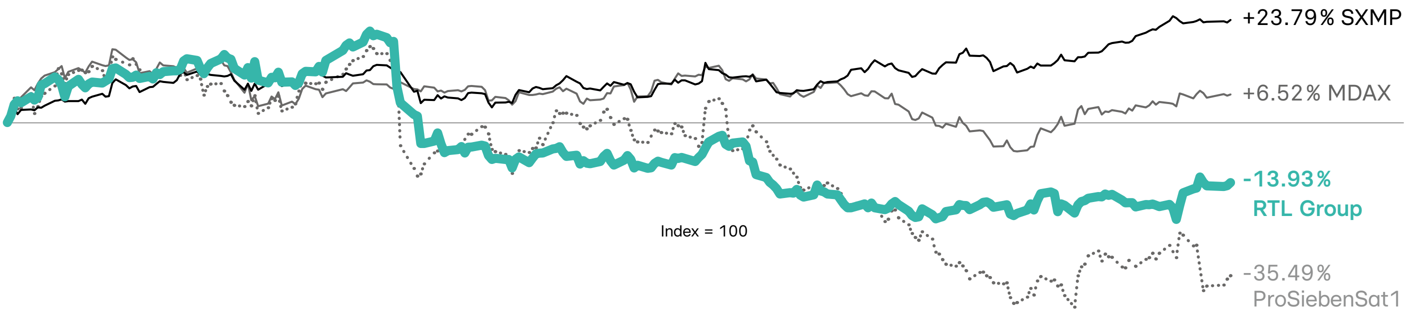
On the national level, the German Ad Alliance launched in 2016, offering high reach to advertisers and agencies. The German Ad Alliance is a one-stop shop for the development of cross-media solutions and innovative advertising products. Its portfolio spans television, radio/audio, print, and digital. Ad Alliance is the only sales house in Germany that offers complex, all-media campaigns from a single source. In 2019, the sales house Media Impact (Axel Springer) became a partner of the German Ad Alliance, and from January 2024, Ad Alliance has taken over the advertising sales of the digital portfolio of Bauer Advance. The partnership includes all digital brands of the Bauer Media Group and is a further step towards RTL Group's envisaged ad sales consolidation. Together, the platforms of Ad Alliance reach 99 per cent of the German population. Ad Alliance remains open to additional partnerships.

Capital markets and share

RTL Group's shares (ISIN: LU0061462528) are publicly traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and the Luxembourg Stock Exchange. RTL Group is listed in the MDAX stock index.

Share performance

1 January 2023 to 31 December 2023
in per cent



RTL Group share price development for January to December 2023 based on the Frankfurt Stock Exchange (Xetra) against MDAX, Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group's share price started 2023 at €40.62 and finished the year down 16.6 per cent, at €34.96. The share price highs and lows were €49.24 (19 April) and €31.50 (13 December).

Quarterly, the average share price evolved as follows:
Q1: €44.77
Q2: €40.57
Q3: €35.25
Q4: €33.10

The Group declared a dividend in April 2023 that was paid on 2 May 2023. The payment of €4.00 (gross) per share related to the 2022 full-year dividend. The total dividend paid amounted to €619 million. Based on the average share price of €42.04 in 2022, this represented a dividend yield of 9.5 per cent and a dividend payout ratio of 94 per cent, in line with the Group's dividend policy.

For more information on the analysts' views on RTL Group and RTL Group's equity story, please visit the **Investor Relations** section on *rtl.com.*

RTL Group rating

In 2019, RTL Group decided to cancel its ratings from both S&P and Moody's. Until the date of the cancellation, these ratings were fully aligned to RTL Group's parent company, Bertelsmann SE & Co KGaA, due to its shareholding level and control of RTL Group.

RTL Group dividend policy

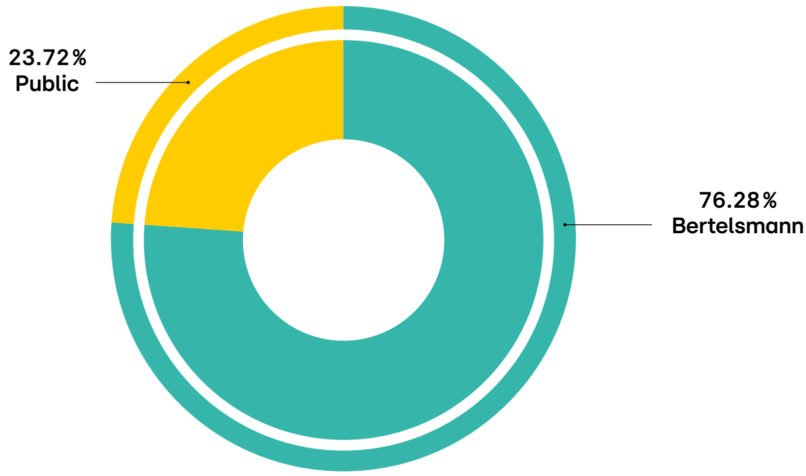
RTL Group's dividend policy offers a payout ratio of at least 80 per cent of the Group's adjusted net result.

The adjusted net result is the reported net result available to RTL Group shareholders, adjusted for any material non-cash impacts, such as goodwill impairments.

RTL Group shareholding structure

The share capital of the company is set at €191,845,074, divided into 154,742,806 shares with no par value.

The shares are in the form of either registered or bearer shares, at the option of the owner.

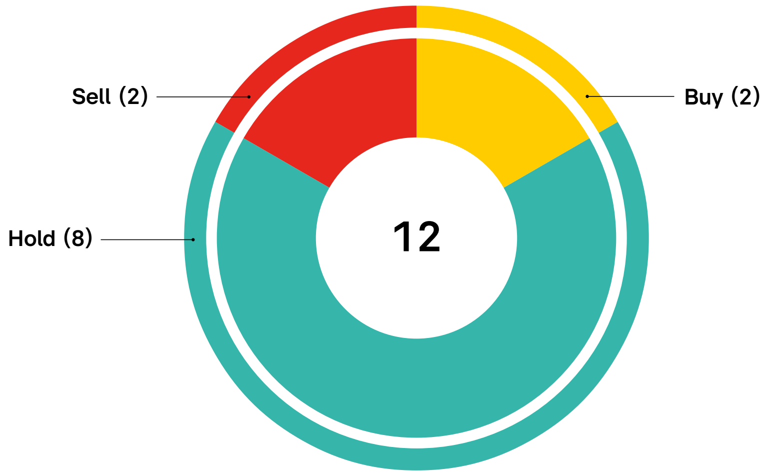


Bertelsmann has been the majority shareholder of RTL Group since July 2001. As at 31 December 2023, Bertelsmann held 76.28 per cent of RTL Group shares, and 23.72 per cent were free float.

There is no obligation for a shareholder to inform the company of any transfer of bearer shares save for the obligations provided by the Luxembourg law of 15 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. Accordingly, the company shall not be liable for the accuracy or completeness of the information shown.

Analyst coverage[16]

as at 31 December 2023



A detailed overview on the analysts' views on RTL Group can be found on *rtl.com*

RTL Group share master data

ISIN	LU0061462528
Exchange symbol	RRTL
WKN	861,149
Share type	Ordinary
Bloomberg code	RRTL:GR
Reuters code	RRTL
Ticker	RRTL
Transparency level on first quotation	Prime Standard
Market segment	Regulated Market
Trading model	Continuous Trading
Sector	Media
Stock exchanges	Frankfurt, Luxembourg
Last total dividend (for financial year 2022)	€4.00
Number of shares	154,742,806
Market capitalisation[17]	€5,409,808,498
52 week high	€49.24 (19 April 2023)
52 week low	€31.50 (13 December 2023)

16 Based on analyst coverage as at 31 December 2023
17 As of 31 December 2023

Discontinued operations/ application IFRS 5

Due to the reached agreement to sell RTL Nederland communicated on 15 December 2023, the operating segment RTL Nederland is classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023 (Application of IFRS 5 'Non-current assets held for sale and discontinued operations' to the operating segment RTL Nederland). The prior-year figures of the consolidated income statement are restated in accordance with IFRS 5 to report the discontinued operations separately from continuing operations. The envisaged sale of RTL Nederland is subject to regulatory approvals and the consultation process with the respective works councils.

In addition, RTL Group prepared selected pro-forma KPIs for the financial year 2023, including RTL Nederland. RTL Group's outlook (see **Outlook** on page 100) for the full-year 2023, as communicated on 8 November 2023, was based on these pro-forma figures. For these pro-forma figures see **Financial year 2023 in review** on page 38).

Financial results RTL Nederland
In 2023, the Dutch net TV advertising market was estimated to be down by 8.0 per cent, with RTL Nederland outperforming the market. RTL Nederland's total revenue decreased by 2.5 per cent to €620 million (2022: €636 million), as lower TV advertising revenue was partly compensated by higher streaming revenue. This resulted in an Adjusted EBITA of €145 million, down 9.9 per cent year on year (2022: €161 million), with the streaming service Videoland being close to breakeven.

Audience ratings RTL Nederland
In 2023, **RTL Nederland**'s family of channels grew its combined prime-time audience share in the target group of viewers aged 25 to 54 to 35.1 per cent (2022: 34.7 per cent).

RTL Nederland operates the leading family of TV channels in the Netherlands, comprising five free-to-air TV channels (RTL 4, RTL 5, RTL 7, RTL 8 and RTL Z), three digital pay-TV channels (RTL Lounge, RTL Crime, RTL Telekids) and an independent news organisation. With 1.4 million paying subscribers, Videoland is the country's number-one local streaming service.

Further information can be found in note 6.11 to RTL Group's consolidated financial statements.

Key performance indicators

RTL Group analyses key performance indicators (KPIs) to manage its businesses, including revenue, organic growth/decline, Adjusted EBITA, Adjusted EBITA before streaming start-up losses, Adjusted EBITA margin, net debt, operating cash conversion rate and audience shares in the company's main target groups. RTL Group's KPIs are mostly determined on the basis of so-called alternative performance measures, which are not defined by IFRS. Management believes they are relevant for measuring the performance of the Group's operations, financial position and cash flows, and for making decisions. These KPIs also provide additional information for users of the financial statements regarding the management of the Group on a consistent basis over time and regularity of reporting. These should not be considered in isolation but as complementary information for evaluating the Group's business situation. RTL Group's KPIs may not be comparable to similarly titled measures reported by other groups due to differences in the way these measures are calculated.

KPIs are reported for continuing operations. The contribution in 2023 from RTL Nederland, if any, to each line of RTL Group's consolidated income statement (before non-controlling interests) has been reported on the line 'Group profit from discontinued operations'. In accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information.

Organic growth/decline

Organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects, corporate acquisitions and disposals. It should be seen as a component of the reported revenue shown in the income statement. Its main objective is for the reader to isolate the impacts of portfolio changes and exchange rates on the reported revenue. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. Potential other effects may include changes in methods and reporting.

Adjusted EBITA

EBIT, Adjusted EBITA and EBITDA are indicators of operating profitability. With significant investments in the Group's streaming activities, RTL Group additionally uses Adjusted EBITA before streaming start-up losses. The KPI for the operating profitability of RTL Group and its business units is Adjusted EBITA.

Analysts, investors and peers of RTL Group use EBITDA to assess profitability. The use of EBITDA eliminates potential differences in performance caused by variations in capital structures and the cost and age of tangible and intangible assets (affecting relative depreciation expense and relative amortisation expense respectively). As a result, for these purposes the calculation of EBITDA and further for reconciliation purposes Adjusted EBITDA for RTL Group are also disclosed.

RTL Group comments primarily on Adjusted EBITA as the KPI for measuring profitability.

Adjusted EBITA represents a recurring operating result and excludes significant special items. RTL Group management has established an 'Adjusted EBITA' that neutralises the impacts of structural distortions for the sake of transparency. Based on the accelerated industry trends explained in the **Market** section (pages 46 to 47) and **Strategy** section (pages 48 to 52) in this Directors' report, RTL Group plans to increase its investments in business transformation including streaming, premium content, technology and data. At the same time, management continually assess opportunities to reduce costs in the Group's traditional broadcasting activities – for example, reallocating resources from its traditional businesses to its growing digital businesses – and this may lead to restructuring expenses that are neutralised in the Adjusted EBITA.

Adjusted EBITA is determined as earnings before interest and taxes (EBIT) as disclosed in the income statement excluding the following elements:
- Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Impairment and reversals of investments accounted for using the equity method
- Impairment and reversals on other financial assets at amortised cost presented in 'Other operating expenses' or 'Other operating income'
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'
- (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
- Significant special items

Significant special items exceeding the cumulative threshold of €5 million need to be approved by management, and primarily consist of restructuring expenses or reversal of restructuring provisions and other special factors or distortions. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions. In 2023, 'Significant special items' amount to €-125 million, reflecting mainly restructuring measures at RTL Deutschland (€-87 million) and personnel cost-efficiency measures at Fremantle (€-26 million). The remaining amount is attributable to expenses in connection with strategic portfolio measures and to the transformation project relating to a new Enterprise Resource Planning (ERP) solution where implementation costs were expensed as incurred. In 2022, 'Significant special items' reflected restructuring and integration costs in Germany (€-33 million) following the Gruner + Jahr transaction as well as the impact of expenses in connection with strategic portfolio management (€-11 million).

	2023 €m	2022 €m
Earnings before interest and taxes (EBIT)	**620**	**828**
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	43	46
Impairment and reversals of investments accounted for using the equity method	–	5
Impairment and reversals on other financial assets at amortised cost	2	30
Re-measurement of earn-out arrangements	9	–
Fair value measurement of investments	23	78
(Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(40)	(107)
EBITA	**657**	**880**
Significant special items	125	42
Adjusted EBITA	**782**	**922**

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements).

Adjusted EBITA before streaming start-up losses

In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ in Germany and Hungary and 6play in France (to be rebranded M6+ in 2024), all of which have seen a rapid increase in the number of paying subscribers (for further details please refer to **Building national streaming champions** on page 50). The Adjusted EBITA of RTL Group is impacted by effects relating to the growth of its streaming services. These are operational in nature, and are not included in 'Significant special items'. RTL Group believes the disclosure of 'streaming start-up losses' and 'Adjusted EBITA before streaming start-up losses' provides important context for its business performance, hence it discloses information relating to both KPIs in addition to its leading alternative performance measure, 'Adjusted EBITA'. Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, 6play in France (from 2023), Salto and Bedrock as consolidated on RTL Group level. For the year 2023, the total of streaming start-up losses amounted to €176 million (2022: €222 million). Adjusted EBITA before streaming start-up losses was €958 million (2022: €1,144 million).

Adjusted EBITA margin

The Adjusted EBITA margin as a percentage of Adjusted EBITA of revenue is used as an additional criterion for assessing business performance.

EBITDA/Adjusted EBITDA

EBITDA represents earnings before interest and taxes (EBIT) excluding some elements of the income statement:
- Amortisation and impairment of non-current programme and other rights, of other intangible assets, depreciation and impairment of property, plant and equipment (excluding the part concerning goodwill and fair value adjustments) and of right-of-use assets reported in 'Depreciation, amortisation and impairment'
- Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Impairment and reversals of investments accounted for using the equity method
- Impairment and reversals on other financial assets at amortised cost presented in 'Other operating expenses' or 'Other operating income'
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'
- (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

Adjusted EBITDA is determined as EBITDA excluding significant special items with the same definition as for Adjusted EBITA (please refer to the definition on page 57).

	2023 €m	2022 €m
Earnings before interest and taxes (EBIT)	**620**	828
Depreciation, amortisation and impairment	239	231
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	43	46
Impairment and reversals of investments accounted for using the equity method	–	5
Impairment and reversals on other financial assets at amortised cost	2	30
Re-measurement of earn-out arrangements	9	–
Fair value measurement of investments	23	78
(Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(40)	(107)
EBITDA	**896**	1,111
Significant special items[18]	123	42
Adjusted EBITDA	**1,019**	1,153

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements).

18 Less depreciation, amortisation and impairment included in 'Significant special items'

Operating cash conversion rate

The operating cash conversion rate (OCC) reflects the level of operating profits converted into cash available for investors after incorporation of the minimum investments required to sustain the current profitability of the business and before reimbursement of funded debts (interest included) and payment of income taxes.
The operating cash conversion rate of RTL Group's operations is subject to seasonality and investment cycles. RTL Group historically had – and expects in the future to have – a strong OCC due to a high focus on working capital and capital expenditure throughout the Group's operations. OCC should be above 90 per cent in the long-term average and/or it should normally exceed market benchmarks in a given year.

OCC means operating free cash flow divided by EBITA – operating free cash flow being net cash from operating activities adjusted by the following elements:
- Income tax paid
- Transaction-related costs with regard to significant disposals of subsidiaries
- Cash outflows from the acquisitions of programme and other rights and other intangible assets and tangible assets
- Cash inflows from proceeds from the sale of intangible and tangible assets

	2023 €m	2022 €m
Net cash from operating activities	**460**	323
Adjusted by:		
Income tax paid	160	294
Transaction-related costs	–	9
Acquisitions of:		
– Programme and other rights	(57)	(68)
– Other intangible and tangible assets	(115)	(129)
Proceeds from the sale of intangible and tangible assets	1	1
Operating free cash flow	**449**	429
EBITA	**657**	880
Operating cash conversion rate	**68%**	49%

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements).

Net cash/(debt)

The net cash/(debt) is the gross balance sheet financial debt adjusted for:
- Cash and cash equivalents
- Current deposit with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'

In order to assess RTL Group's leverage, the net debt to Adjusted EBITDA ratio is used. The ratio is calculated as net debt divided by Adjusted EBITDA.

	31 December 2023 €m	31 December 2022 €m
Current loans and bank overdrafts	(253)	(547)
Non-current loans	(689)	(138)
	(942)	(685)
Deduction of:		
– Cash and cash equivalents	575	589
– Current deposits with shareholder and its subsidiaries	76	276
Net cash/(debt)	**(291)**	180
Adjusted EBITDA	**1,019**	1,153
Net cash/(debt) to EBITDA ratio	**(29)%**	n.a.

The net debt excludes current and non-current lease liabilities of €301 million (31 December 2022: €385 million).

Operating cost base

Operating cost base is calculated as the sum of 'Consumption of current programme rights', 'Depreciation, amortisation, and impairment' and 'Other operating expenses'.

	2023 €m	2022 €m
Consumption of current programme rights	2,566	2,657
Depreciation, amortisation and impairment	239	231
Other operating expenses	2,969	3,025
Operating cost base	**5,774**	**5,913**

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements).

Dividend payout ratio

Dividend payout ratio means the absolute dividend amount divided by the adjusted profit attributable to RTL Group shareholders.

The absolute dividend amount is based on the number of issued ordinary shares at 31 December, multiplied by the dividend per share. The main adjustments on profit attributable to RTL Group shareholders refer to dilution gains from Global Savings Group (GSG) and fair value measurement impact from financial instruments.

	2023 €m
Profit attributable to RTL Group shareholders	**467**
Dividend policy adjustments	26
Adjusted profit for the year attributable to RTL Group shareholders	**493**
Dividend in € per share	**2.75**
Dividend, absolute amount	**426**
Dividend payout ratio[19]	**86%**

19 Dividend, absolute amount/adjusted profit attributable to RTL Group shareholders

Financial review

Revenue

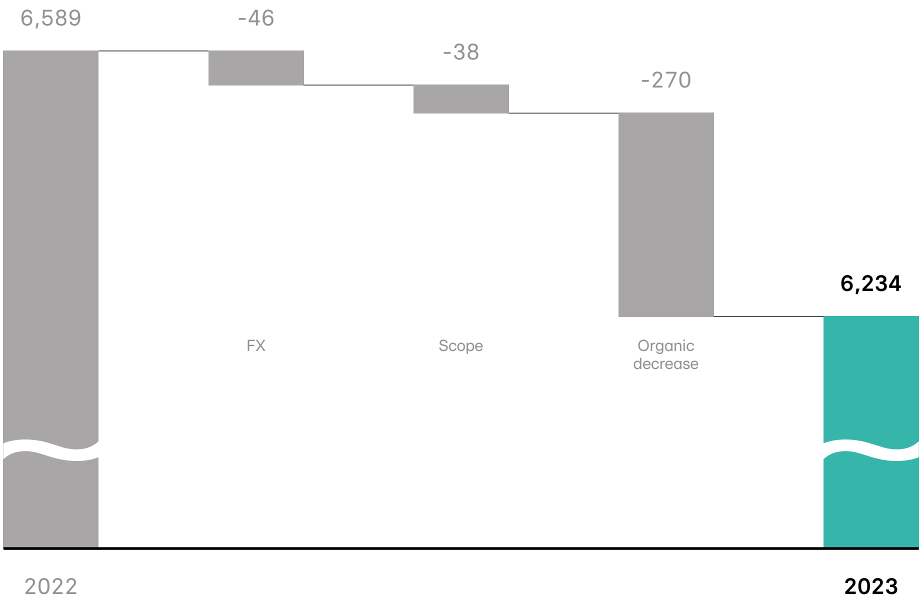
RTL Group estimates that the net TV advertising markets in 2023 in Germany and France were down throughout the year, whereas the advertising market in Hungary was up. A summary of RTL Group's key markets is shown below, including estimates of net TV advertising market growth rates and the audience shares in the main target audience group.

	Estimated net TV advertising market growth rate 2023 (in per cent)	RTL Group audience share in the main target group 2023 (in per cent)	RTL Group audience share in the main target group 2022 (in per cent)
Germany	-9.5 to -10.5%[20]	27.4%[21]	26.8%[21]
France	-4%[22]	21.9%[23]	22.3%[23]
Hungary	7.8%[20]	28.4%[24]	28.9%[24]

Group revenue was down 5.4 per cent to €6,234 million (2022: €6,589 million), mainly due to significantly lower TV advertising revenue from broadcasting businesses and lower Fremantle revenue. Group revenue was down 4.1 per cent organically compared to 2022.

RTL Group revenue bridge in 2023

(in €million)



20 Industry and RTL Group estimates
21 Source: GfK. Target group: 14–59, including pay TV channels
22 Source: Groupe M6 estimate
23 Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)
24 Source: AGB Hungary. Target group: 18–49, prime time; RTL Hungary has changed the publication of its audience figures as of 2022 and is now using 'Linear SHR' audience share data calculated without the category 'Other' of Nielsen

RTL Group's **revenue from advertising,** as stated in note 5.1 to the consolidated financial statements, was €3,111 million (2022: €3,319 million), of which €2,368 million represented **TV advertising revenue** (2022: €2,579 million), €364 million represented **digital advertising revenue** (2022: €361 million) and €379 million represented **radio, print and other advertising revenue** (2022: €379 million).

RTL Group's **content revenue** was €1,990 million (2022: €2,112 million), generated by the Group's global content business, Fremantle, from the production and distribution of formats for external customers[25]. Content revenue is included in 'Revenue from exploitation of programmes, rights and other assets' as stated in note 5.1 to the consolidated financial statements.

Distribution revenue is generated by RTL Group's broadcasting businesses, mainly from re-transmission fees paid by platform operators (cable, satellite, internet TV) for the transmission of free-TV and pay-TV signals and for making the Group's streaming services available on the operators' platforms. In 2023, distribution revenue was stable at €331 million (2022: €332 million). Distribution revenue is included in 'Revenue from exploitation of programmes, rights and other assets' as stated in note 5.1 to the consolidated financial statements.

Revenue from other rights exploitation was €318 million (2022: €264 million) and relates to SVOD revenue from the Group's major streaming services and, among others, Groupe M6's audiovisual rights business SND and We Are Era. Revenue from other rights exploitation is included in 'Revenue from exploitation of programmes, rights and other assets' as stated in note 5.1 to the consolidated financial statements.

Revenue from selling goods and merchandise and providing services, as stated in note 5.1 to the consolidated financial statements, relates to a variety of revenue streams, including commissions for handling advertising sales for third-party media partners, publishing subscriptions, e-commerce and a wide range of services businesses such as the technical services provider BCE, the streaming technology company Bedrock or the real-estate franchise Stéphane Plaza Immobilier at the level of Groupe M6. In 2023, revenue from selling goods and merchandise and providing services was €485 million (2022: €561 million). The decrease was mainly due to different disposals at the level of Groupe M6 in 2022 and 2023 and due to the sale and discontinuation of several magazine titles at the level of RTL Deutschland in 2023.

RTL Group's revenue is well-diversified, with 38.0 per cent from TV advertising, 6.0 per cent from digital advertising, 6.0 from radio, print and other advertising, 31.9 per cent from content, 5.3 per cent from distribution revenue, 5.1 per cent from other rights exploitation revenue and 7.7 per cent from selling goods and merchandise and providing services.

RTL Group revenue split

As explained in the section about RTL Group's strategy, building national streaming champions in the European countries where the Group has leading families of TV channels is imperative for the successful digital transformation and long-term growth of RTL Group (see page 50). In line with this strategic importance, RTL Group has communicated streaming targets since March 2020, relating to the number of paying subscribers, annual content spend, streaming revenue and profitability.

25 See note 5.1 to the consolidated financial statements on page 129. Fremantle's total revenue of €2,266 million (2022: €2,347 million) includes inter-segment revenue of €226 million (2022: €200 million) – see note 3.1 to the consolidated financial statements.

The Group's major streaming services RTL+ in Germany and Hungary as well as 6play in France (to be rebranded M6+ in 2024) generate digital advertising revenue, distribution revenue as well as pay revenue (SVOD and TVOD) referred all combined as 'streaming revenue'. In 2023, **streaming revenue** was up 72.6 per cent, to €283 million (2022: €164 million), thanks to the rapidly growing number of paying subscribers, higher revenue per subscriber and the first-time inclusion of 6play in France. Streaming revenue is presented in the revenue split in the categories 'digital advertising', 'distribution' and 'other rights exploitation'. Further, streaming revenue is included in categories 'Revenue from advertising' and 'Revenue from exploitation of programmes, rights and other assets' presented in note 5.1 to the consolidated financial statements.

Geographical revenue overview

	2023 €m	2023 %	2022 €m	2022 %
Germany	2,413	38.7	2,593	39.4
France	1,318	21.1	1,367	20.7
United States	1,015	16.3	1,002	15.2
UK	301	4.8	313	4.8
Other regions	1,187	19.0	1,314	19.9

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements).

Adjusted EBITA

Adjusted EBITA[26] declined to €782 million (2022: €922 million), mainly due to lower profit contributions from RTL Deutschland as the German TV advertising market decreased significantly in 2023. The Adjusted EBITA includes **streaming start-up losses** of €176 million (2022: €222 million). **The Adjusted EBITA margin**[26] was 12.5 per cent (2022: 14.0 per cent).

For more detailed information and reconciliation of these measures see pages 57 to 59.

Financial development over time

	2023 €m	2022[27] €m	2021[28] €m	2020[28] €m	2019[28] €m
Revenue	**6,234**	6,589	6,637	6,017	6,651
Adjusted EBITA	**782**	922	1,152	853	1,156
Net cash/(debt)	**(291)**	180	657	236	(384)
Operating cash conversion rate (in %)	**68**	49	114	123	105

Operating cost base

Group operating cost base decreased to €5,774 million in 2023 (2022: €5,913 million), mainly due to lower costs relating to consumption of programme rights and expenses for live programmes.

Investments accounted for using the equity method

The total share of results of these investments increased to €61 million (2022: €13 million), mainly due to improved results from underlying companies, in particular from Atresmedia in Spain, and due to the discontinuation of Salto (following the abandoned merger between Groupe TF1 and Groupe M6). In 2022, the Group experienced a negative impact from its share of net losses from Salto, which amounted to €-18 million.

Fair value measurement of investments

Fair value measurement of investments of €-23 million (2022: €-78 million) is mostly attributable to the negative valuation effects of the Magnite shares held by RTL Group.

26 See **Key performance indicators** on page 59

27 The figures from the previous year have been adjusted (see note 1.30 to the consolidated financial statements)

28 Figures prior to 2022 are as reported in the Annual Report 2022

Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
In 2023, the Group recorded a gain of €40 million (2022: €107 million), mainly thanks to disposals by Groupe M6 and RTL Deutschland. In 2022, the gain resulted from the disposals of RTL Belgium and RTL Croatia.

Financial result
Financial result amounted to the expense of €-13 million (2022: €-56 million). The comprehensive description on the financial result is disclosed in the notes 5.4 and 5.5 to the consolidated financial statements.

Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
The Group has conducted impairment testing on the different cash-generating units (see note 6.2 to the consolidated financial statements).

The loss, totalling €-43 million (2022: €-46 million), relates to the amortisation of fair value adjustments on acquisitions of subsidiaries.

Income tax expense
In 2023, the income tax expense was €-124 million (2022: €-130 million).

The profit for the year attributable to RTL Group shareholders was €467 million (2022: €673 million), thereof €352 million from continuing operations (2022: €549 million) and €115 million from discontinued operations (2022: €124 million).

Earnings per share
Earnings per share, based upon 154,742,806 weighted average number of ordinary shares, both basic and diluted, was €2.27 for continuing operations (2022: €3.55 per share based on 154,742,806 shares).

Own shares
RTL Group has an issued share capital of €191,845,074 divided into 154,742,806 fully paid-up shares with no defined par value.

Since 31 December 2020, the Group no longer holds treasury shares.

Profit appropriation (RTL Group SA)
The annual accounts of RTL Group show a profit for the financial year 2023 of €69,677,341 (2022: €104,596,391). Taking into account the share premium account of €3,652,764,148 (2022: €4,167,138,981) and the profit brought forward of €70,963,534 (2022: €70,963,534), a sufficient amount is available for distribution.

Main portfolio changes

After the announcement of the reorganisation of its publishing business in February 2023, RTL Deutschland completed in the second half-year transactions, among others, the sale of *PM,* Deutsche Medien-Manufaktur and *11 Freunde.* The disposals resulted in net cash inflows of €4 million.

In July 2023, RTL Group sold its majority stake in CTZAR to the Group The Independents, which resulted in net cash inflows of €3 million. Net of transaction-related costs, the transaction resulted in an overall gain of €2 million.

In September 2023, Groupe M6 sold its thematic online media and services businesses, comprising eight main brands: *Cuisine AZ, Passeport Santé, Fourchette & Bikini, Déco, Turbo, M6 météo, Croq'Kilos* and *Croq'Body* to Prisma Media (owned by Vivendi), which resulted in net cash inflows of €20 million.

For more detailed information see note 4.3 to the consolidated financial statements.

Major related party transactions

At 31 December 2023, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH (BCH) (76.28 per cent). The remainder of the Group's shares are publicly listed on the Frankfurt and Luxembourg Stock Exchanges. The ultimate parent company of RTL Group SA, Bertelsmann SE & Co KGaA, includes in its consolidated financial statements those of RTL Group SA.

The Group also has a related party relationship with its associates, joint ventures, directors and executive officers.

The comprehensive description on the related party transactions is disclosed in note 10 to the consolidated financial statements.

General management statement on the fiscal year 2023 performance

Linear TV continues to dominate the video market as the key medium to consistently reach mass audiences every day. People watch more video content than ever before – linear and non-linear, long-form and short-form, on televisions and mobile devices – and increasingly on different streaming services. The demand for high-quality video content, and with it, online video advertising, continues to grow.

RTL Group estimates that the net TV advertising markets in 2023 in Germany and France were down throughout the year, whereas the advertising market in Hungary was up. This was mainly due to a continuing challenging macroeconomic environment, in particular due to an uncertain political environment, inflation and energy supply issues. Nevertheless, RTL Group's families of channels were able to gain TV advertising market shares, especially in Germany. Taking into consideration the rapidly changing media landscape and challenging macroeconomic environment, RTL Deutschland thoroughly reviewed its publishing business at the beginning of 2023. In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern, Geo, Capital, Stern Crime, Brigitte, Gala, Schöner Wohnen, Häuser, Couch, Eltern, Chefkoch, Geolino* and *Geolino Mini,* which account for around 70 per cent of its publishing revenue. Other brands were sold or discontinued. This reorganisation was largely completed by the end of 2023 with significant restructuring costs of €87 million.

Across Europe, RTL Group's flagship channels remained number one or two in their respective markets and target groups. RTL Deutschland reported higher audience shares and increased the lead over its commercial competitor to the highest in 10 years with RTL and Vox being the first two commercial channels in the German market. The audience shares of Groupe M6 and RTL Hungary, meanwhile, decreased.

In 2023, RTL Group announced a significant portfolio change: the envisaged sale of RTL Nederland to DPG Media. In Belgium, Croatia and most recently in the Netherlands, RTL Group decided to sell its TV and streaming businesses to regional media companies so that they can act as consolidators in these markets. In France, Groupe M6 completed the sale of its online thematic media and services division Prisma Media.

RTL Group's growth businesses of streaming and content performed particularly well. RTL+ in Germany and Hungary and 6play in France registered 5.6 million paying streaming subscribers, and Fremantle achieved many creative successes winning 145 awards (2022: 115). In August 2023, RTL Deutschland started the roll-out of Germany's first multimedia app RTL+, which offers video, music, podcasts, audiobooks and magazine content in one single app. To further increase awareness and establish RTL+ among its target group, RTL Deutschland launched a major cross-media marketing campaign that is still running.

RTL Group's streaming revenue increased by 72.6 per cent to €283 million during 2023 as a result of subscriber growth, higher revenue per subscriber and the first-time inclusion of 6play in France.

In addition, RTL Group continued to develop its content production business, Fremantle, targeting €3 billion revenue by 2025/2026. Fremantle will continue to focus on entertainment, drama and film, and documentaries. Major creative film successes included *Poor Things,* which was awarded four Academy Awards (Oscars) out of eleven nominations and won five BAFTAs and two Golden Globes, and *C'è ancora domani* (There's Still Tomorrow), Italy's most successful film of 2023. Successful shows were *Got Talent* in the UK and the US, and *Neighbours,* which returned to Amazon Freevee, alongside the documentaries *House of Kardashian* and *Waco: American Apocalypse.* The company has positioned itself as a producer of quality TV drama and film, with worldwide appeal to both broadcasters and streaming services. To further boost the documentaries business, Fremantle launched its new label Undeniable, which focuses on producing world-class premium feature documentaries.

For the full year 2023, RTL Group generated an Adjusted EBITA of €782 million. The Adjusted EBITA includes streaming start-up losses of €176 million (2022: €222 million). The Adjusted EBITA margin was 12.5 per cent. The second half of 2023 was very strong, despite challenging advertising markets and significant streaming start-up losses. RTL Group ended the year 2023 with a solid set of financial results, including a total Group profit of €598 million.

At the time of writing, RTL Group is characterised by a strong financial position and operating performance, despite the continuing challenging macroeconomic environment. A strong performance enables both attractive dividend payments and significant investments in streaming services, technology, and the growth of the Group's content business.

RTL Group is therefore in a strong position to accelerate its strategy:

- It has a highly profitable, well-established, cash-generating core business in TV broadcasting.
- The company is heavily investing in its streaming services, RTL+ in Germany and Hungary and M6+ (previously 6play) in France.
- The company's content production company Fremantle has successfully branched out into drama and film, high-end factual and documentary programming.
- The company is among the European leaders in ad-tech.
- The company is building alliances and partnerships in areas such as advertising sales, ad-tech, streaming technology and content.

Review by segments

Full year 2023[29]

Revenue	2023 €m	2022 €m	Per cent change
RTL Deutschland	2,620	2,766	(5.3)
Groupe M6	1,316	1,357	(3.0)
Fremantle	2,266	2,347	(3.5)
Other segments	350	411	(14.8)
Eliminations	(318)	(292)	
Total revenue	**6,234**	**6,589**	**(5.4)**

Adjusted EBITA	2023 €m	2022 €m	Per cent change
RTL Deutschland	321	459	(30.1)
Groupe M6	311	304	+2.3
Fremantle	139	162	(14.2)
Other segments	11	(12)	
Eliminations	–	9	
Adjusted EBITA	**782**	**922**	**(15.2)**

Adjusted EBITA margin	2023 per cent	2022 per cent	Percentage point change
RTL Deutschland	12.3	16.6	(4.3)
Groupe M6	23.6	22.4	1.2
Fremantle	6.1	6.9	(0.8)
RTL Group	**12.5**	**14.0**	**(1.5)**

29 The figures from the previous year have been adjusted due to discontinued operations (see note 1.30 to the consolidated financial statements)

RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be down between 9.5 and 10.5 per cent, with RTL Deutschland performing better than the market. Total revenue of RTL Deutschland was down 5.3 per cent to €2,620 million (2022: €2,766 million), due to significantly lower TV advertising revenue. This was partly compensated by higher streaming revenue. Adjusted EBITA declined 30.1 per cent to €321 million (2022: €459 million), mainly due to significantly lower TV advertising revenue and significant streaming start-up losses.

Audience ratings

In 2023, the combined average audience share of **RTL Deutschland** in the target group of viewers aged 14 to 59 was 27.4 per cent (2022: 26.8 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 5.8 percentage points – the highest in 10 years (audience share 2022: 21.6 per cent, lead up 1.3 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 26.5 million viewers every day in 2023 (2022: 27.9 million).

With an audience share of 9.4 per cent (up 0.3 percentage points) in the target group of viewers aged 14 to 59 (2022: 9.1 per cent), the German main channel **RTL** was the leading commercial channel in 2023 and the only large channel increasing its audience share, ahead of ZDF (9.2 per cent), Das Erste (8.7 per cent), Vox (6.2 per cent), Sat1 (6.0 per cent) and Prosieben (5.4 per cent).

The match of the German national football team against the US team was the channel's most watched programme in 2023. On average, 7.47 million total viewers (30.3 per cent) watched the premiere of coach Julian Nagelsmann on 14 October 2023 (14 to 59: 3.72 million viewers; 34.3 per cent audience share). The NFL games were also very successful on the German main channel RTL. On 19 November 2023, the NFL game of the Chicago Bears vs. Detroit Lions generated the highest total reach of an NFL regular season game (at 19:00) on German free-to-air TV, with a total of 850,000 viewers. *Ich bin ein Star – Holt mich hier raus!* (I'm a Celebrity – Get Me Out of Here!) was also very successful in 2023, and even more popular than in the previous year. On average, 4.14 million total viewers (21.6 per cent total audience share) watched the 16th season, representing an average audience share of 29.2 per cent in the commercial target group of viewers aged 14 to 59. The 16th season of *Let's Dance* generated the best audience share since 2014 among total viewers, scoring an average of 17.5 per cent. The dance show also generated high ratings in the commercial target group, with an 18.1 per cent audience share (2022: 17.6 per cent). With an average audience share of 11.4 per cent in the target group of viewers 14 to 59, the news magazine *Punkt 12* increased its market share compared to 2022 (10.5 per cent). In access prime time, the daily series *Gute Zeiten, schlechte Zeiten* continued to generate a high audience share and attracted 13.9 per cent of viewers aged 14 to 59 (2022: 13.7 per cent).

RTL Deutschland (continued)

The streaming service **RTL+** continued its rapid growth with a record year in 2023, reaching 4.941 million paying subscribers at the end of the year – an increase of 23.0 per cent (2022: 4.016 million). Viewing time increased by 26.3 per cent year on year, making RTL+ the leading German entertainment offering in the streaming market. This success was thanks to the wide range and increased number of programmes available, including reality TV shows such as *Sommerhaus der Stars, Are You The One – Reality Stars in Love* and *Temptation Island,* and fictional series such as *Sisi, Dünentod, Auris* and *Pumuckl's New Adventures.* The football match AS Monaco vs. Bayer Leverkusen also attracted large audiences. The most-watched original documentary was *Bushido & Anna-Maria – Alles auf Familie.*

In 2023, **Vox** ranked second among the commercial channels with an average audience share of 6.2 per cent in the target group of viewers aged 14 to 59 (2022: 6.2 per cent) and a 4.7 per cent total audience share (2022: 4.7 per cent). Furthermore, the channel again ranked third among the commercial channels in the target group of viewers aged 14 to 49, with an average audience share of 6.7 per cent (2022: 6.7 per cent). The cooking show *Grill den Henssler* celebrated its strongest autumn season in five years (7.5 per cent) and the best spring season in four years (6.9 per cent) in the target group of viewers aged 14 to 59. *First Dates Hotel* recorded the best season average in prime time in the 14 to 59 target group (7.3 per cent) and *First Dates – Ein Tisch für zwei* (6.4 per cent) the best average share since its launch. *Die Höhle der Löwen* (Dragons' Den) remained popular, generating the best spring season ever, with an average audience share of 10.2 per cent in the commercial target group of viewers aged 14 to 59. The documentary *Zum Schwarzwälder Hirsch – eine außergewöhnliche Küchencrew und Tim Mälzer,* meanwhile, was watched by 8.5 per cent of the same target group. New records were also generated by *Die Beet-Brüder* (10.6 per cent) and *Die Autodoktoren* (10.2 per cent). The new prime-time formats *Doc Caro – Jedes Leben zählt* (6.6 per cent) and *Lege kommt auf den Geschmack* (6.0 per cent) were also successful.

Nitro attracted 2.2 per cent of the 14 to 59 target group (2022: 2.2 per cent) and 3.2 per cent of its main target demographic of men aged 30 to 49 (2022: 3.0 per cent).

The news channel **NTV** scored a total audience share of 1.1 per cent and attracted 1.2 per cent of viewers aged 14 to 59 (2022: 1.2 per cent and 1.4 per cent).

RTL Up, previously RTL Plus, attained a 2.1 per cent audience share in the target group aged 14 to 59 (2022: 1.9 per cent).

Vox Up generated an audience share of 0.7 per cent in the target group of viewers aged 14 to 59 (2022: 0.6 per cent).

Super RTL retained its leading position in the children's segment in 2023, attracting an average audience share of 19.7 per cent in the target group of three to 13-year-olds between 06:00 and 20:15, including Toggo Plus (2022: 17.4 per cent). This placed Super RTL ahead of the public service broadcaster KiKA (15.0 per cent) and Disney (13.1 per cent).

In 2023, **RTL Zwei's** market share was 3.6 per cent among 14 to 59-year-old viewers (2022: 3.7 per cent).

RTL Deutschland's publishing business continued to be impacted by the challenging market environment, mainly due to increased prices for paper and energy, alongside increasing inflation due to political challenges. In the latest reach analysis of ma Pressemedien 2024 by Arbeitsgemeinschaft Media-Analyse e.V. (agma), *Stern* headed the analysis with 3.88 million readers in 2023 (2022: 3.77 million), clearly ahead of *Der Spiegel* (3.60 million) and *Focus* (3.11 million). According to IVW figures, *Stern* lost 7.3 per cent in total circulation and 0.7 percentage points in market share compared to 2022 (IVW 2022: 26.4 per cent). Compared to 2022, the women's magazine *Brigitte* increased its total sales by 0.5 per cent in 2023 and was the leading magazine in this segment. Although the circulation of *Gala* was slightly down by 1.6 per cent compared to 2022, the celebrity magazine increased its market share in retail sales by 1.0 percentage points compared to 2022 (IVW 2022: 20.8 per cent; 2023: 21.83 per cent).

Radio consumption in Germany remained strong in 2023, reaching 74.1 per cent of Germans aged 14+ daily (2022: 74.5 per cent) – with an average listening time of 242 minutes per day (2022: 249 minutes). **RTL Group's German radio portfolio** reached over 55 million Germans aged 14+ every month (2022: 55 million). **104.6 RTL** maintained its market-leading position in the highly competitive Berlin/Brandenburg radio market in the target group of listeners aged 14 to 49. Many radio stations increased their reach year on year, including **Radio Brocken** (up 33.6 per cent among listeners aged 14 to 49), **89.0 RTL** (up 10.7 per cent among listeners 14+), **Hitradio RTL Sachsen** (up 12.9 per cent among listeners 14+) and **Radio 21** (up 15.2 per cent among listeners 14+). The national programme **RTL – Deutschlands Hit-Radio** now reaches 541,000 listeners per day (an increase in reach of 12.5 per cent among listeners 14+), and the children's and family radio **Toggo Radio** – the newest member of the RTL family of channels – increased its reach 27.8 per cent among listeners aged 14+.

Groupe M6

Financial results

In 2023, the French net TV advertising market was estimated to be down 4 per cent compared to 2022, with Groupe M6 performing in line with the market. Groupe M6's total revenue was down by 3.0 per cent to €1,316 million (2022: €1,357 million). The decrease in revenue was mainly due to scope effects and lower TV advertising revenue. Groupe M6's Adjusted EBITA was up 2.3 per cent to €311 million (2022: €304 million), mainly driven by Groupe M6's diversification businesses partly offset by lower contributions from TV advertising revenue.

Audience ratings

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 21.9 per cent (2022: 22.3 per cent), thereby representing the second-most watched commercial family of TV channels in France. In the target group of viewers aged 25 to 49, the combined audience share of Groupe M6 was slightly up to 20.5 per cent (2022: 20.3 per cent). The total audience share was 13.0 per cent (2022: 13.5 per cent). On average, again 23.0 million viewers watched Groupe M6's free-to-air channels every day in 2023 (2022: 23.0 million).

Flagship channel M6 retained its status as the second-most-watched commercial channel in France in the commercial target group, with an average audience share of 13.5 per cent (2022: 14.1 per cent), thanks to sports events such as the Women's FIFA Football World Cup and the Rugby World Cup. M6 successfully aired all its strong brands such as *L'Amour est dans le pré* (The Farmer Wants a Wife), *Top Chef* and *La France a Un Incroyable Talent* (Got Talent). At the same time, the channel introduced new favourites such as *Les Traîtres* (The Traitors) and continued with the successful show *Qui veut être mon associé?* (The Apprentice). In 2023, the iconic news magazine *Enquête Exclusive* achieved its best-ever season among the commercial target group.

The advertising-financed streaming service **6play** recorded 21.3 million active users in 2023 (2022: 24.5 million).

W9 reached an average audience share of 3.7 per cent among women under 50 responsible for purchases (2022: 3.6 per cent), ranking second among the DTT channels in France in this target group. Reality series, sports, films and magazines continued to score high ratings.

Among the new generation of DTT channels, **6ter** achieved an average audience share of 2.7 per cent (2022: 2.7 per cent) with a strong magazine offer in prime time and a large film offer.

With **Gulli,** Groupe M6 was the leader among the children's target group (aged 4 to 10 years) during daytime (06:00 to 20:00), attracting an average audience share of 13.0 per cent (2022: 12.6 per cent). With the development of its evening offer Gulli Prime, the channel achieved its best-ever year in prime time among the commercial target group.

In 2023, the RTL radio family of stations registered a consolidated audience share of 17.6 per cent among listeners aged 13 and older (2022: 18.4 per cent). Its flagship station **RTL Radio** was the leading commercial station in France with an average audience share of 12.2 per cent (2022: 12.8 per cent). The pop-rock station **RTL 2** recorded an average audience share of 2.8 per cent (2022: 3.1 per cent), while **Fun Radio** registered an average audience share of 2.6 per cent (2022: 2.5 per cent).

Fremantle

Financial results

Revenue at RTL Group's content business, Fremantle, was down by 3.5 per cent to €2,266 million in 2023 (2022: €2,347 million), mainly due to timing effects and negative foreign exchange rate effects, which were partly offset by positive scope effects. The business unit's revenue decreased 4.9 per cent organically[30], mainly due to timing effects. Accordingly, Adjusted EBITA declined 14.2 per cent to €139 million (2022: €162 million).

Entertainment

Within its entertainment business, the 16th season of *Britain's Got Talent* won an average total audience share of 34.6 per cent or 5.8 million viewers, making it ITV1's number-two entertainment show of the year. Launching on Disney+ in September 2023, *Italia's Got Talent* was in the top ten Disney+ shows each day throughout the month and was the number-one show on Disney+ for 20 days. In the US, the 18th season of *America's Got Talent* launched on 30 May, attaining an average total audience share of 12.3 per cent for the season, ranking as NBC's number-two entertainment series of the 2022/23 season. In Spain, the debut series of *Got Talent: All Stars* launched on Telecinco, winning an average total audience share of 10.5 per cent and consistently ranking as the broadcaster's number-one show of the day.

American Idol crowned a new winner in season 21, achieving an average total audience share of 10.6 per cent and ranking as ABC's top show of the 2022/23 season. Airing its 20th season in Germany, *Deutschland sucht den Superstar* attained a 12.6 per cent share in the key commercial target group of viewers aged 14 to 59, outperforming RTL's prime-time average, and was renewed for a new season in 2024. The 11th season of *Indian Idol* won an average total audience share of 2.3 per cent and performed 77 per cent higher than the prime-time average audience share for Set (India's number-one Hindi TV channel for reality TV shows and soaps).

The Apprentice was BBC One's number-two entertainment show of the year. The 17th series won an average total audience share of 30.9 per cent or 6.3 million viewers.

Farmer Wants a Wife launched in the US as Fox's highest-rated new entertainment show in over a year and has been renewed for a second season. New to Canada for 2023, the English-language version of *Farmer Wants a Wife* has significantly outperformed CTV's prime-time average audience share.

The third season of *The Masked Singer* in Sweden achieved an average total audience share of 53.0 per cent, ranking as TV4's highest-rated show of the year. In Belgium (Flanders), *The Masked Singer* was 2023's number-one show of the year, with an average total audience share of 52.6 per cent on VTM, the leading commercial TV channel in Flanders.

Drama and film

2023 saw multiple new drama launches around the world. *East Side* from Abot Hameiri in Israel launched on the country's public channel Kan 11, and *Sullivan's Crossing* premiered on Canada's leading commercial TV network CTV in March, where it was soon commissioned for a second season. In the US, *Sullivan's Crossing* was The CW's highest-rated acquired drama launch in over a year.

Fremantle US launched *Fellow Travelers* on Showtime in October 2023 to huge critical acclaim – the series was the 4th most-watched show on Paramount+ in the US every day in its first week.

The comedy-drama series *Wellmania* from Fremantle Australia broke into the Top Ten TV series on Netflix in 40 countries, peaking at number two in Australia and New Zealand. *The Gallows Pole* from Element Pictures won a total audience share of 9.3 per cent and was BBC Two's number-one drama of the year. From Wildside in Italy, *The Good Mothers* launched on Disney+ after winning the inaugural Series Award at the 2023 Berlinale. From UFA in Germany, *Sam: A Saxon* also launched on Disney+ in 48 territories to huge acclaim.

Neighbours returned to a new home on Amazon Freevee. In the first 28 days in the UK, *Neighbours* became the number-one Freevee Original and has also driven the most non-Prime customers to the free streaming service.

In Italy, Lux Vide produced three of the most-watched TV series in 2023 for Rai. *Sister Angela's Girls* season seven was the third-most-watched TV series on Rai for 2023, with an average total audience share of 22.8 per cent. The second season of *Blanca* was the fourth-most-watched series with an average total audience share of 23.0 per cent, and *One Step From Heaven* season seven was the fifth-most-watched series with an average share of 22.6 per cent.

Within the growing film business, *C'è ancora domani* from Wildside won three awards at the Rome Film Festival and achieved great success at the Italian box office. With more than 5 million admissions, it became Italy's number-one and highest-grossing film of the year following its launch in October 2023. This makes it the fifth-highest-grossing Italian film of all time at the Italian box office.

Fremantle had five films in competition at the 2023 Venice Film Festival, with *Poor Things* from Element Pictures winning the Golden Lion and *Priscilla* from The Apartment Pictures winning the Volpi Cup for Best Actress for lead actress Cailee Spaeny.

30 Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 57

Fremantle (continued)

Documentaries

In the documentary business, US label Original Productions launched *Waco: American Apocalypse* on Netflix, which ranked in Netflix's Top 10 TV series in 13 countries, including the US and the UK, with 43 million hours viewed in the first half of 2023. Original Productions also signed a first-look deal with Hudlin Entertainment and had the world premiere of their documentary film *Rather*, about the iconic US journalist Dan Rather, at the 2023 Tribeca Film Festival.

House of Kardashian from 72 Films launched on Sky Documentaries in October 2023, ranking as Sky Documentaries' number-four new series premiere of 2023. 72 Films also launched *007: Road to a Million* on Amazon Prime Video. The documentary charted in Prime Video's daily top ten shows in 92 countries and number one in 35 countries, including the UK, and was the streaming service's most-watched unscripted show in November 2023.

On Disney+, Fremantle Australia launched a new docuseries *Matildas: The World at Our Feet*, about the national women's football team.

Fremantle secured the global rights to *On the Line: The Richard Williams Story*, which had its UK premiere at Sheffield Doc Fest, alongside a new documentary about French icon Brigitte Bardot, and a series about fashion icon Coco Chanel from Gabriel Jagger's WhyNow Productions. Fremantle also revealed its new documentary label, Undeniable, which will focus on producing world-class premium feature documentaries such as *The Second Woman* and *Devo*, which had its world premiere at Sundance Film Festival 2024.

Other segments

This segment mainly comprises the fully consolidated businesses RTL Hungary, RTL Group's Luxembourgish activities, RTL Group's digital video company We Are Era and the streaming technology company Bedrock. It also includes the investment accounted for using the equity method, Atresmedia, in Spain.

The Hungarian net TV advertising market was estimated to be up by 7.8 per cent in 2023, with RTL Hungary outperforming the market. Total revenue of **RTL Hungary** was up by 10.6 per cent to €125 million (2022: €113 million), thanks to higher TV advertising, distribution and streaming revenue. The business unit's Adjusted EBITA was down to €6 million (2022: €13 million), mainly due to higher programme costs.

With a combined prime-time audience share of 28.4[31] per cent in the key demographic of 18 to 49-year-old viewers (2022: 28.9 per cent), the eight channels of RTL Hungary were 3.2 percentage points behind the main commercial competitor TV2 Group, which has 14 channels. In December 2023, RTL Hungary added four new cable channels to its portfolio, increasing the number of linear channels it operates to 12. This represented RTL Hungary's largest cable channel expansion to date. The Hungarian flagship channel **RTL** reached a prime-time audience share of 14.3 per cent among viewers aged 18 to 49 (2022: 15.0 per cent), 1.5 percentage points behind TV2 (2022: 1.1 percentage points ahead of TV2). The flagship channel was the most-watched channel in Hungary in the months of June, July, August and November, and the channel's programmes dominated the national top-ten list of TV programmes in the 18-49 age group. The market-leading news programme *RTL Híradó* attracted 20.0 per cent of viewers aged 18 to 49 (2022: 19.6 per cent), while the most successful show on RTL in Hungary was *Sztárbox* (Celebrity Boxing), with an average audience share of 30.3 per cent of viewers aged 18 to 49. Another hit format was the Hungarian version of *The Traitors,* which reached an average audience share of 23.3 per cent in the commercial target group and was particularly successful with younger audiences. The hit show *Power Couple* attracted an average audience share of 23.8 per cent, up 2.6 percentage points (2022: 21.2 per cent).

In November 2022, RTL Hungary launched **RTL+,** a subscription-based, advertising-free streaming service. RTL Hungary's previous advertising-funded streaming service, RTL Most, and the advertising and distribution-funded streaming service, RTL Most+, were integrated under the packages RTL+ Light and RTL+ Active. RTL+ and RTL+ Active saw strong growth in paying subscribers compared to the end of December 2023. The 11th season of the reality format *ValóVilág powered by Big Brother, Drága örökösök* (Dear Heirs – The Return) and RTL Hungary's own-produced comedy series *A mi kis falunk* (Our Little Village) were among the most-watched programmes. In 2023, RTL Hungary added 105 new titles and 555 hours of new content to its streaming service RTL+.

In 2023, **RTL Luxembourg** continued its position as the leading media brand in Luxembourg. The company adopted the unified RTL brand identity across all channels and platforms as of April 2023. The implementation was accompanied by a comprehensive marketing campaign, focusing on RTL's core values and catering to Luxembourg's multilingual audience with the slogans 'All Moment RTL', 'Every moment RTL' and 'Les moments RTL'.

With its TV, streaming, radio and digital activities, the RTL Luxembourg media family achieved several audience successes[32]. Audience highlights of 2023 were the coverage of the country's general election on its TV channel **RTL Télé Lëtzebuerg,** its radio channels **Radio Luxembourg** and **RTL Today,** as well as on its website *rtl.lu.* Sport highlights of 2023 included the broadcast of the Uefa Champions League and the Uefa European Qualifiers. In November 2023, RTL Luxembourg announced that it will continue to broadcast Formula One races for the next three seasons, until 2026, to further strengthen its sports offering.

In 2023, **Broadcasting Center Europe (BCE),** RTL Group's technical services provider, launched its media-as-a-service offer: a one-stop shop for customers to build a customised set of media solutions, products and services. With this offer, BCE aims to support customers as a trusted partner – and realised diverse projects in this capacity during 2023. For *L'Equipe,* BCE used its award-winning remote voice-over solution Holovox for commentary at events such as the Basketball Euroleague. Holovox was used by 220 customers at 39 different sports events for a total of 6,425 hours during 2023. For RTL Hungary, BCE provided its Playit technology for the launch of four new cable channels. For Louis Vuitton, BCE's technology was used to livestream the Hong Kong fashion show to 93 million viewers. And for Groupe Figaro, BCE used its integration and service expertise to install a production centre and broadcast its TV channel from Luxembourg.

31 RTL Hungary changed the publication of its audience figures from 2022 and is now using 'Linear SHR' audience share data, which is calculated without the 'Other' category of Nielsen

32 Luxembourg's market research institute ILRES did not publish its Plurimédia audience results for 2023. Therefore, there are no audience shares for RTL Luxembourg's TV and radio stations available for 2023

In 2023, **We Are Era** further strengthened its leading positions in talent management and content production, alongside expanding its campaign business with new clients such as Deutsche Telekom and Sixt. In 2023, We Are Era developed its data-driven cultural and community marketing business on 'new' social platforms such as Twitch for customers such as Teekanne Deutschland or Vodafone Stiftung. We Are Era's revenue was stable in 2023.

The Spanish net TV advertising market increased by an estimated 2.9 per cent in 2023. On a 100 per cent basis, consolidated revenue of **Atresmedia** was slightly up by 2.1 per cent to €971 million (2022: €951 million), while operating profit (EBITDA) remained stable at €173 million (2022: €173 million), and net profit was €171 million (2022: €113 million). The strong increase in net profit was primarily due to lower income tax expenses due to the recognition of unused tax credits. The profit share of RTL Group was €32 million (2022: €21 million).

The Atresmedia family of channels achieved a combined audience share of 25.7 per cent in the commercial target group of viewers aged 25 to 59 (2022: 26.4 per cent). The main channel, **Antena 3**, recorded an audience share of 10.6 per cent (2022: 11.5 per cent) in the commercial target group.

For more information on investments in associates, see note 6.5.2 to the consolidated financial statements in the RTL Group Annual Report 2023.

Non-financial information

Corporate responsibility (CR)

RTL Group believes that CR adds value not only to the societies and communities it serves, but also to the Group and its businesses. Acting responsibly and sustainably enhances the Group's ability to remain successful in the future.

CR is integral to the Group's strategy. The core RTL brand was repositioned in 2021 with a new identity, a clear set of brand principles and a new design reflecting the diversity of RTL. With this, RTL has been strengthened as Europe's leading entertainment brand that stands for entertainment and independent journalism, as well as inspiration, energy and attitude. 'We act responsibly' is one of eight defined brand principles that guide the company's action and define what RTL stands for. At the heart of RTL's guiding principles and values is a commitment to embracing independence and diversity in its people, content and businesses.

RTL Group's future non-financial reporting
In December 2022, the Corporate Sustainability Reporting Directive (CSRD) was adopted by the European Parliament and came into force on 5 January 2023. The new directive aims to expand existing requirements for non-financial reporting. As a large listed Public Interest Entity (PIE), the reporting requirements of the CSRD will also apply to RTL Group starting from the financial year 2024. RTL Group will publish its non-financial reporting as part of its Annual Report 2024.

Companies subject to the CSRD must report according to European Sustainability Reporting Standards (ESRS), and the sustainability information reported must be audited.

To prepare for the implementation of the CSRD and ESRS, RTL Group's Corporate Centre has established a working group under the leadership of its CFO, comprising experts from HR, Legal, Finance/Consolidation, Communications & Investor Relations, Compliance, Audit and IT. These experts are in close contact with their counterparts at the Group's business units, the Group's external auditors and Bertelsmann. By the end of 2023, RTL Group's CSRD working group finalised the preparation of the Group's materiality assessment and therefore determined the scope and depth of RTL Group's future non-financial reporting. The double materiality assessment, as stipulated by the CSRD, refers to two dimensions: financial materiality requires disclosure of matters that (may) trigger material financial effects on a company's development, such as cash flows, financial position or financial performance, in the short, medium or long term. Impact materiality requires disclosure of matters relating to effects on people or the environment. Assessments of both dimensions are required for all companies. So far, RTL Group has determined a total of 59 material metrics across the areas 'environmental', 'social' and 'governance'. In 2024, the Group will begin drafting the first report in accordance with ESRS. This process includes a test run in the first half of 2024 for all S-related metrics determined as material.

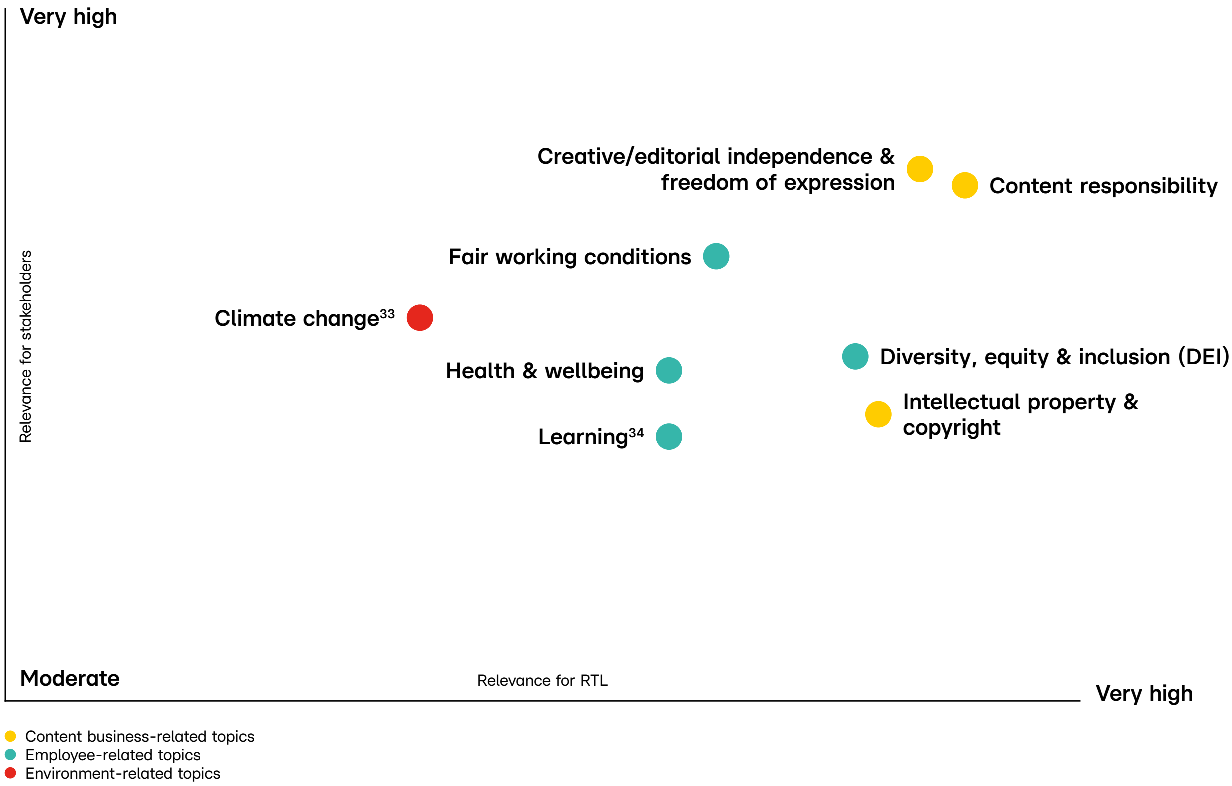
RTL Group's current non-financial reporting
The information of the Combined Non-Financial Statement (which complies with the current European Directive 2014/95/EU and provisions by the law of 23 July 2016 regarding the publication of non-financial and diversity information in Luxembourg) can be found in the Annual Report of RTL Group's majority shareholder, Bertelsmann SE & Co KGaA. Further information on RTL Group's non-financial information can also be found in the GRI reporting of Bertelsmann SE & Co KGaA on *bertelsmann.com.*

RTL Group's CR organisation
The RTL CR Board unites executives from RTL Group and RTL Deutschland. The Board meets regularly to coordinate projects in key areas such as diversity, creative/editorial independence and climate protection, to develop new ideas and to ensure efficient use of expertise at both the Corporate Centre and RTL Deutschland.

The CR Board also meets annually with participants from specialist departments within RTL Deutschland, such as Youth Protection, the association *Stiftung RTL – Wir helfen Kindern,* Communications, and RTL Group's Human Resources, Investor Relations and Compliance departments. The RTL Group CR Network – created in March 2014 and consisting of CR representatives from the Group and its business units – meets annually to share best practices and knowledge. In addition, RTL Group established a Climate Task Force, consisting of members from all business units, which meets to discuss, collaborate and define actions to reduce carbon dioxide emissions, with the target of becoming climate neutral by 2030. In May 2022, RTL Group's largest business unit, RTL Deutschland, established a department for sustainability and diversity, equity & inclusion (DEI). In 2023, Fremantle established ten employee-led groups focusing on topics like mental health and wellbeing, accessibility, as well as race and ethnicity, which are sponsored by the executive leadership and directly influence decision-making.

RTL Group's CR activities focus primarily on the following issues: content responsibility, creative/editorial independence and freedom of expression, intellectual property and copyright, fair working conditions, DEI, health, safety and wellbeing, learning (including digital media literacy) and climate change. These issues were identified in a materiality analysis in consultation with internal and external stakeholders. The core of the survey was the assessment of 19 CR topics – internally, according to their relevance for the business, and externally, according to their relevance for stakeholders. The survey was conducted in 2020 in close consultation with the Group's majority shareholder Bertelsmann. Going forward, the double materiality assessment under ESRS will replace the survey.

Relevance matrix



Creative/editorial independence
RTL Group's broadcasting and news reporting are founded on editorial and journalistic independence. RTL Group's commitment to impartiality, responsibility and other core journalistic principles is articulated in its Newsroom Guidelines. Maintaining audience trust has become even more important in an era when news organisations and tech platforms have been accused of publishing misleading stories, and when individuals, radical political movements and even hostile powers post fake news on social networks to sow discord.

For RTL Group, independence means being able to provide news and information without compromising its journalistic principles and balanced position. Local CEOs act as publishers and are not involved in producing content. In each news organisation, editors-in-chief apply rigorous ethical standards and ensure compliance with local guidelines, which gives the Group's journalists the freedom to express a range of opinions, reflecting society's diversity and supporting democracy. In 2023, RTL Deutschland reviewed the guidelines that RTL News has been working with and incorporated new requirements on cross-media production, social media activities by journalists and Artificial Intelligence (AI). With these updated guidelines, RTL Deutschland ensures that all employees have the same understanding of the quality of journalistic work, regardless of their work area, TV, digital and print.

Employees
With a diverse audience and a business based on creativity, RTL Group needs to be a diverse organisation. In 2023, the Group had an average of 12,835 full-time employees (total headcount: 17,732 including permanent and temporary staff) in more than 26 countries worldwide. These employees range from producers and finance professionals to journalists and digital technology experts.

RTL Group strives to be an employer of choice that attracts and retains the best talent, while equipping employees with the necessary skills and competencies to successfully master the company's current and future challenges. It does this by offering training programmes and individual coaching in a wide range of subjects, from strategy and leadership to digital skills and health, safety and wellbeing. It reviews and, if necessary, adjusts its training offers on an ongoing basis.

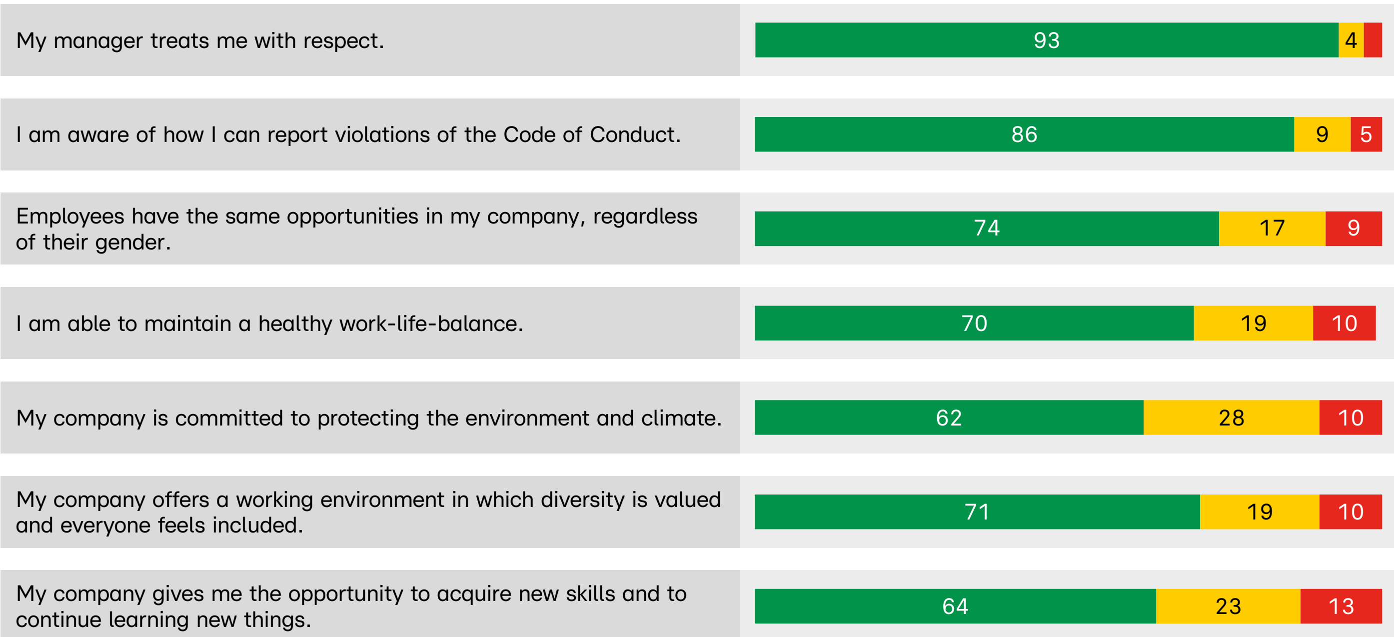
RTL Group's corporate culture is founded on creativity and entrepreneurship. The Group strives to ensure that all employees receive fair recognition, treatment and opportunities, and is committed to fair and gender-blind pay. The same applies to the remuneration of freelancers and temporary staff, ensuring that such employment relationships do not compromise or circumvent employee rights. The Group also strives to support flexible-working arrangements.

33 The different environmental topics have been pooled
34 Including digital media literacy

The Covid-19 crisis has deeply changed the world of work. The balance between working in the office and remotely is a relevant step to continue offering flexibility and efficiency for those employees whose functions do not require office presence.

Every two years, all RTL employees are invited to participate in the Bertelsmann employee survey. In 2023, RTL Group received a response rate of 76.4 per cent, corresponding to 9,541 respondents from 134 companies across 22 countries and in 11 languages (excluding temporary workers and Groupe M6). The survey delivered positive feedback across various important dimensions, including CR-related topics. Employees feel that their manager treats them with respect (highest overall satisfaction rate of 93 per cent), assigns them independent tasks (89 per cent) and supports them through challenges (87 per cent). Areas for improvement include total compensation received (40 per cent), support for professional development (54 per cent), and commitment to protecting the environment and climate (62 per cent) – all of which are important feedback points that RTL Group takes seriously. Since 2021, the employee survey includes a CR Index, summarised in the following graphic, to help track the progress of RTL Group-wide CR initiatives. The next employee survey will be conducted in 2025.

Employee survey 2023[35]: CR Index at 74 per cent – Target: 80 per cent



35 Calculation based on the average of positive responses to seven questions of the 2023 Employee Survey in the following categories: Health & wellbeing; Diversity, Equity & Inclusion; Fair working conditions; Learning; Climate change

Diversity

RTL Group's commitment to diversity is embedded in its processes and articulated in its corporate principles. The cornerstone is the RTL Group Diversity Statement, which reinforces the company's commitment to promoting diversity and ensuring equal opportunities. It sets guidelines and qualitative ambitions for the diversity of the Group's people, content and businesses.

RTL Group is committed to making every level of the organisation more diverse regarding nationality, gender, age, ethnicity, religion and socio-economic background. The Group places a special emphasis on gender diversity. RTL Group's overall workforce is balanced by gender (with 47 per cent men and 53 per cent women as at 31 December 2023) while women account for 36 per cent of top management positions (31 December 2022: 36 per cent), and 37 per cent of senior management positions (31 December 2022: 33 per cent).

Top management generally encompasses the members of the Executive Committee, the CEOs of the business units and their direct reports, members of the Management Boards, and the Executive Committee direct reports at RTL Group's Corporate Centre. Senior management generally encompasses the Managing Directors of the businesses at each business unit, the heads of the business units' departments and the Senior Vice Presidents at RTL Group's Corporate Centre (unless classified as members of top management).

RTL Group's long-term ambition is for women and men to be represented equally at all levels. In 2022, RTL Group's Executive Committee reviewed the Group's objectives and set the following quantitative target: to increase the share of women in top and senior management positions to at least 40 per cent by the end of 2025. The Group reports on its progress towards these diversity targets each year. At the end of 2023, the ratio of women in top and senior management positions was 37 per cent, up 17 percentage points compared to 2016, when RTL Group reported those measures for the first time (2016: 20 per cent; 2022: 34 per cent).

The importance of diversity is also reflected in the content the Group produces. Millions of people who turn to RTL Group each day for the latest local, national and international news need a source they can trust. RTL Group therefore maintains a journalistic balance that reflects the diverse opinions of the societies it serves. The same commitment to diversity applies to the Group's entertainment programming: it is essential for RTL Group to create formats for a wide range of audiences across all platforms. Many different segments of society should be able to identify with the diverse content offered.

In Germany, RTL Deutschland initiated its second diversity week (Woche der Vielfalt) with a focus on inclusion. During this week, RTL Deutschland reported extensively on its news and magazine programmes to increase visibility of people with disabilities. A highlight from the week was coverage of the Special Olympic World Games, one of the world's largest inclusive sporting events, which took place in Berlin in June 2023. RTL Deutschland was a partner of the Games' media alliance. A marketing campaign on TV, digital, radio and social media accompanied the theme week, bringing people with disabilities together with well-known RTL faces. RTL Deutschland's flagship channel RTL and Vox broadcasted special formats like *Der Schwarzwälder Hirsch – Ein Jahr danach* (Zum Schwarzwälder Hirsch – One year later), a reunion of the Grimme Award-winning inclusive TV documentary in which people with Down syndrome learn how to run a restaurant.

Since 2020, RTL Deutschland has supported the 'Storytellers' competition, in which students from selected film schools are invited to develop and submit a concept for a young-adult series for RTL+. The first winning project of the competition already premiered as an RTL+ original in 2022, while winners of the 2023 edition will realise their projects in 2024. The competition is now supported by the Film- and Medienstiftung Nordrhein-Westfalen (NRW), a leading German funding institution supporting the development of film and TV projects in NRW. In the future, 'Storytellers' will offer a production budget of up to €1.5 million, opening up new possibilities in production.

In 2023, Fremantle continued to make progress towards building an equitable and inclusive culture across its business and content. To attract, develop and retain talent from all backgrounds and experiences, Fremantle has invested in partnerships with specialist organisations dedicated to addressing under-representation in the creative industries. For example, Fremantle continued its partnership with The TV Collective on the Breakthrough Leaders programme in the UK, supporting 150 black, Asian and minority-ethnic future leaders. In Sweden, Fremantle's leadership team is participating in an external mentoring programme, All of Us, for young people of colour in the creative industries and supporting the WomenUp programme – which consists of 40 women and their mentors – to address the female leadership gap. In the US, a partnership with Fresh Films supports 400 young people from under-represented backgrounds based in 27 national locations nationwide.

Inclusive casting and storylines across Fremantle shows continued to provide a platform for different voices and perspectives, influence authentic storytelling, and promote empathy and understanding. The series *Sam – A Saxon,* from Fremantle label Big Window Productions, launched on Disney+ and was recommended by the German Federal Government to be included in the school's national curriculum. The creative team also embarked on a global educational tour across several US states, London and Berlin, hosted by some of the world's leading academic and cultural institutions to help highlight the positive impact the series has had on the Afro-German and Black communities. In October 2023, the release of the Italian drama film *C'è ancora domani* (There's Still Tomorrow) achieved over five million admissions, leading the box office yearly results for an Italian film. The film, which is set in Rome during the aftermath of World War II, deals with issues related to domestic violence, patriarchy and feminism. Alongside its commercial success, *C'è ancora domani* has also become important in the education of students across Italy. Italian cinemas screened the film to students across the country, and the government requested that schools dedicate time and resources to the topic of domestic violence.

The Fremantle series *Fellow Travelers* – a love story and political thriller about two men who meet during the McCarthy era, when being gay meant being in danger – pays tribute to the history of the LGBTIQ+ community and received lots of media attention. Launched in 2023, the series highlights the importance of striving for a more inclusive society. It received two Golden Globe nominations in 2024 and won the Critics' Choice Award for 'Best Supporting Actor in a Limited Series or Movie Made for Television' for Jonathan Bailey.

Society

As a leading media organisation and broadcaster, RTL Group has social responsibilities towards the communities and audiences it serves. These responsibilities are particularly important when it comes to children and young people. The Group complies fully with child-protection laws and ensures its programming is suitable for children – or broadcast when they are unlikely to be watching. RTL Group also strives to give back to its communities by using its profile to raise awareness of, and funds for, important social issues, particularly those that might otherwise receive less coverage or funding.

As part of this support, the Group provides free airtime worth several million Euro to charities and non-profit organisations to help them raise awareness of their causes, as well as donating significant amounts of money to numerous charitable initiatives and foundations. RTL Group's flagship fundraising events *(RTL-Spendenmarathon/*Stiftung RTL in Germany and *Télévie* in Luxembourg) raised €23.3 million for charity in 2023 (2022: €46.0 million, driven by an additional fundraising campaign from Stiftung RTL in Germany for Ukrainian children and families after Russia's attack on Ukraine in February 2022).

Intellectual property and copyright

RTL Group's primary mission is to invest in high-quality entertainment programmes, fiction, drama, news and sports, and to attract new creative talent to help the Group contribute to a vibrant, creative, innovative and diverse media landscape. Strong intellectual property rights are the foundation of RTL Group's business, and that of creators and rights-holders.

RTL Group's Code of Conduct and an Information Security Policy set a high standard for the protection of intellectual property. All employees are expected to comply with copyright laws and licensing agreements and to put in place appropriate security practices (password protection, approved technology and licensed software) to protect intellectual property. Sharing, downloading or exchanging copyrighted files without appropriate permission is prohibited. Violations can be reported to the Compliance department via its reporting channels, which include a user-friendly speak-up system.

Anti-corruption and anti-bribery

The foundation for sustainable business success is built on integrity and trustworthiness, and RTL Group has zero tolerance for any form of illegal or unethical conduct. Violating laws and regulations – including those relating to bribery and corruption – is not consistent with RTL Group's values and could damage the Group. Non-compliance could harm the Group's reputation, result in significant fines, endanger its business success and expose its people to criminal or civil prosecution.

The Compliance department provides Group-wide support on anti-corruption, anti-bribery and other compliance-related matters. In addition to centralised management by the Compliance department, each business unit has a Compliance Responsible in charge of addressing compliance issues, including anti-corruption.

For information about RTL Group's Audit Committee see page 89.

Representatives of RTL Group management sit on the RTL Group Corporate Compliance Committee. The committee, which is chaired by RTL Group's Chief Financial Officer, is responsible for monitoring compliance activities, promoting ethical conduct and fighting corruption and bribery. It is kept informed about ongoing compliance cases and the measures taken to prevent compliance violations.

The RTL Group Anti-Corruption and Integrity Policy is the Group's principal policy for fighting corruption. It outlines rules and procedures for conducting business in accordance with anti-corruption laws and Group principles.

RTL Group's policies, including anti-corruption and integrity, anti-trust and compliance organisation, were updated and streamlined in 2022. The policies are split into ten categories, with a Business Process Owner for each category, who is the main contact for any questions regarding the respective policy.

Human rights
Respect for human rights is a vital part of RTL Group's Code of Conduct, which includes a decision-making guide that clarifies how to comply with the company's standards in case of doubt. The Group's commitment to responsible and ethical business practices extends to its business partners. In 2017, RTL Group established the RTL Group Business Partner Principles, which sets minimum standards for responsible business relationships. In 2023, RTL Group's Executive Committee adopted RTL Group's Supplier Code of Conduct, that will be rolled out and will replace the Business Partner Principles in 2024. To cover all centrally important aspects of human rights in one place, RTL Group published a specific Human Rights statement in 2022. The statement explicitly refers to the standards of the Universal Declaration of Human Rights and the United Nations' Global Compact and applies to the entire Group. To report suspected human-rights violations or unethical practices, employees and third parties can contact RTL Group's compliance reporting channels (directly or through a web-based reporting platform) or an independent ombudsperson. In all cases, they may do so anonymously.

Environment
RTL Group is a media company with no industrial operations and therefore does not consume significant amounts of raw materials or fossil fuel and is not a major polluter. The Group is mindful that resource conservation and climate protection are key challenges for the 21st century. For this reason – together with employees and stakeholders – RTL Group is committed to minimising its impact on the environment, by reducing its energy use and its direct and indirect greenhouse gas (GHG) emissions. It codified this commitment in February 2018 by issuing its Environmental Statement.

RTL Group has measured and published its carbon footprint since 2008. Serving as the key indicator for evaluating and continually improving the Group's climate performance, it was formerly calculated based on each country's average energy mix. To improve data quality, since 2017 it has been calculated based on the emissions associated with the Group's individual electricity supply contracts. This new, more detailed baseline takes into account hotel stays, refrigerant losses, commuting, IT devices and own and commissioned productions, as well as electricity consumption, paper, business travel, water and wastewater.

RTL Group decided to become carbon neutral by 2030, including both company-related emissions (scope 1 and 2) and emissions from the production of its programmes and products (scope 3). The goal is to reduce the Group's total emissions by more than 50 per cent compared to the 2018 baseline. As of 2030, RTL Group will offset all remaining emissions.

The 2018 baseline is the basis against which RTL Group measures progress and target achievements. This basis includes site- and employee-related emissions (scope 1 and 2) and indirect carbon dioxide emissions from video production (scope 3). Compared to the base year 2018, RTL Group has reduced its total emissions by 28 per cent, from 247,900 tCO2 in 2018 to 178,900 tCO2 in 2022. Representing almost 80 per cent of the Group's total emissions, indirect emissions from video production (scope 3) make up the largest share and are therefore the greatest lever for achieving the Group's goal.
RTL Group will focus on reducing these emissions in the future, particularly in the area of green productions.

Due to the lack of data and the complexity of TV and film productions, carbon data for video productions for corporate reporting purposes are currently calculated based on genre benchmarks derived from the UK carbon calculator Albert. RTL Group will introduce a new Group-wide policy to base its future reporting of emissions from video productions mainly on activity data.

To reduce carbon emissions, RTL Deutschland has been striving for more sustainable TV productions since 2020. Since mid-2022, minimum ecological standards adopted throughout the industry by broadcasters and production companies in Germany have been applied to selected productions. RTL Deutschland aims to produce 50 per cent of its fictional content according to those standards. These standards are used to strive for environmentally and resource-friendly production methods. In 2023, 20 productions meeting those standards were produced. One series, that was also certified with the green motion label, was *Pumuckl's New Adventures.* On average, around 50 per cent of emissions were saved (compared to a genre-specific baseline) across 20 productions. RTL Deutschland plans to produce 50 productions meeting those standards in 2024[36]. With the acquisition of Gruner+Jahr in 2022, the carbon footprint of print products also plays an important role. By setting up a 'Green Productions Print' committee, RTL Deutschland is now working on a structured approach to decrease the product carbon footprint of its magazines.

In France, *Top Chef,* which has been broadcast on Groupe M6's channels since 2010, was the first prime-time entertainment programme in France to receive an Ecoprod Label in 2023. The label is an important recognition of the work and commitment towards sustainable production practices of Studio 89, a subsidiary of Groupe M6. In February 2023, the channels and platforms of Groupe M6 raised awareness of climate change issues during the campaign week 'Semaine Green' (Green Week), offering a wide range of news and entertainment programmes focusing on topics such as waste, housing, biodiversity and responsible consumption.

In February 2023, Ufa, a German production company owned by Fremantle, won the Eisvogel prize for Sustainable Film Production with its series *Irgendwas mit Medien* – a prize introduced by the German Federal Government to promote more sustainable productions of audiovisual content. In May 2023, the daily series *Unter uns* was the second Ufa production to earn a green motion label from the Green Shooting working group. Some of the green measures implemented by Ufa include the use of electric cars, generators powered by green electricity, digital instead of printed filming plans, and reusable and recyclable materials. The company has not used plastic bottles on set since 2017 and switched to green electricity for productions in 2020. *Unter uns* is Germany's second-longest-running daily soap opera and the first daily series to be awarded a green motion label.

In May 2023, *The Farm,* produced by Fremantle-owned Strix in Norway, won the Best Sustainable Production Award at the Inaugural Global Production Awards in Cannes.

For RTL Group's environmental indicators according to GRI standards, please visit *rtl.com.*

36 The 'Green Shooting' working group, founded and led by MFG Filmförderung in 2017, is working on the transformation towards a more ecologically sustainable production method. The working group includes the production companies Bavaria Fiction, Constantin, Ufa, We Are Era and Ziegler Film, the broadcasters ARD, RTL Deutschland, ProSiebenSat1, Sky, SWR and ZDF, the streaming services Disney+ and Netflix and further industry associations

Innovation

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 increasingly via artificial intelligence (AI).

In December 2023, Groupe M6 launched the new adventure reality format *Destination X* on M6 in France. In addition to the new format, which originates from Belgium, Groupe M6 has also launched a digital interactive platform on *6play.fr* and the 6play app to allow audiences to actively participate in the adventure. UFA Serial Drama, part of Fremantle, produced *Der kleine Unter uns Weihnachtsfilm* (The little 'Among us' Christmas film) with the help of AI for content, language and visualisations. In the short film, AI was used to create a storyline inspired by Charles Dickens' *A Christmas Carol.*

In August 2023, RTL Deutschland launched Germany's first all-inclusive entertainment app. Comprising video, music, podcasts, radio, audiobooks and digital magazines, RTL+ 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 Deutschland is also investing in its publishing business, in particular the development of digital paid offer Stern+.

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. RTL Group's European ad-tech business Smartclip has launched technology to substitute the advertising breaks in linear TV streams with addressable TV (ATV) advertising, while ensuring an uninterrupted viewing experience for the audience. This innovative technology was first implemented on RTL Up, and since May 2023, the ad replacement technology in the linear TV stream is available for programmatic buying on the German market. In addition, Smartclip's French subsidiary Realytics has introduced BEE (Brand Exposure Engagement) in April 2023. BEE measures and compares spot exposure from the first second across all major distribution channels (linear TV, ATV and CTV). The tool also detects duplicates and avoids measuring the same household as an individual contact – even if the household is addressed on both linear and digital channels.

The Group's advertising sales houses continue to introduce innovative and award-winning advertising formats. In Germany, Ad Alliance launched CrossOver Evolution – a large-scale innovation project in the area of cross-channel marketing. With the xMedia spot launched in May 2023, advertisers in Germany can book spots for ATV, connected TV (CTV), desktop, tablets and smartphones in one place. The new product bundles the entire video inventory of Ad Alliance's portfolio, while reducing the complexity of booking and managing ads. In addition, Ad Alliance is increasingly using artificial intelligence (AI) technology internally to increase the efficiency of its pricing processes. Externally, AI is used in multi-award-winning video tagging to play ads with exactly the right message or at the right emotional moment. In France, M6 Publicité, the advertising sales house from Groupe M6, has developed 6scan range – an engaging and immersive advertising solution based on the QR code. A QR code is added to the advertiser's TV advert, providing viewers with additional information or a call-to-action – such as an augmented reality projection, or the opportunity to interact with chatbots.

AI was a significant driver in RTL Group's innovative projects in 2023. In July 2023, RTL Deutschland bundled its various AI activities together in a newly founded AI Circle. The group focuses on five strategically relevant value levers: strengthening content, optimising advertising sales, engagement and discovery, increasing efficiency, and risk minimisation and innovation. In 2023, AI was applied prominently in the production of a new series based on the classic German children's series *Pumuckl.* The original voice of the red-haired goblin, Hans Clarin (who died in 2005), was recreated using AI for the series *Pumuckl's New Adventures.* AI technology has also been used by RTL News to develop synthetic voices, making it possible to transform written text into natural-sounding speech. In France, Groupe M6 has embarked on a 24/7 transcription initiative for its radio content. Transforming audio content into text enables the team to create more content, easily edit it in the CMS, and generate new editorial products, summaries, metadata, tags and even legal reports. The transcription initiative not only streamlines the content creation process, but also paves the way for more dynamic and diversified digital content offerings in the near future. Fremantle is also increasingly relying on AI, for example with upscaling old video from the 70s-80s by using AI to interpolate the pixels. Fremantle also uses graphics generation tools like Midjourney or Dall-E to create pitch documents and reimage creative ideas.

Significant litigations

Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities (see notes 6.5.2 and 6.14.1 to the consolidated financial statements in the RTL Group Annual Report 2023).

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

Several subsidiaries of RTL Group are being sued by the broadcaster RTL 2 Fernsehen GmbH & Co KG and its sales house, El Cartel Media GmbH & Co KG, before the regional court in Düsseldorf, Germany, seeking disclosure of information to substantiate a possible claim for damages. The proceedings follow the imposition of a fine in 2007 by the German Federal Cartel Office for abuse of market dominance with regard to discount scheme agreements (share deals) granted by Ad Alliance GmbH (formerly IP Deutschland GmbH) and SevenOne Media GmbH to media agencies. The German Federal Cartel Office argued that these discounts would foreclose small broadcasters from the advertising market. In 2014, the regional court of Düsseldorf decided to order an expert report. The expert concluded in February 2018 that the likelihood of damages cannot be proven with certainty. In July 2018, RTL 2 Fernsehen GmbH & Co KG filed a motion claiming that the expert was not impartial, with the aim of getting the court to obtain a new expert opinion. Ad Alliance GmbH has rejected the motion of lack of impartiality as unfounded. Due to his unexpected death in February 2020, the court expert could not submit his response to the allegation of impartiality. On 4 September 2023, the regional court rendered two decisions: First, it rejected the allegation of the expert's impartiality. Second, it dismissed the claims for disclosure of information in their entirety. On 16 October 2023, RTL 2 Fernsehen GmbH & Co KG and El Cartel Media appealed the regional court's decisions. The case will now continue before the Düsseldorf Appeal Court. A hearing has been scheduled for September 2024. Similar proceedings from other small broadcasters, initiated in different courts, were unsuccessful or have been withdrawn.

In June 2016, the main competitors of Fun Radio alleged that a host of the morning show had influenced Fun Radio's results by encouraging his listeners to give favourable treatment to Fun Radio in the Médiamétrie surveys. In response to these allegations, Médiamétrie decided to remove Fun Radio from its surveys. Following a legal procedure initiated by Fun Radio, Médiamétrie was required to reinstate Fun Radio in the audience results surveys as of September 2016. Nevertheless, Médiamétrie decided to lower Fun Radio's audience results in its published surveys, alleging the existence of a 'halo effect'. Following a procedure initiated by Fun Radio, a judicial expert was appointed in December 2017 to examine Médiamétrie's assessment of the alleged 'halo effect'. In September 2019, the judicial expert issued his final report which confirmed the 'halo effect' but assessed that Fun Radio's results were over-corrected. As of September 2017, Médiamétrie has again published the full audience results for Fun Radio. In parallel to the above procedure, the main competitors of Fun Radio also filed, in December 2016, a claim for damages, before the Paris Commercial Court claiming unfair competition, but this procedure was suspended until the end of the judicial expertise. In the meantime, four of the six claimants withdrew their claim from the proceedings. On 23 January 2023, the Paris Commercial Court decided to award damages for unfair competition. Fun Radio appealed the Court's decision on 26 January 2023 and is confident to achieve a favourable decision before the Court of appeal.

In November 2019, the Spanish Competition Authority (CNMC) arrived at a decision in disciplinary proceedings imposing a fine on Atresmedia and Mediaset and barring both operators from specified courses of conduct. The parties were ordered to take steps to align their commercial and contractual relations to the requirements of the decision. The fine imposed on Atresmedia amounts to €38.2 million. In 2020, Atresmedia challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. The application was found admissible. Consequently, Atresmedia will proceed with an appeal in the aforementioned court. The directors and legal advisors of Atresmedia believe that the application for judicial review against the CNMC's decision is likely to succeed.

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

Corporate governance

Principal risks and uncertainties
Principal risks and uncertainties are disclosed in note 7 to the consolidated financial statements for the risks linked to financial instruments, and in the Corporate Governance section on *rtl.com* for the external and market risks.

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

More information on this topic can be found in the Investor Relations section on rtl.com, which contains RTL Group's corporate governance charter, and regularly updated information, such as the latest version of the company's governance documents (including articles of incorporation, statutory accounts, and minutes of shareholders' meetings), and information on the composition and mission of the RTL Group Board of Directors and its committees. The Investors section also contains the financial calendar and other information that may be of interest to shareholders.

Shareholders

RTL Group's current share capital is set at €191,845,074 divided into 154,742,806 fully paid-up shares with no par value.

As at 31 December 2023, Bertelsmann held 76.28 per cent of RTL Group shares, and 23.72 per cent were publicly traded.

General Meetings of Shareholders will be held at the registered office or any other place in Luxembourg indicated in the convening notice. A General Meeting of Shareholders must be convened on the request of one or more shareholders who together represent at least one tenth of the company's capital, and the Annual General Meeting of Shareholders is held within six months following the end of the financial year at the place and on the date set by the Board of Directors.

Resolutions will be adopted by the simple majority of valid votes, excluding abstentions. Any resolution amending the Articles of Incorporation will be adopted by a majority of two thirds of the votes of all the shares present or represented.

The Annual General Meeting will examine the reports of the Board of Directors and the auditor and, if thought fit, will approve the annual accounts. The meeting will also determine the allocation of profit and decide on the discharge of the directors and the auditor from any duties.

Board and management

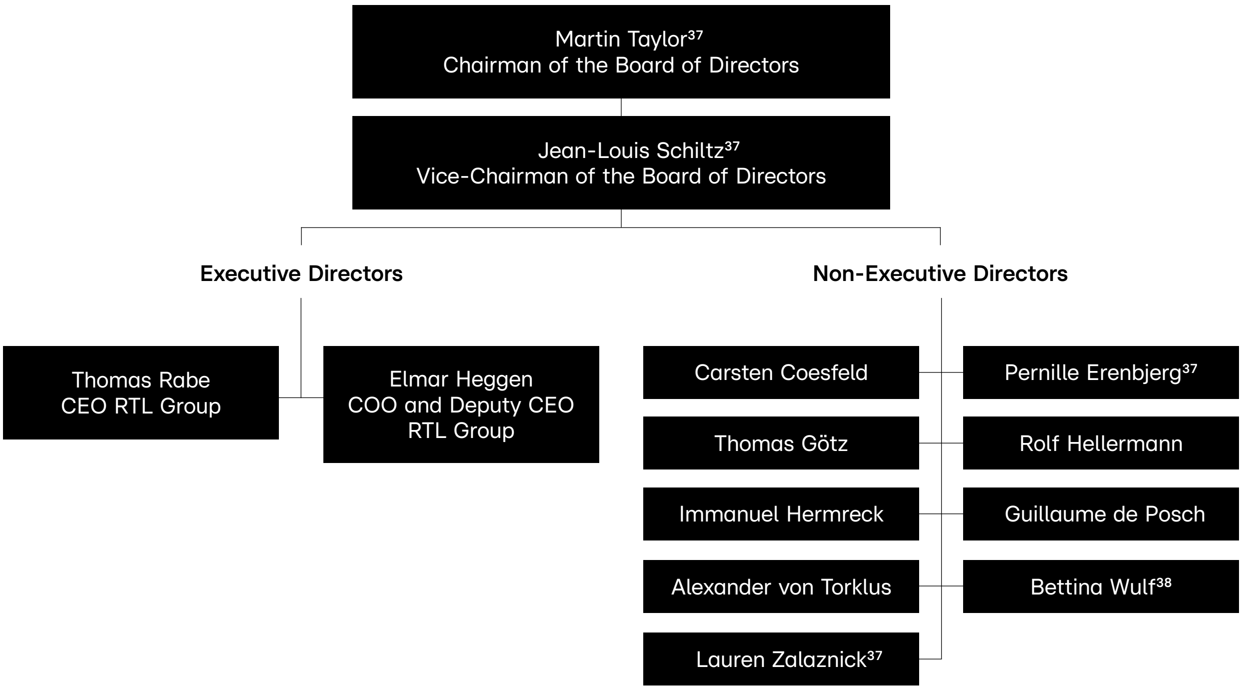
Board of Directors

The Board of Directors has the most extensive powers to take, in the interests of the company, all acts of administration and of disposal, that are not reserved by law or the Article of Incorporation to the General Meeting of Shareholders.

On 31 December 2023, the Board of RTL Group had 12 members: two executive directors and ten non-executive directors. Bettina Wulf resigned as a non-executive director with effect on 26 April 2023.
At the Annual General Meeting (AGM) on 26 April 2023, Carsten Coesfeld and Alexander von Torklus were appointed as non-executive directors, with a term of office of one year expiring at the end of the Annual General Meeting of shareholders ruling on the 2023 accounts.

Among the non-executive directors, Pernille Erenbjerg, Jean-Louis Schiltz, Martin Taylor and Lauren Zalaznick are independent of management and other outside interests that might interfere with their independent judgement.

RTL Group's Board of Directors



Martin Taylor was appointed under the criteria of independence of the London Stock Exchange, before RTL Group adopted the Ten Principles of the Luxembourg Stock Exchange. Pernille Erenbjerg, Jean-Louis Schiltz and Lauren Zalaznick are independent directors, and all meet the current criteria of independence of the Ten Principles of the Luxembourg Stock Exchange.

The Board of Directors has to review, with expert help if requested, that any transaction between RTL Group or any of its subsidiaries on the one hand, and any of the shareholders or any of their respective subsidiaries on the other hand, is on arm's-length terms.

The responsibility for day-to-day management of the company is delegated to the Chief Executive Officer (CEO). The Board of Directors has a number of responsibilities, which include approving the Group's annual budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met five times in person or online in 2023 – with an average attendance rate of 98.3 per cent – and adopted some decisions by circular resolution.

37 Independent Director
38 Until 26 April 2023

Individual attendance of the members of the RTL Group Board of Directors	Participation in meetings	Attendance
Martin Taylor (Chair)	5/5	100%
Carsten Coesfeld	4/4	100%
Guillaume de Posch	5/5	100%
Pernille Erenbjerg	5/5	100%
Thomas Götz	5/5	100%
Elmar Heggen	5/5	100%
Rolf Hellermann	5/5	100%
Immanuel Hermreck	5/5	100%
Thomas Rabe	5/5	100%
Jean-Louis Schiltz	5/5	100%
James Singh	1/1	100%
Alexander von Torklus	4/4	100%
Bettina Wulf	1/1	100%
Lauren Zalaznick	4/5	80%

The Executive Committee updates the Board on the Group's activities and financial situation. At each meeting, representatives of the Executive Committee brief the Board on ongoing matters, and on possible upcoming investment or divestment decisions.

In 2023, a total of €1.4 million (2022: €1.3 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees that emanate from it (see note 10.4 to the consolidated financial statements in the RTL Group Annual Report 2023).

Neither options nor loans have been granted to Directors.

Appropriate measures were taken by the company to ensure compliance with the provisions of the European market abuse regulation, and with the Circulars of the Commission de Surveillance du Secteur Financier (CSSF) concerning the application of this legislation.

The following Board Committees are established:

Nomination and Compensation Committee

The CEO consults with the Nomination and Compensation Committee and shall obtain prior consent on the appointment and removal of executive directors. The Nomination and Compensation Committee makes a proposal to the General Meeting of Shareholders on the appointment and removal of the non-executive directors, and establishes the Group's compensation policy.

The Nomination and Compensation Committee comprises four non-executive directors, one of whom is an independent director (who also chairs the meetings) and meets at least twice a year. The committee's plenary meetings are attended by the CEO, the COO/Deputy CEO and the Executive Vice President Human Resources. The Nomination and Compensation Committee may involve other persons to help the committee fulfil its tasks. The Chair of the Nomination and Compensation Committee reports on the discussions held and conclusions made by the committee to the subsequent Board of Directors meeting. The Nomination and Compensation Committee met four times in 2023, by telephone/video conference, with an average attendance rate of 94 per cent.

Individual attendance of the members of the Nomination and Compensation Committee	Participation in meetings	Attendance
Martin Taylor (Chair)	4/4	100%
Thomas Götz	4/4	100%
Immanuel Hermreck	4/4	100%
Lauren Zalaznick	3/4	75%

Audit Committee

The Audit Committee monitors the financial reporting process, the statutory audit of the legal and consolidated accounts, the independence of the external auditors, the effectiveness of the Group's internal controls, the compliance programme, and the Group's risks. The Audit Committee reviews the Group's financial disclosures and submits a recommendation to the Board of Directors regarding the appointment of the Group's external auditors.

The Head of Internal Audit and the external auditors have direct access to the Chairman of the Audit Committee, who is an independent director.

The Audit Committee is composed of at least four non-executive directors – two of whom are independent – and meets at least four times a year.

The committee's meetings are attended by the CEO, the COO/Deputy CEO, the Chief Financial Officer (CFO), the Head of Internal Audit, the external auditors and other senior Group finance representatives. The Audit Committee may invite other persons whose collaboration is deemed to be advantageous in helping the committee fulfil its tasks. Twice a year, the Head of Compliance is invited to provide an update on the compliance programme and to report on the compliance cases raised in the period under review, as well as on their remediation.

The Audit Committee met five times in 2023 in person or online, with an average attendance rate of 100 per cent. The Chairman of the Audit Committee reports on the discussions held and conclusions taken by the Audit Committee to the subsequent Board of Directors meeting.

Individual attendance of the members of the Audit Committee

	Participation in meetings	Attendance
Pernille Erenbjerg (Chairman)	5/5	100%
Thomas Götz	5/5	100%
Rolf Hellermann	5/5	100%
Jean-Louis Schiltz	5/5	100%
Martin Taylor	5/5	100%

The Committee assists the Board of Directors in its responsibility with respect to overseeing the Group's financial reporting, risk management and internal control, and standards of business conduct and compliance.

CEO

Responsibility for the day-to-day management of the company rests with the CEO, who – on a regular basis and upon request of the Board – informs the Board of Directors about the status and development of the Group.

The CEO is responsible for proposing the annual budget, to be approved by the Board of Directors. He is also responsible for determining the ordinary course of the business.

Executive Committee

The Executive Committee comprises the two executive directors – the CEO and the COO/Deputy CEO – and the CFO. The Executive Committee is vested with internal management authority.

In 2023, a total of €6.2 million (2022: €7.8 million) was allocated in the form of salaries, non-cash benefits and a post-employment benefit plan to the members of the Executive Committee (see note 10.3 to the consolidated financial statements of the RTL Group Annual Report 2023).

External auditor

In accordance with the Luxembourg law on commercial companies, the Company's annual accounts and consolidated financial statements are certified by an external auditor, appointed at the Annual General Meeting of Shareholders. On 26 April 2023, the shareholders appointed KPMG Audit Sàrl as statutory auditor for a term of one year, expiring at the end of the Annual General Meeting of Shareholders ruling on the 2023 accounts.

Dealing in shares

The company's shares are listed on the Frankfurt and Luxembourg Stock Exchanges. Applicable German and Luxembourg insider dealing, and market manipulation laws prevent anyone with 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 and its subsidiaries, or associated companies.

Restrictions apply to:
- members of the Board of Directors
- all employees of RTL Group SA, and directors and employees of any subsidiary or affiliated company of RTL Group who, because of their position or activities, may have access to unpublished price-sensitive information.

Code of Conduct

Basic guidelines for responsible behaviour and for conducting business at RTL Group are governed by the Code of Conduct, which outlines binding minimum standards for behaviour towards business partners and the public, and for behaviour within the company. The latest update of the Group's Code of Conduct was in 2021. A speak-up system is available in multiple languages, both online and via phone, to internal and external stakeholders. The Group has a training programme in place to ensure all employees are fully aware of the code and its principles.

The Code of Conduct is available under the Compliance section on *rtl.com.*

Internal controls over financial reporting

RTL Group's Internal Control System (ICS) over financial reporting aims to provide reasonable assurance on the reliability of external and internal financial reporting, and its conformity with the applicable laws and regulations. It helps to ensure that financial reporting presents a true and fair picture of the Group's net assets, financial position and operational results. The ICS for the accounting process consists of the following areas:

Standards and rules
The rules governing the Group's financial reporting environment and critical accounting policies are set out in the Group's internal rules for accounting and the preparation of financial statements (such as IFRS manuals, guidelines and circulars), which are immediately available to all employees involved in the accounting process. Standards of a minimum control framework for key accounting processes at the level of RTL Group's fully consolidated subsidiaries are formalised in a set of expected key controls. RTL Group's centralised treasury and corporate finance activities are governed by dedicated policies and procedures. Hedging of exposure in non-functional currency of the company is governed by a strict policy. All internal and external financial reporting processes are organised through a centrally managed reporting calendar. The Code of Conduct requires the Group's companies to manage record-keeping and financial reporting with integrity and transparency.

Systems and related controls
Locally used (ERP, treasury applications) finance systems are largely centrally managed through a few common system platforms to ensure a consistent set-up of system-embedded controls. Segregation of duties, access rights and approval limits are regularly reviewed by the local data owners for all reporting units whose finance systems are centrally maintained. Internal and external financial reporting is transmitted through a centrally managed integrated finance system – from budgeting and trend year analysis, monthly internal management reporting, and forecasting of financial and operational KPIs, to consolidation and external financial reporting, and finally **risk management** reporting (see **Risk management** on pages 91 to 95).

Extensive automatic system controls ensure the consistency of the data in the financial statements. The centrally managed integrated finance system is subject to ongoing development through a documented change process. Systemised processes for coordinating intercompany transactions serve to prepare the corresponding consolidation steps. Circumstances that could lead to significant misinformation in the consolidated financial statements or internal 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 ISAE3402 (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 that 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 as well as 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 – reported by either 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 constantly 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 main 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
External and market risk		
Change in market environment	Digitisation has significantly transformed the TV market, offering various ways of reaching viewers. Higher competition for audience attention and programme acquisitions as well as accelerated audience fragmentation due to streaming services, new channels, and expansion of platform operators may adversely affect RTL Group's position. The advertising landscape for streaming services has evolved, driving growth and revenue in challenging conditions when platforms such as Disney and Netflix introduced ad-funded programming in exchange for cheaper subscriptions and with increased costs of content licensing. This could increase competition within the advertising markets, especially for RTL Group's hybrid streaming services. The production business also shows a consolidation trend as increasing demand for talent – such as authors, scriptwriters, showrunners, actors – leads large production businesses to merge or acquire smaller production companies.	RTL Group embraces new digital opportunities by ensuring its channels and stations are platform-neutral (that is, available on the widest possible choice) and by developing families of channels and streaming services, based on its leading brands. By forming alliances and partnerships, RTL Group aims to counteract the dominance of global tech platforms. Examples include RTL AdAlliance (combining RTL AdConnect, G+J iMS and the media division of Smartclip). RTL Group's European ad-tech business, Smartclip, fully integrated the French ad-tech company Realytics, complementing the group's ad-tech stack. In TV advertising, RTL Group expands its addressable TV offerings, which connect precise, data-driven targeting with premium content in a brand-safe environment, delivered via traditional linear TV. Thereby, addressable TV offers the opportunity to compensate for potential future declines of classic TV advertising revenues. RTL Group intends to secure or improve its share in the resulting total TV advertising market. Within its global content business, Fremantle, RTL Group established a buy-and-build strategy – next to organic growth – to expand its global content business and to gain market share.
Cyclical development of economy	The cyclical development of the economy is highly correlated with the development of the advertising markets and therefore impacts RTL Group's revenue. 2023 had seen a light recovery from the deteriorated macroeconomic conditions in 2022, regarding inflation and supply chain issues, and a sharp reduction of Covid-related risks. However, advertising markets remain difficult to predict following the lack of visibility of macro-economic trends.	Continuous monitoring of market conditions, scenario planning and strict cost control allow RTL Group to react to economic downturns. RTL Group aims to further diversify its revenue base by introducing new products and services that generate non-advertising revenue.
Legal	Local and European regulations are subject to change. Some changes could alter businesses and revenue streams (for example, a ban on certain types of advertisements on alcohol and high in fat and sugar foods), changes to data protection legislation as well as a limitation of advertising minutes.	RTL Group aims to anticipate any changes in legislation and to act accordingly by developing and exploiting new or alternative revenue sources.

Type of risk	Description and areas of impact	Mitigation activities
Risks in key business		
Strategic decisions	Strategic decisions are associated with risks. The resource allocation based on the strategic direction could become disadvantageous to RTL Group's revenue and ultimately lead to a potential loss of revenue. This particularly relates to portfolio changes if acquired assets do not perform in line with assumed business plans and an impairment of goodwill may be triggered.	Investment policies are followed, underpinned by realistic business planning. Approval procedures are followed to ensure relevant risk assessment and management sign-off. A regular review of strategic options is undertaken.
Audience share and advertising market share performance	A decrease in audience and/or advertising market share due to entrance of global operators (such as Netflix, Amazon Prime and Disney+) may have a negative impact on RTL Group's revenue and profitability.	New talents and formats are developed or acquired. Performance of existing shows is under constant review with the aim of improving audience share performance and hence future revenue. RTL Group's strategy is to extend and enhance the diversity and quality of its programmes – especially on its streaming services. Budget processes on subscriber revenue undergo ongoing maturation.
Customers	Bad debts or loss of customers may negatively affect RTL Group's profits. Advertisers may change behaviour by switching to alternative advertising platforms or to inhouse advertising planning.	Credit analysis of all new advertisers is systematically undertaken. Depending on the customer's creditworthiness, insurance may be used. This risk is also mitigated by broadening the advertiser base. To match the customer evolution, RTL Group is evolving by exploring alternative advertising market platforms, matching customer behaviour changes.
Suppliers	Strong competition may lead to increased costs and/or less profitable programmes. There may also be a strong reliance on key suppliers.	The Group aims to diversify its sources of supply wherever possible, partly by producing content in-house. RTL Group benchmarks purchasing terms and conditions to identify best practices with the aim of reducing costs by, for example, joint purchasing.
Inventories	There is a risk of over-accumulation of stock that could become obsolete. This may lead to write-offs or impairments.	RTL Group has strict commercial policies, very close follow-ups of existing inventories, and strict criteria for approval of investment proposals for rights.
Pricing/discounting	There is potential price erosion either at broadcaster level or at production level, or in the digital environment, where competition could impact margin levels.	RTL Group aims to satisfy customer needs by providing unique, tailored proposals through alliances and the company's unique network position as well as the evolution of the business model.
IT infrastructure	Potential vulnerabilities within RTL Group operation systems and infrastructure may compromise business activities.	RTL Group entities use approved processes to continually monitor IT infrastructure and to update operating systems, if necessary, in line with the Group's IT policies. Increase of the compliance rate has decreased the risk.
Financial risks		
Foreign exchange exposure	The operating margin and programme costs are affected by foreign exchange volatility, especially if there is a strong increase of the USD against the EUR (such as feature films, sports and distribution rights, and scripted programmes).	RTL Group has in place a strict policy regarding foreign exchange management, which is monitored and followed up by Group Treasury, using hedging instruments and applying hedge accounting principles to mitigate volatility on the income statement.
Interest rate risk	The risk of increased cost of funding due to increase of interest rates.	RTL Group has entered into 3 new term loans based on 3-, 4- and 5-year horizons, leaving room for medium-term reimbursement while partially securing fixed interest rates.

Watchlist
On the RTL Group risk watch list composed of unquantifiable risks, management is very attentive to artificial intelligence deployment and evolution, its opportunities but also related risk.

The introduction of two new IT referenced applications, being SAP S/4HANA as ERP and Quantum as Treasury Management System, is to be carefully followed.

Finally, changes in the tax environment will also draw management attention to ensure all risks related to changes are integrated and properly addressed.

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.

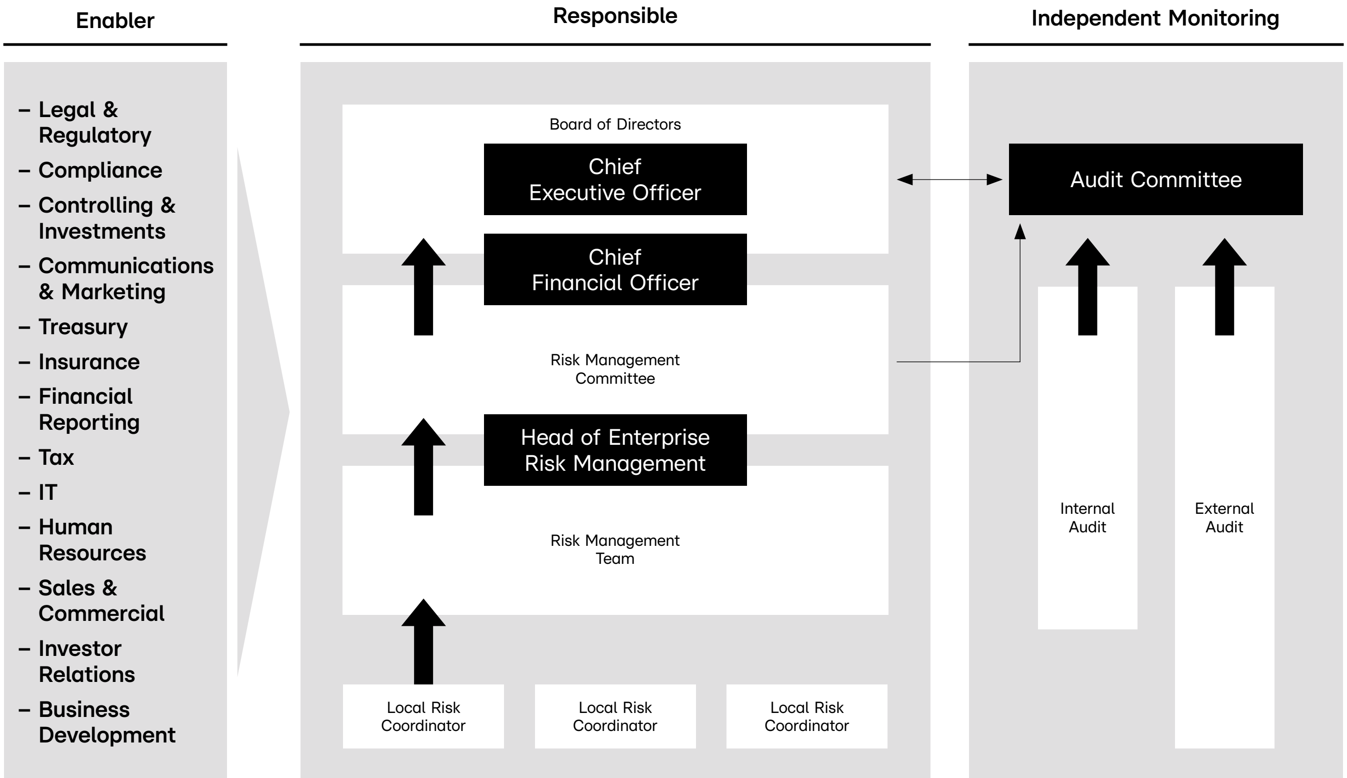
RTL Group's risk management governance model has a strong vertical component – from the Board of Directors and Executive Committee to the Audit and Risk Management Committees, to the executive responsible (CEO, CFO and Head of ERM), down to all levels of the dedicated risk management functions, including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

- **1. 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.
- **2. 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.

- **3. 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
- **4. 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 for 2023:

Risk classification

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

For the first time, in line with EU legislation, the ESG risks (environmental, social and corporate governance data) were presented by a working group. From 2024, these risks will be a fixed part of regular Group reporting.

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

Internal control framework
Internal controls are policies and procedures implemented by an organisation to ensure their financial reports are reliable, operations are efficient, and 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.

Throughout RTL Group, the risks are assessed within a framework of defined key risk categories. To each risk, internal control / controls are assigned as a measure to make sure risk is monitored and mitigated.

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.

During 2023, as part of the SAP S/4HANA implementation project, the RTL Group focused on the continuous improvement of internal control processes by harmonising processes across the Group, strengthening tools, procedures and policies. Also, to ensure uniform risk reporting, all Group entities were migrated to one internal controls, and risks reporting tool. In 2024, the Group continues to raise awareness of risk management and internal controls, and to harmonise processes and policies as part of the SAP4Hana 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 process and reporting requirements are consistently implemented throughout the Group, it holds regular workshops to update staff and to introduce new tools available to assess 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 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 to 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 overall risk position of the Group to be stable, though there has been significant deterioration in macroeconomic conditions, reflected in lower economic sentiment and growth expectations, due to the war in Ukraine, inflation, energy supply and supply chain issues. Changes in the industry – in particular due to new technologies and increasing competition with US platforms – will continue to affect 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
The Group has strategic, financial and regulatory opportunities. These could result from a better-than-expected performance of streaming services and advertising technology; from higher demand for content; from a better-than-expected macro-economic development, leading to higher advertising market growth; from higher market shares resulting from programme successes; and from changes in the laws regulating the Group's businesses, such as advertising. In addition, RTL Group's strategy to form cross-media champions could create significant value through the synergy potential of creating RTL AdAlliance to satisfy the demand of ad-buying opportunities. RTL Group continues to develop its business model, to rethink its operational processes and to set the path for more open and agile collaboration across countries, departments and functions. AI opens many opportunities as a driver to increase efficiency and personalised output to support creative processes.

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 2023 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 2023 is as follows: Bertelsmann Capital Holding GmbH held 76.28 per cent, and 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 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 that 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 section on *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 interests 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 section on *rtl.com.*

The Company's Annual General Meeting of shareholders held on 26 April 2019 renewed the authorisation granted at the Company's Annual General Meeting of shareholders 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 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 the case of dismissal, except in the case of dismissal for serious reasons.

Declaration of Conformity with recommendations C.10, D.3, D.9 and D.11 of the German Corporate Governance Code for use by foreign companies

RTL Group SA is a public limited liability company under Luxembourg law. The German Corporate Governance Code (GCGC) does therefore not apply to RTL Group SA and RTL Group SA does not have to issue a Declaration of Conformity with the GCGC under section 161 of the German Stock Corporation Act (Aktiengesetz).

Solely for purposes of section 4.1.1.1 of the Guide to the DAX Equity Indices of STOXX Ltd., RTL Group SA declares that it does not deviate from recommendations C.10 (with sole reference to its applicability to the Chairman of the Audit Committee), D.3, D.9 and D.11 of the GCGC, in each case applied accordingly to a public limited liability company with a one-tier governance system under Luxembourg law.

RTL Group's Board of Directors or its audit committee arranges for RTL Group's external auditors to inform it and note in the audit report if, during the performance of the audit, the external auditors identify any facts that indicate an inaccuracy in adhering to the recommendations in C.10, D.3, D.9 or D.11 of the GCGC in each case applied accordingly to a public limited liability company with a one-tier governance system under Luxembourg law.

Luxembourg, 13 March 2024
The Board of Directors
RTL Group SA

Subsequent events

In February 2024, Fremantle reached an agreement with Oaktree Capital Management, subject to customary closing conditions, to fully acquire Asacha Media Group, a European production group based in France that owns interests in eight production companies in France, Italy and the UK. The multi-award-winning slate of international IP in this portfolio includes *Death in Paradise* for BBC One and *Scènes de ménages* for M6. Asacha Media Group is diversified in geography, genre and its customer base, complementing Fremantle's footprint in Europe and strengthening Fremantle's position as home to top and new talent. The transaction will be accounted for as a business combination in accordance with IFRS 3. At the time the consolidated financial statements were authorised for issue, the purchase price allocation considering the preliminary estimated consideration of €125 million was at a very preliminary stage.

In February 2024, Fremantle acquired an 80 per cent interest in the Asian production company Beach House Pictures. The Singapore-based company has a base in China and partners in Southeast Asia, Korea, Japan and India. They specialise in creating and co-financing original IP across non-scripted content but also scripted, entertainment and brand-funded programming for all major regional and international platforms. Most recent productions include the Emmy-nominated Netflix lifestyle series *Mind Your Manners* and the Netflix Global Top 5 true crime documentary series *Missing: The Lucie Blackman Case.* The transaction will be accounted for as a business combination in accordance with IFRS 3. At the time the consolidated financial statements were authorised for issue, the purchase price allocation considering the preliminary estimated consideration of €11 million was at a very preliminary stage.

In March 2024, Groupe M6 presented its investment plan for its streaming service M6+ (previously 6play). The additional investments of €100 million in content, technology and marketing will build up over time. The service will be primarily financed by advertising (AVOD), complemented by a premium subscription tier (SVOD). It will feature exclusive local content accessible from all screens alongside offering innovative experiences for the viewers and a higher value proposition for advertisers. The service will run on the technology platform provided by Bedrock and is set to launch in May 2024.

In March 2024, Groupe M6 announced that it acquired the exclusive free-to-air TV rights for the majority of the matches of the Fifa World Cup in 2026 and 2030 – representing 54 matches for each tournament. This significant acquisition strengthens Groupe M6's event-based, free-to-air sports offering and its streaming service M6+.

Outlook

The geopolitical and macroeconomic environment remains volatile, and the impact on RTL Group's businesses continues to be hard to predict. On the basis of a slight recovery of the German TV advertising market and broadly stable advertising markets in the Group's other territories,

- RTL Group expects its full-year **revenue** to increase to around €6.6 billion, based on higher revenue from RTL Deutschland (mainly driven by strong growth in streaming revenue) and Fremantle (mainly driven by a recovery in the US market and acquisitions).
- RTL Group expects its **Adjusted EBITA** for 2024 to be around €750 million, with a variance of plus/minus €50 million, depending on the development of the German and French TV advertising markets in 2024. This Adjusted EBITA outlook includes higher content costs, primarily for the broadcast of Euro 2024 matches in France and Germany, and higher streaming start-up losses (2023: €176 million) primarily due to the investments in M6+ in France.
- RTL Group's **dividend policy** remains unchanged: RTL Group plans to pay out at least 80 per cent of the adjusted full-year net result.

	2023	2024e
Revenue	€6,234m	**~€6.6bn**
Adjusted EBITA	€782m	**~€750m (+/- €50m)**
thereof streaming start-up losses	€176m	**~€200m**

Strategic targets for RTL Group's streaming services

	2023[39]	2026e[40]
Paying subscribers	5.6m	**~9m**
Streaming revenue	€283m	**~€750m**
Content spend per annum	€270m	**~€500m**

Profitability is expected by 2026[41].

Fremantle targets

Fremantle targets full-year revenue of €3 billion by 2025/2026.

To achieve this goal, RTL Group is investing significantly in Fremantle – both organically and via acquisitions – across entertainment, drama and film, and documentaries.

After integrating its acquired labels/production companies into the Fremantle network and reducing overhead, Fremantle's Adjusted EBITA margin is expected to increase to 9 per cent by 2026.

13 March 2024
The Board of Directors

39 RTL+ in Germany, 6play in France and RTL+ in Hungary
40 RTL+ in Germany, M6+ (previously 6play) in France and RTL+ in Hungary
41 Total of Adjusted EBITA from RTL+ in Germany and Hungary, M6+ in France and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and M6+ includes synergies with TV channels at business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 57 to 59

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 2023 consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 13 March 2024

Thomas Rabe
Chief Executive Officer

Elmar Heggen
Chief Operating Officer
Deputy Chief Executive Officer

Björn Bauer
Chief Financial Officer

Consolidated financial statements

Consolidated income statement

	Notes	2023 €m	2022 €m
Continuing operations			
Revenue	5.1	**6,234**	6,589
Other operating income	5.2	**102**	83
Consumption of current programme rights		**(2,566)**	(2,657)
Depreciation, amortisation and impairment		**(239)**	(231)
Other operating expenses	5.3	**(2,969)**	(3,025)
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		**(43)**	(46)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	4.3 6.5	**40**	107
Profit from operating activities		**559**	820
Share of results of investments accounted for using the equity method	6.5	**61**	13
Impairment and reversals of investments accounted for using the equity method	6.5	**–**	(5)
Earnings before interest and taxes (EBIT)		**620**	828
Interest income	5.4	**13**	5
Interest expense	5.4	**(36)**	(18)
Other financial income	5.5	**44**	5
Other financial expenses	5.5	**(34)**	(48)
Financial result		**(13)**	(56)
Profit before tax from continuing operations		**607**	772
Income tax expense	5.6	**(124)**	(130)
Group profit from continuing operations		**483**	642
Discontinued operations			
Group profit from discontinued operations	6.11	**115**	124
Total Group profit		**598**	766
Attributable to:			
RTL Group shareholders		**467**	673
– Continuing operations		**352**	549
– Discontinued operations		**115**	124
Non-controlling interests		**131**	93
– Continuing operations		**131**	93
– Discontinued operations		**–**	–
Earnings per share (in €)	5.7		
Basic earnings per share		**3.02**	4.35
– Continuing operations		**2.27**	3.55
– Discontinued operations		**0.74**	0.80
Diluted earnings per share		**3.02**	4.35
– Continuing operations		**2.27**	3.55
– Discontinued operations		**0.74**	0.80

The figures from the previous year have been adjusted due to discontinued operations (see note 1.30).

Consolidated statement of comprehensive income

	Notes	2023 €m	2022 €m
Total Group profit		**598**	766
Other comprehensive income (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	6.15	**(13)**	108
Income tax	6.7	**3**	(29)
		(10)	79
Equity instruments at FVOCI – change in fair value	6.6	**3**	(5)
Income tax	6.7	**(1)**	2
		2	(3)
Share of other comprehensive income of investments accounted for using the equity method	6.5	**(1)**	23
Income tax		**–**	–
		(1)	23
		(9)	99
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(22)**	22
Effective portion of changes in fair value of cash flow hedges	6.16.4	**(10)**	14
Income tax	6.7	**3**	(2)
		(7)	12
Recycling of cash flow hedge reserve	6.16.4	**1**	–
Income tax	6.7	**–**	–
		1	–
Share of other comprehensive income of investments accounted for using the equity method		**–**	2
Income tax		**–**	–
		–	2
		(28)	36
Other comprehensive income/(loss), net of income tax		**(37)**	135
Total comprehensive income		**561**	901
Attributable to:			
RTL Group shareholders		**432**	802
Non-controlling interests		**129**	99
Total comprehensive income attributable to RTL Group shareholders		**432**	802
– Continuing operations		**318**	679
– Discontinued operations		**114**	123

Consolidated statement of financial position

	Notes	31 December 2023 €m	31 December 2022 €m
Non-current assets			
Programme and other rights	6.1	**68**	73
Goodwill	6.2	**3,148**	3,331
Other intangible assets	6.2	**557**	591
Property, plant and equipment	6.3	**257**	272
Right-of-use assets	6.4	**270**	342
Investments accounted for using the equity method	6.5	**405**	376
Loans and other non-current assets	6.6	**114**	113
Deferred tax assets	6.7	**302**	316
		5,121	5,414
Current assets			
Programme rights	6.8	**1,562**	1,574
Other inventories		**9**	18
Income tax receivable		**34**	51
Accounts receivable and other current assets	6.9	**1,950**	2,503
Cash and cash equivalents	6.10	**575**	589
		4,130	4,735
Assets held for sale	6.11	**416**	–
Current liabilities			
Loans and bank overdrafts	6.12	**253**	547
Lease liabilities	6.12	**76**	85
Income tax payable		**18**	24
Accounts payable and other liabilities	6.13	**1,714**	2,324
Contract liabilities	5.1	**481**	590
Provisions	6.14	**88**	111
		2,630	3,681
Liabilities related to assets held for sale	6.11	**227**	–
Net current assets		**1,689**	1,054
Non-current liabilities			
Loans	6.12	**689**	138
Lease liabilities	6.12	**225**	300
Accounts payable and other liabilities	6.13	**498**	508
Contract liabilities	5.1	**6**	5
Provisions	6.14	**223**	218
Deferred tax liabilities	6.7	**69**	79
		1,710	1,248
Net assets		**5,100**	5,220
Equity attributable to RTL Group shareholders		**4,250**	4,422
Equity attributable to non-controlling interests	6.16.8	**850**	798
Equity	6.16	**5,100**	5,220

The figures from the previous year have been adjusted (see note 1.30).

Consolidated statement of changes in equity

	Share capital €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2022	**192**	**(149)**	**5**	**68**	**4,422**	**4,538**	**766**	**5,304**
Total comprehensive income:								
Total Group profit	–	–	–	–	673	673	93	**766**
Other comprehensive income (OCI)	–	23	13	20	73	129	6	**135**
	–	23	13	20	746	802	99	**901**
Capital transactions with owners:								
Dividends	–	–	–	–	(774)	(774)	(76)	**(850)**
Equity-settled transactions, net of tax	–	–	–	–	3	3	3	**6**
Transactions on non-controlling interests without a change in control	–	–	–	–	(134)	(134)	(23)	**(157)**
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	28	**28**
Other changes	–	–	(7)	(1)	(5)	(13)	1	**(12)**
	–	–	(7)	(1)	(910)	(918)	(67)	**(985)**
Balance at 31 December 2022	**192**	**(126)**	**11**	**87**	**4,258**	**4,422**	**798**	**5,220**
Balance at 1 January 2023	**192**	**(126)**	**11**	**87**	**4,258**	**4,422**	**798**	**5,220**
Total comprehensive income:								
Total Group profit	–	–	–	–	467	467	131	**598**
Other comprehensive income (OCI)	–	(22)	(6)	1	(8)	(35)	(2)	**(37)**
	–	(22)	(6)	1	459	432	129	**561**
Capital transactions with owners:								
Dividends	–	–	–	–	(619)	(619)	(76)	**(695)**
Equity-settled transactions, net of tax	–	–	–	–	2	2	2	**4**
Transactions on non-controlling interests without a change in control	–	–	–	–	(2)	(2)	(3)	**(5)**
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	(1)	**(1)**
Other changes	–	–	(4)	–	19	15	1	**16**
	–	–	(4)	–	(600)	(604)	(77)	**(681)**
Balance at 31 December 2023	**192**	**(148)**	**1**	**88**	**4,117**	**4,250**	**850**	**5,100**

The figures from the previous year have been adjusted (see note 1.30).

Consolidated cash flow statement

	Notes	2023 €m	2022 €m
Cash flows from operating activities			
Group profit before tax		**752**	932
Adjustments for:			
– Depreciation, amortisation and impairment		**248**	240
– Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		**43**	46
– Impairment and reversals on other financial assets at amortised cost		**2**	30
– Share-based payments expenses		**4**	5
– Re-measurement of earn-out arrangements		**9**	–
– Fair value measurement of investments		**23**	78
– (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		**(40)**	(107)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		**(23)**	132
Change of provisions	6.14	**(5)**	(97)
Working capital changes		**(316)**	(503)
Income tax paid		**(162)**	(293)
Other changes from operating activities		**2**	–
Net cash from operating activities		**537**	463
– Thereof discontinued operations	6.11	**77**	140
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		**(57)**	(68)
– Subsidiaries, net of cash acquired	4.2	**(44)**	(113)
– Companies under common control, net of cash acquired	4.2	**–**	166
– Other intangible and tangible assets		**(120)**	(133)
– Other investments and financial assets		**(37)**	(48)
Proceeds from the sale of intangible and tangible assets		**1**	1
Disposal of other subsidiaries, net of cash disposed of	4.3	**32**	194
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets		**31**	105
Interest received		**21**	10
Current deposits with shareholder and its subsidiaries	10.1	**199**	544
Net cash from/(used in) investing activities		**26**	658
– Thereof discontinued operations	6.11	**(5)**	(3)
Cash flows from financing activities			
Interest paid		**(34)**	(24)
Transactions on non-controlling interests	6.16.8	**(7)**	(67)
Proceeds from loans	6.12	**293**	35
Repayment of loans	6.12	**(41)**	(79)
Payment of lease liabilities	6.12	**(86)**	(81)
Dividends paid		**(696)**	(860)
Other changes from financing activities		**(7)**	(16)
Net cash used in financing activities		**(578)**	(1,092)
– Thereof discontinued operations	6.11	**(72)**	(137)
Net increase/(decrease) in cash and cash equivalents		**(15)**	29
Exchange rate effects and other changes in cash and cash equivalents		**–**	(11)
Cash and cash equivalents and bank overdrafts at the beginning of the year	6.10	**588**	570
Cash and cash equivalents and bank overdrafts at the end of the year		**573**	588
Less cash and cash equivalents included within assets held for sale	6.11	**–**	–
Cash and cash equivalents and bank overdrafts at the end of the year (without assets held for sale)	6.10	**573**	588

Notes to the consolidated financial statements

1. General information and material accounting policies

RTL Group S.A. (the 'Company') is a company incorporated under Luxembourgish law. The consolidated financial statements of the Company as at 31 December 2023, comprise the Company and its subsidiaries (together referred to as 'RTL Group' or 'the Group') and the Group's interest in associates and joint ventures.

RTL Group S.A. is a leading entertainment company across broadcast, streaming, content and digital, with interests in 60 television channels, seven streaming services and 36 radio stations and a global business for content production and distribution. RTL Group's business model is to produce, aggregate, distribute and monetise the most attractive video content, across all formats and platforms.

The Company is listed on the Frankfurt and Luxembourg Stock Exchanges and is a member of the MDAX stock index. Statutory accounts can be obtained at its registered office established at 43, boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent company of RTL Group S.A. preparing consolidated financial statements, Bertelsmann SE & Co. KGaA, includes in its consolidated financial statements those of RTL Group S.A. 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 for Bertelsmann SE & Co. KGaA can be obtained at the company's registered office.

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 13 March 2024. They will be submitted for approval to the next Annual General Meeting of shareholders on 24 April 2024.

1.1 Statement of compliance

The RTL Group SA consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) that are applicable in the European Union (EU-IFRS).

1.2 Basis of preparation of consolidated financial statements

The consolidated financial statements are presented in millions of Euro, which is the Company's functional and Group presentation currency, and have been prepared under the historical cost convention except for the following material items in the statement of financial position:
- Derivative financial instruments are measured at fair value
- Non-derivative financial instruments at fair value through profit or loss (FVTPL) are measured at fair value
- Equity instruments at fair value through OCI (FVOCI) are measured at fair value
- Liabilities for cash-settled share-based payment arrangements are measured at fair value
- The defined benefit assets and liabilities are measured in accordance with IAS 19
- Assets held for sale and liabilities related to those assets are measured at the lower of its carrying amount and fair value less cost to sell in accordance with IFRS 5.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the present circumstances, are providing the basis of making the judgements about carrying amounts of assets and liabilities that are not directly available from other sources. Actual results may differ from historical estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the course of applying IFRS that cause a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the subsequent years, are discussed in note 2.

Impact of new financial reporting standards, interpretations and amendments
RTL Group applies the exception offered by the amendment to IAS 12 – Income Taxes, relating to the international tax reform Pillar Two, regarding the non-recognition of deferred tax assets and liabilities related to Pillar Two income taxes. Based on the information available to date, RTL Group considers the resulting effects for the group to be immaterial. Further information is presented in note 1.26.

The effects of the first-time application of other new accounting standards, amendments to existing IASB accounting standards and published interpretations of the IFRS IC had no material impact on the consolidated financial statements of RTL Group.

Impact of issued financial reporting standards that are not yet effective
RTL Group has not opted for early adoption of any additional standards, interpretations or amendments that have been issued by the IASB or the IFRS IC but are not yet mandatory.

Impact of external events on the consolidated financial statements
In 2023, multiple external events impacted the business environment of RTL Group. These include the continuing geopolitical tensions with the war in Ukraine and the conflict in the Middle East accompanied by a sustained high level of inflation. Inflation had direct implications on the business performance of RTL Group (e.g. increase in raw material costs) as well as indirect implications (e.g. reduced bookings from advertising clients).

This impacted RTL Group's financial performance in the financial year 2023, resulting in decline of revenues and a decreasing Adjusted EBITA. The external challenges and associated uncertainties have been, and will continue to be, regularly monitored by management to allow for early intervention if necessary. This particularly applies to the areas of impairment of goodwill and individual assets, leasing, programming rights, inventories, trade receivables, government grants, deferred tax assets, contingent losses and revenues. Based on the current development of the business, no impairment of goodwill was considered necessary. This also applies to the accounting areas classified as vulnerable, for which no significant negative impact on the financial position and results of operations of RTL Group is currently expected.

The assessment is based on judgements, estimates and assumptions that involve uncertainties as characterised above. Management assumes that these uncertainties have been appropriately taken into account in their assessments.

Consideration of climate change
The preparation of consolidated financial statements involves taking into account climate change issues. The assumptions underlying the estimates in the consolidated financial statements, in particular for the impairment test of goodwill, considers the future effects of climate change. According to this assessment, the consequences of climate change had no significant impact on the Group's consolidated financial statements and no material impact on the short-term and medium-term business activities.

1.3 Principles of consolidation

1.3.1 Subsidiaries
Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has power or ability, directly or indirectly, over an entity; is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Directly or indirectly held subsidiaries are consolidated from the date on which control is transferred to the Company, and are no longer consolidated from the date that control ceases.

The full consolidation method is used, whereby the assets, liabilities, income and expenses are fully incorporated. The proportion of the net assets and net income attributable to non-controlling interests is presented separately as non-controlling interests in the consolidated statement of financial position and in the consolidated income statement.

Intra-group balances and transactions, and any unrealised income and expense (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:
– the fair value of the consideration transferred; plus
– the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
– the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs related to the acquisition – other than those associated with the issue of debt or equity securities – that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. Contingent consideration is classified as either equity or a financial liability. If an obligation to pay contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for within equity. It is a Level 3 fair value measurement based on the discounted cash flows (DCF) and derived from market sources as described in notes 6.2 and 7.3.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities. The amount that may become payable under the option on exercise is initially recognised for the present value of the redemption amount within accounts payable with a corresponding charge directly in equity or through goodwill in case of a business combination with the transfer of the risks and rewards of the non-controlling interests to the Group. Subsequent measurement of liabilities from put options is recognised in profit or loss. The income/(expense) arising is recorded in 'Other financial income' or 'Other financial expenses'.

On an acquisition-by-acquisition basis the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

Accounting for transactions under common control
For transactions under common control RTL Group applies the accounting policy choice to recognise assets acquired and liabilities assumed at carrying amounts, while the difference between assets/liabilities and consideration transferred is recognised in equity under 'Other changes'.

Accounting for transactions with non-controlling interests
The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Loss of control
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value subsequently becomes the initial carrying amount for the purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3.2 Investments accounted for using the equity method

The investments accounted for using the equity method comprise interests in associates and joint ventures. Associates are defined as those investments where the Group can exercise a significant influence. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of arrangements, rather than rights to their assets and obligations for their liabilities. Such investments are recorded in the consolidated statement of financial position using the equity method of accounting and are initially recognised at cost, which includes transaction costs. Under this method, the Group's share of the post-acquisition profits or losses of investments accounted for using the equity method (impairment loss included) is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves.

When the Group's share of losses in an investment accounted for using the equity method equals or exceeds its interest in the investment accounted for using the equity method, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investment accounted for using the equity method.

Unrealised gains on transactions between the Group and its investments accounted for using the equity method are eliminated against the investment accounted for using the equity method to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies for investments accounted for using the equity method have been changed where necessary to ensure consistency with the policies adopted by the Group and restated in the case of specific transactions on RTL Group level in relation to investments.

1.4 Foreign currency translation

1.4.1 Foreign currency translations and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are generally recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the date the fair value was determined.

1.4.2 Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill, and fair value adjustments arising on consolidation, are translated to Euro using the foreign exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rate for the year under review. The foreign currency translation differences resulting from this treatment and those resulting from the translation of the foreign operations' opening net asset values at year-end rates are recognised directly in a separate component of equity.

Exchange differences arising from the translation of the net investment in a foreign operation, or associated undertaking and financial instruments, which are designated and qualified as hedges of such investments, are recognised directly in a separate component of equity. On disposal or partial disposal of a foreign operation, such exchange differences or proportion of exchange differences are recognised in profit or loss as part of the gain or loss on sale.

1.5 Derivative financial instruments and hedging activities

Fair value

Derivative financial instruments are initially recognised at fair value in the statement of financial position at the date a derivative contract is entered into and are subsequently re-measured at fair value. The fair value of foreign currency forward contracts is determined by using forward exchange market rates at the reporting date.

Cash flow hedges

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. Thereby the qualifying instrument is separated in the spot element and forward element and only the change in the fair value of the spot element is designated as a hedging instrument. The hedge ratio of 1:1 is applied accordingly. The Group also documents, both at the hedge inception and on an ongoing basis, its assessment of whether the hedging derivatives are effective in offsetting changes in fair values or cash flows of the hedged items.

The accounting treatment applied to cash flow hedges in respect of off-balance sheet assets and liabilities can be summarised as follows:

- The designated component of fair value changes on the hedging instrument (mostly foreign currency forward contracts or cash balances in foreign currencies) is deferred in 'Hedging reserve'
- Amounts deferred in 'Hedging reserve' are subsequently released to the income statement in the periods in which the hedged item impacts the income statement. Hedging forecast purchases of programme rights in foreign currency releases from equity when the programme right is recognised on-balance sheet in accordance with the Group's policy
- The non-designated component of the fair value changes on the hedging instrument is recorded directly in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the 'Hedging reserve' remains in equity until – for a hedge of a transaction resulting in the recognition of the programme rights – it is included in the costs of the programme rights on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, the amounts that have accumulated in the 'Hedging reserve' are immediately reclassified to profit or loss.

1.6 Current/non-current distinction

Current assets are assets expected to be realised or consumed in the normal course of the Group's operating cycle (normally within one year). All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Group's operating cycle (normally within one year) or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

1.7 Intangible assets

1.7.1 Non-current programme and other rights

Non-current programme and other rights are initially recognised at acquisition cost or production cost – which includes staff costs and an appropriate portion of relevant overheads – when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Non-current programme and other rights include (co-)productions, audiovisual and other rights acquired with the primary intention to distribute or trade them as part of the Group's long-term operations. The economic benefits of the rights are highly correlated to their consumption patterns, which themselves are linked to revenue. These non-current programme and other rights are therefore amortised based on expected future revenue. The amortisation charge is based on the ratio of net revenue for the period over total estimated net revenue. The (co-)production shares and flat fees of distributors are amortised over the applicable product lifecycle based on the ratio of the current period's revenue to the estimated remaining total revenue (ultimate revenue) for each (co-)production or distribution right.

Estimates of total net revenue are periodically reviewed and additional impairment losses are recognised if appropriate.

1.7.2 Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date. Goodwill arising from applying this method is measured at initial recognition as detailed in note 1.3.1.

Goodwill on acquisitions of subsidiaries is recognised as an intangible asset. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit represents the Group's investment in a geographical area of operation by business segment, except for Fremantle and We Are Era which are global/multi-territory operations. RTL Deutschland has minor businesses in France and United Kingdom.

No goodwill is recognised on the acquisition of non-controlling interests.

1.7.3 Other intangible assets

Other intangible assets principally comprise brands and trademarks, software licences and developments, customer relationships and similar rights.

Expenditures for internally developed software are capitalised only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the reporting unit intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequently, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Customer relationships that are identified as part of business combinations and the resulting allocation of the acquisition price are recognised as assets. Customer relationships have a finite useful life, i.e. they are expected to be no longer usable at the end of a determined period, and are therefore amortised on a straight-line basis over their useful life.

Other intangible assets with a definite useful life, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses. They are amortised on a straight-line basis over their estimated useful life as follows:
- Software licences and developments: three to seven years
- Other licences: seven to 20 years.

Useful lives are reviewed annually and adjusted if expectations have changed.

Brands and trademarks, unless an indefinite useful life can be justified, are mainly amortised on a straight-line basis over their estimated useful life. The range of definite useful life of brands and trademarks depends individually on the underlying contractual terms of use. Brands with an indefinite useful life are tested annually for impairment or whenever there is an indication that the intangible asset may be impaired.

1.8 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:
- Land: nil
- Buildings: ten to 25 years
- Technical equipment: four to ten years
- Other fixtures and fittings, tools and equipment: three to ten years.

Where an item of property, plant and equipment comprises major components having different useful lives, it is accounted for as separate items of property, plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in profit from operating activities.

Depreciation methods and useful lives, as well as residual values, are reassessed annually and adjusted if expectations have changed.

Expenditure incurred to replace a component of an item of property, plant and equipment that is separately accounted for is capitalised with the carrying amount of the component that is to be replaced being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits that will be derived from the item of property, plant and equipment. All other expenditure is expensed as incurred.

1.9 Leases

The Group mainly leases premises for operating businesses. Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, initial direct costs incurred, restoration costs, and lease payments made at, or before, the commencement date less any incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's maturity, currency and risk-specific incremental borrowing rate is used. The incremental borrowing rate represents the cost of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease denominated in the currency in which lease payments are settled.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets for all classes of assets
The Group applies the short-term lease recognition exemption to its leases (i.e. those leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the exemption of low-value leased assets. Lease payments on short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense over the lease term.

1.10 Loans and other financial assets

Initial recognition
The Group classifies its financial assets in the following measurement categories:
– those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
– those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets (with the exception of trade receivables without a significant financing component) are recognised initially at fair value, taking into account transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets recognised at fair value through profit or loss are immediately expensed in profit or loss. Trade receivables without a significant financing component are initially recognised at their transaction price.

For financial assets – debt instruments and investments in equity instruments – measured at fair value through profit or loss, gains and losses will be recorded in either profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income (FVOCI).

Financial assets with embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The fair value of publicly traded investments is based on quoted market prices at the reporting date. The fair value of non-publicly traded investments is based on the estimated discounted value of future cash flows.

Subsequent measurement

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in three measurement categories:
- Amortised cost: assets that are held in order to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Financial assets at amortised cost are subsequently measured using the effective yield method, less any valuation allowance for credit risk. Any difference between nominal value, net of transaction costs, and redemption value is recognised using the effective interest method in profit or loss over the period of the loan. Interest income from these financial assets is included in 'Interest income' using the effective interest method. Any gain or loss arising on derecognition is recorded directly in profit or loss and presented in 'Other operating income' or 'Other operating expenses', together with foreign exchange gains and losses. Impairment losses, when applicable, are presented as 'Other operating expenses' in the consolidated income statement
- FVOCI: assets that are held in order to collect contractual cash flows and for selling the financial assets – where the assets' cash flows solely represent payments of principal and interest – are measured at FVOCI. Changes in the fair value are taken through OCI, except for the recognition of impairment losses (and reversal of impairment losses), foreign exchange gains and losses and interest income, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. Interest income from these financial assets is included in 'Interest income' using the effective interest method. Impairment expenses are presented in 'Other operating expenses' and disclosed separately in the notes to the consolidated income statement
- FVTPL: instruments that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in the consolidated income statement and presented net within 'Fair value measurement of investments' which is reported in 'Other operating income' or 'Other operating expenses'.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Equity instruments
The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity instruments at FVOCI are not reported separately from 'Equity instruments at FVOCI – change in fair value, net of tax' in the revaluation reserve of the consolidated statement of changes in equity.

Changes in the fair value of financial assets at FVTPL are recognised within 'Fair value measurement of investments' in the consolidated income statement.

1.11 Current programme rights

Current programme rights are initially recognised at acquisition cost or Group production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Current programme rights include programmes in progress, (co-)productions and rights acquired with the primary intention to broadcast or sell them in the normal course of the Group's operating cycle. Current programme rights include an appropriate portion of overheads and are stated at the lower of cost and net realisable value. The net realisable value assessment is based on the advertising revenue expected to be generated when broadcast, and on estimated net sales. Weak audience shares or changes from a prime-time to a late-night slot constitute indicators that a valuation allowance may be applicable. They are consumed based on either the expected

number of transmissions or expected revenue in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are as follows:
- Free television thematic channels: programme rights are consumed on a straight-line basis over a maximum of six runs
- Free television other channels:
  - Blockbusters (films with high cinema ticket sales), mini-series (primarily own productions with a large budget), other films, series, TV movies and (co-)productions are consumed, run by run, over a maximum of four transmissions following a degressive approach for amortisation depending on the agreed total number of transmissions
  - Soaps, in-house productions, quiz and game shows, sports and other events, documentaries and music shows are fully consumed upon the first transmission
  - Children's programmes and cartoons are consumed over the licence period on a linear basis as there is a very slow saturation and a very high number of repetitions for the target group kids (three to 13-year-olds)
- Pay television channels: programme rights are consumed on a straight-line basis over the licence period.

1.12 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, and fair value less costs of disposal where applicable, the estimated future cash flows are discounted to their present value using a discount rate after tax that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets other than goodwill, an impairment loss is reversed when there is an indication that the conditions that caused the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The carrying amount after the reversal of the impairment loss cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

1.13 Accounts receivable and contract assets

Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Trade accounts receivable are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less impairment loss.

Contract assets relate to the conditional right to consideration for complete satisfaction of the contractual obligations. Other accounts receivable include – in addition to deposits and amounts related to Profit and Loss Pooling (PLP) and Compensation Agreements with RTL Group's controlling shareholder – VAT recoverable, and prepaid expenses.

Impairment losses on trade accounts receivable, other financial instruments measured at amortised costs and contract assets are recognised when:
- RTL Group assesses on a forward-looking basis the expected credit loss; or
- there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable or the contract asset is impaired. In that case, the trade receivable or the contract asset is removed from the expected credit loss and impaired on a stand-alone basis.

Additions to valuation allowance and subsequent recoveries of amounts previously written off are reported in the income statement within 'Other operating expenses'.

Accrued income is stated at the amounts expected to be received.

1.14 Cash and cash equivalents

Cash consists of cash in hand and at bank. Cash equivalents are assets that are readily convertible into cash, such as short-term highly liquid investments, commercial paper, bank deposits and marketable securities, all of which mature within three months from the date of purchase, and money market funds that qualify as cash and cash equivalents under IAS 7. Bank overdrafts are included within current liabilities.

1.15 Impairment of financial assets

RTL Group applies the expected credit loss (ECL) model in accordance with IFRS 9 for debt instruments at amortised cost and for contract assets. Accordingly, the amount of expected credit losses recognised as a loss allowance depends on the extent to which the default risk has increased since initial recognition. According to the so-called general approach, a distinction is made between the following two measurement bases:
- 12-month ECL: At initial recognition, and if the default risk has not increased significantly from the initial recognition of the debt instrument, a loss allowance is recognised for expected credit losses within the next 12 months.
- Lifetime ECL: If the default risk has increased significantly, a loss allowance for expected credit losses is recognised for the entire life of the debt instrument.

Appropriate quantitative and qualitative information and analyses based on the Group's past experience and reasonable assessments – including forward-looking information such as customer-specific information and forecasts of future economic conditions – are taken into consideration when determining the credit risk. When a financial asset is more than 30 days past due, its credit risk is assumed to have increased significantly. A default of a financial asset is assumed at the latest when the counterparty fails to make contractual payments within 90 days of when they fall due, unless reasonable and supportable information is available that justifies a different time of overdue payment. The Group assesses whether a financial asset is credit-impaired at the end of each reporting period. This is the case when one or more events that have a detrimental impact on the expected future cash flows of that financial asset have occurred. A financial asset is written off when it is no longer reasonably expected to be fully or partially recoverable.

For trade receivables and contract assets, RTL Group uses a simplified approach to measure expected credit losses. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses have been prepared. The impairment matrices were created for business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

1.16 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs of disposal if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

1.17 Accounts payable

Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's operating activities and include accrued expenses. Other accounts payable comprise – in addition to amounts related to the Profit and Loss Pooling Agreement (PLP) with RTL Group's controlling shareholder – VAT payable, fair value of derivative liabilities, and accounts payable on capital expenditure. Trade and other accounts payable are measured at amortised cost using the effective interest method, except derivative liabilities, which are measured at fair value.

1.18 Loans payable

Interest-bearing current and non-current liabilities are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing current and non-current liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

1.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation to transfer economic benefits as a result of past events. The amounts recognised represent management's best estimate of the expenditures that will be required to settle the obligation at the reporting date. Provisions are measured by discounting the expected future cash flows to settle the obligation at a pre-tax risk-free rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly. Restructuring provisions do not include costs relating to the ongoing activities of the Group.

Provisions for onerous contracts mainly relate to unavoidable costs for individual programme rights, of which the estimated performance is clearly below what was originally planned when the contract was agreed. Such situations mainly arise in case of executory obligations to purchase programmes that will not be aired due to lack of audience capacity or to a mismatch with the current editorial policy. In addition, an expected or actual fall in audience can be evidenced by several indicators, such as the underperformance of a previous season, the withdrawal of the programme's main advertisers or a decline in the popularity or success of sports programmes. Long-term sourcing agreements aim to secure the programme supply of broadcasters. These are mainly output deals, production agreements given European quota obligations, and arrangements with sports organisations. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1.20 Employee benefits

1.20.1 Pension benefits

The Group operates or participates in both defined contribution and defined benefit plans, according to the national laws and regulations of the countries in which it operates. The assets of the plans are generally held in separate trustee-administered funds, and some of the plans are operated through pension funds that are legally independent from the Group. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent qualified actuaries.

Pension costs and obligations relating to defined benefit plans are recognised based on the projected unit credit method. The Group recognises actuarial gains and losses in other comprehensive income. Past-service costs are recognised immediately through profit or loss.

Pension costs relating to defined contribution plans (including deferred compensation plans that are defined contribution plans in nature) are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1.20.2 Other benefits

Many Group companies provide death in service benefits, and spouses' and children's benefits. The costs associated with these benefits are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1.20.3 Share-based transactions

In limited number of cases (currently at Groupe M6), share options are granted to directors, senior executives and other employees of the Group. They may also be granted to suppliers for settlement of their professional services. Share options entitle holders to purchase shares at a price (the 'strike price') payable at the exercise date of the options. Options are initially measured at their fair value determined on the date of grant.

The grant date fair value of equity-settled share-based payment arrangements is recognised as an expense with a corresponding increase in equity over the vesting period of the options. The amount recognised as an expense is adjusted to reflect the number of options that are expected to ultimately vest, considering vesting service conditions and non-market performance conditions.

For cash-settled share-based payment arrangements, the fair value of the amount payable to employees is recognised as an expense with a corresponding increase in liability until the employees exercise their options. The liability is re-measured to fair value at each reporting date up until the settlement date. Any changes in the liability are recognised in the income statement. The fair value of the options is measured using specific valuation models.

1.21 Share capital

1.21.1 Equity transaction costs

Incremental external costs directly attributable to the issue of new shares, other than in connection with a business combination, are deducted, net of the related income taxes, against the gross proceeds recorded in equity.

1.21.2 Treasury shares

Where the Company or its subsidiaries purchase the Company's own equity, the consideration paid, including any attributable transaction costs net of income taxes, is shown in deduction of equity as 'Treasury shares'.

1.21.3 Dividends

Dividends on ordinary shares are recorded in the consolidated financial statements in the period in which they are approved at the Shareholders' meeting or authorised by the Board of Directors in case of interim dividends.

1.22 Revenue presentation and recognition

Revenue relates to advertising, the production, distribution and licensing of programmes and other rights, the rendering of services and the sales of merchandise. Revenue is presented net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT. Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Group's activities. The transaction price is determined based on the contractually agreed terms. The nature and timing of satisfaction of performance obligations and significant payment terms differ between the respective categories of revenue, whereas payments are generally due within short time.

Revenue from advertising

Advertising arrangements mostly include spots aired or advertisements published as part of a campaign on various media (TV, radio, internet or printed magazines), generally for a period of up to one year. RTL Group considers that the client benefits from the visibility of his brands as the spot is broadcasted and an advertising campaign progresses. Therefore, RTL Group treats the series of spots from an advertising customer as a single performance obligation. The same applies to advertisements in printed magazines.

Revenue from advertising is recognised over time in the period over which the related spots or advertisements are broadcasted or published. Commissions paid to sales houses and other agencies are directly deducted from advertising revenue.

Both normal and free advertising spots of an advertising campaign are considered to be separate performance obligations and recognised for their relative standalone selling price. Free advertising spots and printed advertisements generate a contract asset if they are aired or published in a higher extent than the contracted normal advertising spots and printed advertisements, and a contract liability in the reverse case.

Revenue from exploitation of programmes, rights and other assets

Revenue from exploitation of programmes, rights and other assets mostly consists of revenue generated from the production and licensing of intellectual property to customers.

Customer contracts typically have a wide variety of performance obligations, from production licence contracts to multi-year format licence agreements, as well as ancillary rights and services (e.g. merchandising rights, sponsorship rights and production consulting services) and distribution activities. IFRS 15 requires an assessment of the nature of promise at contract level regarding licences and payment terms. The Group assesses for purposes of revenue recognition whether the licences underlying the transactions are determined to be a right to access the content (revenue recognised over time) or a right to use the content (revenue recognised at a point in time) considering the further influence on or development of the intellectual property on which the licence is based during the contractual licence period. RTL Group has determined that, for most of the licences granted (i.e. production licences, distribution licences, format-only licences), the involvement of the Group is limited to the transfer of the licence, resulting in a performance obligation, which is satisfied at a point in time respectively when the licence is granted.

Non-refundable minimum guarantees recoupable over royalties are received as part of some production or distribution arrangements, which are recognised in accordance with the classification of the type of licence granted.

Granting licences for the access to streaming platforms (e.g. RTL+) stipulate obligations to provide access to the content over the subscription period. The subscription revenues are recognised in accordance with the classification of the type of licence granted, i.e. over time.

In the case of sales-based or usage-based royalties in exchange for a licence of intellectual property, the Group recognises revenue when the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied) and when the subsequent sale or usage has occurred.

In parallel, advance payments received from a customer to fulfil non-cancellable arrangements generate a contract liability.

When the customer has a right to return the product within a given period, the entity is obliged to refund the purchase price. Under IFRS 15, a refund liability for the expected refunds to customers is recognised as an adjustment to revenue in trade and other accounts payable.

A significant part of operations developed by the digital video networks consists of distributing videos licensed by talents/influencers that are advertising-financed. The corresponding revenue for the Group, due to a variable basis, is recognised as revenue from exploitation of programmes, rights and other assets.

Distribution revenue is recognised when the Group's broadcasting channels provide a broadcasting signal in high definition (HDTV) or additional services to cable, satellite platforms and internet TV for a fee.

Revenue from selling goods and merchandise and providing services
Revenue from selling own products is recognised at a point in time when control is transferred. Depending on the underlying respective terms of sale, this is generally upon delivery to the customer. Expected returns from sales of products, mainly from print magazines, are shown as liabilities in the position 'Accounts payable and other liabilities'. In individual business models, giveaways to customers meet the criteria of a separate performance obligation. Any giveaways to an agent are capitalised as costs to obtain a contract and are amortised over the expected term of the subscription.

Revenue from selling merchandise is recognised when the customer has obtained control of the goods for the amount that the Group expects to receive.

Revenue from providing services is recognised in the period in which the service has been rendered for the consideration that the Group expects to receive.

For the sale of third-party goods and services and especially in the context of the Group's digital businesses, the Group assesses whether it operates as a principal, and reports revenue on a gross basis, or as an agent, and reports revenue on a net basis. The decision is primarily based on who the customer is and whether the agent obtains control of the specified goods or services before they are transferred to the customer. Other indicators include who is primarily responsible for fulfilment, inventory risk and discretion in establishing the sales price.

IFRS 15 stipulates some practical expedients of which the following are applied in RTL Group:
- Costs of obtaining contracts are not capitalised if the underlying asset is amortised in no more than 12 months
- The value of consideration is not adjusted for the effects of a material financing component if the financing component pertains to a period of no more than 12 months
- For contracts with an original duration of no more than 12 months and for contracts for which revenue can be recognised according to the amount invoiced for simplification purposes, no disclosure of the aggregated transaction price is provided.

1.23 Government grants

Grants from government and inter-governmental agencies are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants related to assets are initially presented as a deduction in arriving at the carrying amount of the asset. Grants that compensate the Group for expenses incurred are recognised in 'Other operating income' on a systematic basis in the same period in which the expenses are recognised.

Forgivable loans are loans which government and inter-governmental agencies undertake to waive repayment of under certain prescribed conditions. Forgivable loans are recognised in 'Other operating income' when there is reasonable assurance that the loan will be waived.

1.24 Gain and loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

Gains and losses on disposal or loss of control of subsidiaries owning only one non-financial asset or a group of similar assets are classified in 'Other operating income'/'Other operating expenses' to reflect the substance of the transaction.

1.25 Interest income and expense

Interest income and expense is recognised on a time proportion basis using the effective interest method.

1.26 Income tax

Recognition and measurement of income tax
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted in the countries in which the Group's entities operate, and generate taxable income at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred taxes are recognised on any temporary difference between the carrying amount for consolidation purposes and the tax base of the Group's assets and liabilities, as well as for unused tax loss carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, unused tax credits and tax loss carry forwards can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

Global minimum tax
With the publication of the law on 22 December 2023, Luxembourg as the country of the parent company has adopted the global minimum top-up tax (Pillar Two). The regulations will apply to RTL Group from 1 January 2024. In addition, Pillar Two legislation has been adopted in the following countries – which are relevant to the Group – and will come into force on 1 January 2024: Belgium, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, the Netherlands, Sweden and the United Kingdom. As the newly enacted legislation had not yet been effective at the reporting date, RTL Group is not subject to any additional tax burden for the year ended 31 December 2023. RTL Group makes use of the exemption for the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

RTL Group is currently in the process of assessing the impact of Pillar Two once the legislation will become effective. The statutory tax rate in Ireland is below 15 per cent. From the first indicative analysis, RTL Group does not expect any significant effects.

1.27 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or a geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year. Further information is presented in note 6.11.

1.28 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to RTL Group shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares and the shares held under the liquidity programme, if any.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is currently no category of dilutive potential ordinary shares.

1.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Executive Committee of RTL Group, which makes strategic decisions.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The operating results of all operating segments are regularly reviewed by the Group's Executive Committee, which makes decisions about resources to be allocated to the segment and assesses its performance, and for which discrete financial information is available.

The invested capital is disclosed for each reportable segment as reported to the Group's Executive Committee. Invested capital is calculated on the basis of the Group's operating assets (right-of-use assets included) less non-interest bearing operating liabilities (lease liabilities not included). Intercompany revenues are recognised using the same arm's-length conditions applied to transactions with third parties. No measure of segment assets and liabilities other than invested capital is reported to the Group's Executive Committee.

1.30 Prior year information

In December 2023, the Group reached an agreement on the sale of RTL Nederland to DPG Media. The RTL Nederland segment was classified as held for sale as at 31 December 2023 and presented as a discontinued operation in the consolidated financial statements 2023. Further information is presented in note 6.11.

For the purposes of both better comparability with the Group's peers and increased transparency of financial information, the disclosures to the notes 6.1 Non-current programme and other rights, 6.2 Goodwill and other intangible assets and 6.8. Current programme rights have been adjusted. The adjustments mainly relate to the designation and disaggregation of the respective line-item composition in the tables shown in the notes. The 2022 comparatives have been adjusted accordingly. These adjustments have no effect on the presentation of consolidated income statement and consolidated statement of financial position.

In November 2022, Fremantle acquired 55 per cent of 72 Films, an independent TV production company focusing on documentaries and factual entertainment. Also in November 2022, Fremantle acquired 51 per cent of Wildstar Films, a production company focused on natural history documentaries. For the year-end reporting 2022, the purchase price allocations for both acquisitions were prepared on a provisional basis in accordance with IFRS 3. During the measurement period in 2023, the provisional amounts recognised at the acquisition date were retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as at the acquisition date. Due to the finalisation of the purchase price allocation in the financial year 2023, the figures from the previous year in the consolidated statement of financial position have been adjusted accordingly. Further information is presented in note 4.2.

2. Accounting judgements and estimates

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.1 Consolidation of entities in which the Group holds less than 50 per cent

Even though the Group has less than 50 per cent of the voting rights of Groupe M6, management considers that the Group has control of Groupe M6. The Group is the controlling shareholder of Groupe M6 while the balance of other holdings remains highly dispersed and the other shareholders have not organised their interest in such a way that they intend to vote differently from the Group.

2.2 Significant influence with less than 20 per cent

Although the Group holds less than 20 per cent of the equity shares of Atresmedia, management considers that the Group exercises a significant influence in Atresmedia in view of the representation of RTL Group on the Board of Directors and other governing bodies of Atresmedia.

2.3 Lease accounting

Extension and termination options are included in several real estate leases across the Group. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option and considers all relevant factors that create an economic incentive to exercise the option. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option or not to exercise the option. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor. Incremental borrowing rates determined by currency and maturity are updated on a yearly basis unless a triggering event occurs.

2.4 Programme and other rights (assets and provisions for onerous contracts)

The Group's accounting for non-current programme rights requires estimates by management as it relates to total net revenue used in the determination of the amortisation charge and impairment loss for the year.

In addition, management estimates must consider factors such as the future programme grid, the realised/expected audience of the programme, the current programme rights that are not likely to be broadcast, and the related valuation allowance.

Provisions for onerous contracts related to programme and other rights are also recognised when the Group has constructive obligations, and it is probable that unavoidable costs exceed the economic benefits originally planned. These provisions have been determined by discounting the expected future cash inflows for which the amount and timing are dependent on future events.

2.5 Estimated impairment of goodwill, intangible assets with indefinite useful life and investments accounted for using the equity method

The Group tests at least annually whether goodwill and intangible assets with indefinite useful life have suffered any impairment. The Group also tests annually whether investments accounted for using the equity method have suffered any impairment, and if any impairment should be reversed.

The Group has used a combination of long-term trends, industry forecasts and in-house knowledge – with greater emphasis on recent experience – in forming its assumptions about the development of the various advertising markets in which the Group operates. This is an area highly exposed to general economic conditions. The state of the advertising market is just one of the key operational drivers used by the Group to assess individual business models. Other key drivers (non-IFRS measures) include audience shares, advertising market shares, EBITA and EBITA margin, and operating cash conversion rates. Each of these elements is variable, inter-related and difficult to isolate as the main driver of the various business models and respective valuations.

The Group performs sensitivity analysis of the recoverable amount of the cash-generating units, especially on those where the headroom between the recoverable amount and the carrying amount is low.

2.6 Contingent consideration and put option liabilities on non-controlling interests

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination, and subsequently re-measured at each reporting date. The determination of the fair value is based on discounted cash flow and takes into account the probability of meeting each performance target. Put option liabilities on non-controlling interests are recognised at the present value of the redemption amount in case of exercise of the option by the counterparty. Further, put option liabilities are sensitive to forecasted performance targets as they are based on a multiple of earnings, and judgement is required where there may be adjustments to forecasted results or to the probability of meeting each performance target.

2.7 Fair value of equity instruments at fair value through OCI

The Group has used discounted cash flow analysis for the equity instruments at FVOCI that were not traded in active markets.

2.8 Assets held for sale and discontinued operations

The determination of the fair value less costs to sell requires management judgement as it relates to estimates of proceeds of the disposal, residual obligations and direct disposal costs. The classification as assets held for sale and discontinued operations also requires management judgement.

2.9 Provisions for litigations

Most 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 more likely than not and when it is possible to make a reasonable estimate of the expected financial effect. RTL Group management reviews on a regular basis the expected settlement of the provisions.

2.10 Income tax, deferred tax and other taxes

The Group is subject to income and other taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Uncertain tax positions and future tax benefits are based on assumptions and estimations that may arise from the interpretation of tax regulations. An asset or liability arising from an uncertain tax position is recognised in accordance with IAS 12 if a payment or reimbursement for the uncertain tax position is probable. The valuation of the uncertain tax positions is based on their most probable amount in accordance with IFRIC 23. Deferred tax assets are recognised in the amount in which they are likely to be utilised later. Various factors are used to assess the probability of the future usability of deferred tax assets. This includes, among others, corporate and tax planning strategies.

2.11 Post-employment benefits

Post-employment benefits rely on several assumptions such as:
- The discount rate determined by reference to market yields at the closing on high-quality corporate bonds (such as corporate AA bonds) and depending on the duration of the plan
- Estimation of future salary increases, mainly taking into account inflation, seniority, promotion, and supply and demand in the employment market.

2.12 Recognition of revenue

In the event of return rights, mostly for print products, estimates must be made with regard to the anticipated return volume, as revenues are recognised taking the anticipated returns into account. Return ratios determined using statistical methods are used to identify the anticipated returns. The transaction prices to be determined using the contract-based five-step model defined in IFRS 15 often include both fixed and variable consideration. The variable components are determined on the basis of estimates, which are made and updated in accordance with constraint conditions. For various business models, qualitative estimates must be made as part of principal-agent considerations as to who is to be regarded as a customer of an RTL Group company and whether an RTL Group company is to be regarded as principal or agent in a transaction.

2.13 Contingent liabilities

Contingent liabilities are disclosed unless management considers that the likelihood of an outflow of economic benefits is remote.

3. Segment reporting

The determination of the Group's operating segments is based on the operational and management-related entities for which information is reported to the Executive Committee.

The Group has 14 business units (of which Atresmedia is accounted for using the equity method) at 31 December 2023, each one led by a CEO. The Group owns interests in 60 television channels, seven streaming services and 36 radio stations, of which 10 TV channels, three radio stations and a streaming service are held by Atresmedia as an associate (see note 6.5.2).

In addition, Fremantle and We Are Era operate global/multi-territory businesses in content, digital video and advertising.

The following reported segments meet the quantitative thresholds required by IFRS 8:
- **RTL Deutschland:** RTL Deutschland is the Group's largest business unit and Germany's first cross-media champion, operating across TV, streaming, radio, digital and publishing. RTL Deutschland owns 15 TV channels, the multimedia offering RTL+, 15 magazines, a broad podcast portfolio and numerous digital offerings, such as *chefkoch.de* and *wetter.de.* RTL Radio is one of Germany's largest privately owned radio groups, with holdings in 25 stations including Antenne Bayern and Radio Hamburg
- **Groupe M6:** this segment represents a multimedia group in France which focuses on three areas: television (13 channels including M6, the second largest commercial channel in the French market), radio (three stations including RTL, the leading radio station in France) and digital (streaming platforms and other digital businesses)
- **Fremantle:** RTL Group's global content production business includes a significant distribution and licensing business (international) and operates in 27 countries.

As at 31 December 2022, RTL Nederland was also presented as a separate operating segment. As at 31 December 2023, RTL Nederland was classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023. Further information is presented in note 6.11.

The revenue of 'Other segments' amounts to €350 million (2022: €411 million). In 2023, the major contributors are RTL Hungary with €125 million and We Are Era with €64 million. The remaining amount of €161 million is, among others, attributable to the RTL Group's Luxembourgish activities and Bedrock. In 2022, the major contributors were RTL Hungary with €113 million, We Are Era with €64 million, RTL Belgium (before disposal) with €40 million and RTL Croatia (before disposal) with €19 million.

The Group's Corporate Centre, which provides services and initiates projects, is also reported in 'Other segments'. RTL Group's Executive Committee primarily assesses the performance of the operating segments based on Adjusted EBITA. Interest income, interest expense, other financial income, other financial expenses and income tax are not allocated to segments, as these are centrally managed. Inter-segment pricing is determined on an arm's length basis.

The Executive Committee also reviews, on a regular basis, the amount of the invested capital of each business unit.

As a rule, all management financial information reported to RTL Group's Executive Committee is fully compliant and consistent with the Group's accounting policies and primary statements, except intercompany leases. For segment reporting, intercompany leases are presented as operating leases with income and expenses recognised using the straight-line method in accordance with IFRS 8, in line with internal management.

3.1 Segment information

	RTL Deutschland		Groupe M6		Fremantle		RTL Nederland (discontinued operations)[42]		Other segments[43]		Eliminations		Total Group	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Revenue from external customers	2,600	2,766	1,315	1,352	2,040	2,147	620	635	279	324	–	–	**6,854**	7,224
Inter-segment revenue	20	–	1	5	226	200	–	1	71	87	(318)	(293)	**–**	–
Total revenue	**2,620**	**2,766**	**1,316**	**1,357**	**2,266**	**2,347**	**620**	**636**	**350**	**411**	**(318)**	**(293)**	**6,854**	**7,224**
Depreciation, amortisation and impairment including on goodwill and on fair value adjustments on acquisitions of subsidiaries	(90)	(76)	(88)	(105)	(70)	(62)	(9)	(9)	(34)	(34)	–	–	**(291)**	(286)
Share of results of investments accounted for using the equity method	19	25	10	(34)	–	1	1	–	32	22	–	–	**62**	14
Impairment and reversals of investments accounted for using the equity method	–	(5)	–	–	–	–	–	–	–	–	–	–	**–**	(5)
Adjusted EBITDA	403	525	387	394	184	203	154	170	44	23	1	8	**1,173**	1,323
Adjusted EBITA	321	459	311	304	139	162	145	161	11	(12)	–	9	**927**	1,083
Adjusted EBITA margin (in %)	12.3	16.6	23.6	22.4	6.1	6.9	23.4	25.3	3.1	(2.9)	n/a	n/a	**13.5**	15.0
Invested capital	1,542	1,464	1,441	1,419	2,067	1,980	202	167	435	390	6	5	**5,693**	5,425

The following table shows the reconciliation of segment information to the consolidated financial statements.

	2023 €m	2022 €m
Adjusted EBITDA[44]	**1,019**	**1,153**
Depreciation, amortisation and impairment[45]	**(237)**	(231)
Adjusted EBITA	**782**	**922**
Impairment of goodwill of subsidiaries	**–**	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	**(43)**	(46)
Impairment and reversals of investments accounted for using the equity method	**–**	(5)
Impairment and reversals on other financial assets at amortised cost	**(2)**	(30)
Re-measurement of earn-out arrangements	**(9)**	–
Fair value measurement of investments	**(23)**	(78)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	**40**	107
Significant special items	**(125)**	(42)
Earnings before interest and taxes (EBIT)	**620**	**828**
Financial result	**(13)**	(56)
Profit before tax from continuing operations	**607**	**772**
Income tax expense	**(124)**	(130)
Group profit from continuing operations	**483**	**642**

In 2023, 'Significant special items' amount to €-125 million, reflecting mainly restructuring measures at RTL Deutschland (€-87 million) and personnel cost-efficiency measures at Fremantle (€-26 million). The remaining amount is attributable to expenses in connection with strategic portfolio measures and to the transformation project relating to a new Enterprise Resource Planning (ERP) solution where implementation costs were expensed as incurred. In 2022, 'Significant special items' reflected restructuring and integration costs in Germany (€-33 million) following the Gruner + Jahr transaction as well as the impact of expenses in connection with strategic portfolio management (€-11 million).

42 The operating segment RTL Nederland was classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023. Further information is presented in note 6.11.

43 Other segments include the Adjusted EBITA loss of €-2 million generated by Group Corporate Centre (2022: €-31 million).

44 After deduction of discontinued operations

45 Without depreciation, amortisation and impairment included in 'Significant special items'

3.2 Geographical information

Geographical areas are based on where customers (revenue) and the Group's non-current assets are located. Goodwill has been allocated to a geographical area based on whether the Group's risks and returns are affected predominantly by the products and services it produces.

	Germany		France		United States		UK		Other regions		Total (continuing operations)	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Revenue from external customers	2,413	2,593	1,318	1,367	1,015	1,002	301	313	1,187	1,314	**6,234**	6,589
Non-current assets[46]	1,669	1,738	1,137	1,183	500	507	588	583	406	598	**4,300**	4,609
Assets held for sale	–	–	–	–	–	–	–	–	416	–	**416**	–
Capital expenditure	67	391	87	114	13	28	10	160	50	60	**227**	753

The revenue generated in Luxembourg amounts to €79 million (2022: €86 million). The total of non-current assets other than investments accounted for using the equity method, financial instruments, deferred tax assets and post-employment benefit assets located in Luxembourg amounts to €55 million (2022: €60 million).

4. Group composition

4.1 Scope of consolidation

RTL Deutschland, Fremantle and RTL Nederland are wholly owned by RTL Group. Additionally, RTL Group is the controlling shareholder of Groupe M6 with ownership interest of 48.4 per cent (after considering treasury shares held by Groupe M6), and groups further investments under 'Other segments', including RTL Hungary, We Are Era, RTL Group's Luxembourgish activities, Bedrock and Atresmedia.

The following table shows the composition of the scope of consolidation excluding the parent company RTL Group SA, based in Luxembourg:

	Subsidiaries		Joint ventures[47]		Associates[47]		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
RTL Deutschland	67	67	2	2	13	14	**82**	83
Groupe M6	46	47	5	5	6	4	**57**	56
Fremantle	170	174	2	2	1	1	**173**	177
RTL Nederland	8	8	2	2	2	2	**12**	12
Other segments	36	39	–	–	3	3	**39**	42
Total	327	335	11	11	25	24	**363**	370

46 Non-current assets comprise intangible assets (including goodwill), property, plant and equipment, and right-of-use assets

47 The joint ventures and associates included in the table are investments accounted for using the equity method.

The following table shows the changes of the scope of consolidation excluding the parent company RTL Group SA, based in Luxembourg:

	Germany	France	United States	The Netherlands	UK	Other regions	Total
Consolidated as at 31 December 2022	84	63	44	21	58	100	**370**
Additions	1	4	1	–	2	4	**12**
Disposals	6	4	–	–	1	8	**19**
Consolidated as at 31 December 2023	79	63	45	21	59	96	**363**

A total of 53 (2022: 61) companies were excluded from the scope of consolidation. These consist of entities without significant business operations and of negligible importance for the financial position and financial performance of RTL Group as a whole.

The complete list of RTL Group's undertakings as at 31 December 2023 is presented in note 12.

4.2 Acquisitions

In the financial year 2023, the cash flow from acquisition activities totalled €-44 million, of which, after consideration of cash and cash equivalents acquired, €-1 million relates to new acquisitions during the reporting period. In the financial year 2022, the cash flow from acquisition activities without acquisition of businesses under common control totalled €-113 million, and the total cash flow from acquisition activities considering acquisition of businesses under common control totalled €53 million. The consideration transferred in accordance with IFRS 3 amounted to €1 million in 2023 (2022: €201 million taking into account contingent consideration of €31 million). In the financial year 2022, also put options were recognised in the amount of €149 million in connection with the acquisitions.

RTL Group made several acquisitions in 2023, none of which were material on a stand-alone basis. In total, the impact of these acquisitions on the Group's financial position and financial performance was also minor.

In November 2022, Fremantle acquired 55 per cent of 72 Films, an independent TV production company focusing on documentaries and factual entertainment. At the acquisition date, the estimated consideration transferred amounted to €51 million, of which €44 million was paid in cash. Earn-out consideration was estimated at €7 million. Also in November 2022, Fremantle acquired 51 per cent of Wildstar Films, a production company focused on natural history documentaries. At the acquisition date, the estimated consideration transferred amounted to €19 million, of which €13 million was paid in cash. The earn-out consideration was estimated at €5 million and the deferred payment at €1 million. For the year-end reporting 2022, the purchase price allocations for both acquisitions were prepared on a provisional basis in accordance with IFRS 3. During the measurement period, the Group finalised the valuation of the intangible assets recognised on acquisition and liabilities assumed on acquisition and thus the figures from the previous year in the consolidated statement of financial position have been adjusted accordingly.

The following table summarises the recognised amounts of assets acquired and liabilities assumed after completion of the purchase price allocation in comparison with published financial statements for the year-end 2022.

	72 Films		Wildstar Films	
	Published in 2022 €m	Restated in 2023 €m	Published in 2022 €m	Restated in 2023 €m
Non-current assets				
Other intangible assets	–	16	–	5
Property, plant and equipment	1	1	3	3
Right-of-use assets	–	–	2	2
Other non-current assets	2	–	–	–
Current assets				
Programme rights	12	7	–	–
Trade and other accounts receivable	4	4	7	7
Other current assets	1	1	3	3
Cash and cash equivalents	7	7	17	17
Liabilities				
Lease liabilities	–	–	(2)	(2)
Other liabilities	(25)	(22)	(21)	(22)
Net assets acquired	2	14	9	13
Goodwill	50	49	14	18
Non-controlling interests	(1)	(6)	(4)	(6)
Consideration transferred according to IFRS 3	51	57	19	25

4.3 Disposals

After the announcement of the reorganisation of its publishing business in February 2023, RTL Deutschland completed in the second half-year transactions, among others, the sale of *PM,* Deutsche Medien-Manufaktur and *11 Freunde.* The disposals resulted in net cash inflows of €4 million. Net of transaction-related costs, the transactions resulted in an overall gain of €11 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

In July 2023, RTL Group sold its majority stake in CTZAR to the Group The Independents, which resulted in net cash inflows of €3 million. Net of transaction-related costs, the transaction resulted in an overall gain of €2 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

In September 2023, Groupe M6 sold its thematic online media and services businesses, comprising eight main brands: *Cuisine AZ, Passeport Santé, Fourchette & Bikini, Déco, Turbo, M6 météo, Croq'Kilos* and *Croq'Body* to Prisma Media (owned by Vivendi), which resulted in net cash inflows of €20 million. Net of transaction-related costs, the transaction resulted in an overall gain of €10 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

During the financial year 2023, RTL Group sold other subsidiaries, none of which was material on a standalone basis. In total, the impact of these disposals on the Group's financial position and financial performance was also minor.

From all disposals in the financial year 2023 and from disposal effects of previous years, RTL Group generated cash flows totalling €32 million (2022: €194 million) after considering cash and cash equivalents disposed of. The disposals led to a gain from deconsolidation of €23 million (2022: €112 million), which is recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The following table shows their impact on RTL Group's assets and liabilities at the time of deconsolidation.

	RTL Deutschland's publishing assets €m	Group M6's thematic online media and services businesses €m	CTZAR €m	Other €m	Total €m
Non-current assets					
Goodwill	6	10	3	1	**20**
Other intangible assets	5	9	–	–	**14**
Right-of-use assets	1	–	–	–	**1**
Deferred tax assets	4	–	–	–	**4**
Current assets					
Other inventories	3	–	–	–	**3**
Accounts receivable and other current assets	2	1	2	–	**5**
Other current assets	1	–	–	–	**1**
Cash and cash equivalents	22	1	3	1	**27**
Liabilities					
Loans	–	–	(1)	–	**(1)**
Lease liabilities	(1)	–	–	–	**(1)**
Income tax payable	(1)	–	–	–	**(1)**
Accounts payable and other liabilities	(15)	(2)	(2)	–	**(19)**
Contract liabilities	(7)	–	(1)	–	**(8)**
Provisions	(2)	–	–	–	**(2)**
Deferred tax liabilities	(4)	–	–	–	**(4)**
Net assets disposed of	**14**	**19**	**4**	**2**	**39**

5. Details on consolidated income statement

5.1 Revenue

Revenue is disaggregated below by nature and timing of recognition. The table also includes a reconciliation with reportable segments.

	RTL Deutschland		Groupe M6		Fremantle		Other segments		Total Group (continuing operations)	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Nature of revenue recognition										
Revenue from advertising	1,881	2,053	1,069	1,084	39	16	122	166	**3,111**	3,319
Revenue from exploitation of programmes, rights and other assets	369	334	181	174	1,990	2,112	98	89	**2,638**	2,709
Revenue from selling goods and merchandise and providing services	350	379	65	94	11	19	59	69	**485**	561
	2,600	**2,766**	**1,315**	**1,352**	**2,040**	**2,147**	**279**	**324**	**6,234**	**6,589**
Timing of revenue recognition										
At a point in time	235	353	76	94	1,912	2,035	94	63	**2,317**	2,545
Over time	2,365	2,413	1,239	1,258	128	112	185	261	**3,917**	4,044
	2,600	**2,766**	**1,315**	**1,352**	**2,040**	**2,147**	**279**	**324**	**6,234**	**6,589**

'Revenue from advertising' consists mostly of TV advertising, radio advertising, print and other advertising. RTL Group's revenue from advertising was €3,111 million (2022: €3,319 million), of which €2,368 million represented TV advertising revenue (2022: €2,579 million), €371 million represented digital advertising revenue (2022: €361 million) and €372 million represented radio, print and other advertising revenue (2022: €379 million).

'Revenue from exploitation of programmes, rights and other assets' include primarily content revenue of €1,990 (2022: €2,112) generated by the Group's global content business, Fremantle, from the production and distribution of formats for external customers. Further, it includes distribution revenue generated by RTL Group's broadcasting businesses, mainly from re-transmission fees paid by platform operators (cable, satellite, internet TV) for the transmission of free-TV and pay-TV signals and for making the Group's streaming services available on the operators' platforms. In 2023, distribution revenue was €331 million (2022: €332 million). Also included is SVOD revenue from the Group's major streaming services and, among others, Groupe M6's audiovisual rights business SND and We Are Era.

'Revenue from selling goods and merchandise and providing services' relates to a variety of revenue streams, including commissions for handling advertising sales for third-party media partners, publishing subscriptions, e-commerce and a wide range of services businesses such as the technical services provider BCE, the streaming technology company Bedrock or the real-estate franchise Stéphane Plaza Immobilier at the level of Groupe M6.

The following table shows how much of the revenue recognised in the reporting period relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in previous periods:

	2023 €m	2022 €m
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**539**	553
Revenue recognised from performance obligations satisfied in previous periods	**–**	–

As at 31 December 2023, RTL Group expects future revenues from existing long-term agreements of €50 million (2022: €77 million), which will be attributable to unsatisfied (or partially unsatisfied) performance obligations as at the end of the reporting period and is expected to be recognised in the amount of €30 million (2022: €41 million) in the next financial year and in the amount of €20 million (2022: €36 million) in the following years.

The decrease in current contract liabilities from €590 million at 31 December 2022 to €481 million at 31 December 2023 related mainly to Fremantle and RTL Deutschland.

5.2 Other operating income

The other operating income amounting to €102 million (2022: €83 million) mainly consists of income-related grants, reimbursements and IFRS 16 effects due to a decrease of rented space.

5.3 Other operating expenses

	2023 €m	2022 €m
Employee benefits expenses	**1,262**	1,251
Production subcontracting expenses	**433**	438
Intellectual property expenses	**296**	294
Expenses related to live programmes	**180**	218
Repairs and maintenance	**150**	141
Marketing and promotion expenses	**137**	142
Transmission expenses including satellite capacity	**87**	89
Audit and consulting fees	**75**	75
Operating taxes	**60**	55
Rentals and other lease expenses	**43**	38
Consumption of other inventories	**33**	58
Fair value measurement of investments	**23**	78
Marketing and promotion barter expenses	**27**	22
Commissions on sales	**15**	15
Re-measurement of earn-out arrangements	**9**	–
Valuation allowance	**2**	34
Administration and sundry expenses	**137**	77
	2,969	3,025

In the financial years 2023 and 2022, the item 'Fair value measurement of investments' included among others effects from the valuation of Magnite shares. The item 'Rentals and other lease expenses' includes expenses from short-term leases of €18 million (2022: €17 million). Expenses for low-value assets and expenses from variable lease payments, which are not included in the lease liabilities, are immaterial for RTL Group. In 2022, the item 'Valuation allowance' included the impairment of a loan provided by Groupe M6 to Salto due to the voluntary liquidation of Salto decided unanimously by its three shareholders (see note 6.5.1).

The item 'Audit and consulting fees' includes fees related to the Group's auditor, KPMG, and its affiliates regarding continuing operations. These are set out below:

	2023 €m	2022 €m
Audit services pursuant to legislation	**3.8**	3.5
Audit-related services	**0.6**	0.5
Non-audit services	**0.1**	0.3
	4.5	4.3

Employee benefits expenses are set out in more detail below:

	2023 €m	2022 €m
Wages and salaries	**932**	966
Termination benefits	**91**	27
Social security costs	**186**	190
Share options granted to employees	**4**	5
Pension costs	**10**	19
Other employee expenses	**39**	44
	1,262	1,251
Of which restructuring costs	**44**	5

The amounts set out above exclude personnel costs of €248 million (2022: €307 million), which are capitalised, and which represent employee costs directly allocated to the production of assets.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan (RTL Group LTIP 2023-2025 'LTIP') which runs for the term 2023 to 2025. The liability related to the LTIP Tranche 2023 amounted to €8 million at 31 December 2023 (LTIP Tranche 2022: €14 million at 31 December 2022). Further details on the terms and conditions of the LTIP are contained in the RTL Group Remuneration Report. RTL Group operates a sub-plan for senior management of Fremantle (New Format Incentive Scheme 2023-2025 'NFIS2021-2023'). NFIS2023-2025 is a long-term plan based on cumulative creative targets. The creative target achievement is linked to a defined ranking scheme set out for new productions created and marketed during the plan's term. The liability related to the NFIS2023-2025 amounted to €nil at 31 December 2023.

Groupe M6 operates a specific long-term incentive plan based on free shares plans (see note 6.16.7). Pension costs for the Group relate to defined contributions for €17 million (2022: €14 million) and defined benefit plans for €-2 million (2022: €10 million).

The average number of employees for undertakings held by the Group is set out below:

	2023 €m	2022 €m
Employees of fully consolidated undertakings (continuing operations)	**12,095**	12,241
Employees of fully consolidated undertakings (continuing and discontinued operations)	**12,835**	12,975

5.4 Interest income and interest expense

	2023 €m	2022 €m
Interest income on loans and accounts receivable	**13**	4
Tax-related interest income	**–**	1
Interest income	**13**	5
Interest expense on financial liabilities	**(36)**	(18)
Interest expense	**(36)**	(18)

In the financial year 2023, RTL Group witnessed a significant increase in interest income and expense, largely attributed to the prevailing interest rate environment. The rise in interest rates, as a response to monetary policy adjustments by central banks, had positively impacted interest-bearing financial assets, mainly held by Groupe M6. The respective amount of €8 million disclosed in 'Interest income on loans and accounts receivables' relates to Groupe M6 (2022: €1 million).

'Interest expense on financial liabilities' includes an amount of €29 million (2022: €14 million) in respect of the loans from Bertelsmann Business Support Sàrl (see note 10.1).

5.5 Other financial income and other financial expenses

	2023 €m	2022 €m
Gains resulting from swap points	**7**	1
Net gains on put/call options	**21**	–
Sundry financial income	**16**	4
Other financial income	**44**	5
Net losses on put/call options	**–**	(4)
Interest expense on lease liabilities	**(7)**	(6)
Interest on defined benefit obligations	**(6)**	(4)
Sundry financial expenses	**(21)**	(34)
Other financial expenses	**(34)**	(48)

'Net gains on put/call options' reflects the re-measurement of the put option liabilities with regards to acquisitions of subsidiaries with put/call option arrangements by Fremantle conducted during the last years. RTL Group closely monitors the forecast performance of each acquisition and, where there has been a change in expectations, the value of put option liabilities are adjusted. These values are sensitive to forecast profits as they are based on a multiple of earnings.

Interest on defined benefit obligations comprises interest income on plan assets of €5 million (2022: €2 million) and unwind of discount on defined benefit obligations of €-11 million (2022: €-6 million).

'Sundry financial income' includes among others non-operating foreign exchange effects of €9 million (2022: €-19 million presented in 'Sundry financial expenses') and income of €5 million from financial assets held for cash management purposes by Groupe M6. 'Sundry financial expenses' includes among others a negative impact of unwinding discount of €-6 million (2022: €-3 million), the net wealth tax of €-4 million (2022: €-3 million) and finance charges for guarantees and other commitments fees in total of €-4 million (2022: €-3 million).

5.6 Income tax expense

	2023 €m	2022 €m
Current taxes from continuing operations	**(113)**	(140)
Deferred taxes from continuing operations	**(11)**	10
	(124)	**(130)**

In 2023, the change in the income tax expense compared to the previous year is due to lower profit before tax and positive impacts from the valuation of deferred tax assets realised in the previous period.

The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:

	2023 €m	2022 €m
Profit before tax from continuing operations	**607**	**772**
Income tax rate applicable to RTL Group SA (in %)	**24.94**	24.94
Expected tax expense from continuing operations	**(151)**	**(193)**
The tax effects of the following items led to differences between the expected and actual tax expense:		
Adjustment to different national tax rates	**(9)**	(15)
Effect of changes in tax rate and tax law	**1**	2
Tax effects in respect of results from disposals of investments	**5**	32
Current income taxes for previous years	**(1)**	8
Deferred income taxes for previous years	**(4)**	(4)
Effects of measurements of deferred tax assets	**20**	48
Commission received in relation to the Compensation Agreement	**10**	16
Permanent differences	**12**	(19)
Other adjustments	**(7)**	(5)
Total adjustments	**27**	63
Actual tax expense from continuing operations	**(124)**	**(130)**

Effect of tax rates in material foreign jurisdictions mainly results from the differentiated rates applicable in the following countries:
– Germany, where the official tax rate is 32.10 per cent, representing an impact of €-9 million (2022: €-17 million with a tax rate of 32.10 per cent)
– France, where several tax rates apply, depending on the size of the business. The rates of 25.83 and 25.00 per cent apply, representing an impact of €-2 million (2022: the rates of 25.83 and 25.00 per cent applied, representing an impact of €-2 million)
– United States, where the official tax rate is 23.40 per cent, representing an impact of €1 million (2022: €3 million with a tax rate of 21.90 per cent).

'Effects of measurements of deferred tax assets' considers the recognition of deferred tax assets on losses carry forward based on projections of the future taxable income derived from financial budgets approved by management. 'Permanent differences' mainly include the effects of non-taxable income and tax effects from equity investments. In 2022, this position mainly included effects of non-taxable fair value measurements of investments.

5.7 Earnings per share

The determination of basic earnings per share is based on the profit attributable to RTL Group shareholders of €467 million (2022: €673 million) and a weighted average number of ordinary shares outstanding during the year of 154,742,806 (2022: 154,742,806), calculated as follows:

	2023	2022
Group profit attributable to RTL Group shareholders (in € million)	**467**	673
– Continuing operations	**352**	549
– Discontinued operations	**115**	124
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**154,742,806**	154,742,806
Weighted average number of ordinary shares	**154,742,806**	154,742,806
Basic earnings per share (in €)	**3.02**	4.35
– Continuing operations	**2.27**	3.55
– Discontinued operations	**0.74**	0.80
Diluted earnings per share (in €)	**3.02**	4.35
– Continuing operations	**2.27**	3.55
– Discontinued operations	**0.74**	0.80

6. Details on consolidated statement of financial position

6.1 Non-current programme and other rights

	(Co-) productions €m	Audiovisual rights for distribution €m	Advance payments and (co-) productions in progress €m	Total €m
Cost				
Balance at 1 January 2022	**891**	**1,205**	**38**	**2,134**
Effects of movements in foreign exchange	26	–	1	27
Additions	1	32	39	72
Disposals	–	(39)	(1)	(40)
Subsidiaries acquired	1	–	–	1
Subsidiaries disposed of	–	–	–	–
Transfer to assets held for sale	–	–	–	–
Transfers and other changes	13	23	(34)	2
Balance at 31 December 2022	**932**	**1,221**	**43**	**2,196**
Effects of movements in foreign exchange	(15)	–	–	(15)
Additions	9	–	53	62
Disposals	–	(37)	–	(37)
Subsidiaries acquired	–	–	–	–
Subsidiaries disposed of	–		–	–
Transfer to assets held for sale	–	(6)	–	(6)
Transfers and other changes	14	37	(57)	(6)
Balance at 31 December 2023	**940**	**1,215**	**39**	**2,194**
Amortisation and impairment losses				
Balance at 1 January 2022	**(879)**	**(1,175)**	**(6)**	**(2,060)**
Effects of movements in foreign exchange	(27)	–	–	(27)
Amortisation charge	(17)	(59)	–	(76)
Impairment losses	–	2	(1)	1
Disposals	–	39	1	40
Transfer to assets held for sale	–	–	–	–
Transfers and other changes	(1)	–	–	(1)
Balance at 31 December 2022	**(924)**	**(1,193)**	**(6)**	**(2,123)**
Effects of movements in foreign exchange	15	–	–	15
Amortisation charge	(15)	(46)	–	(61)
Impairment losses	–	–	–	–
Disposals	–	37	–	37
Transfer to assets held for sale	–	6	–	6
Transfers and other changes	–	–	–	–
Balance at 31 December 2023	**(924)**	**(1,196)**	**(6)**	**(2,126)**
Carrying amount:				
At 31 December 2022	**8**	**28**	**37**	**73**
At 31 December 2023	**16**	**19**	**33**	**68**

The figures presented on long-term audiovisual rights for distribution are attributable to the Groupe M6 and Fremantle subsidiaries which focus in particular on the production and distribution of films, series and other content for the future exploitation in multiple markets and exploitation windows.

6.2 Goodwill and other intangible assets

	Goodwill €m	Software licences and development €m	Brands and trademarks €m	Sundry other intangible assets €m	Advance payments €m	Total other intangible assets €m
Cost						
Balance at 1 January 2022	**5,507**	**225**	**323**	**370**	**20**	**938**
Effects of movements in foreign exchange	–	(1)	–	(1)	–	(2)
Additions	–	12	–	2	63	77
Disposals	–	(13)	–	(1)	–	(14)
Subsidiaries acquired	323	9	–	60	2	71
Subsidiaries disposed of	(1)	–	–	(8)	–	(8)
Transfer to assets held for sale	–	–	–	–	–	–
Transfers and other changes	–	61	–	4	(66)	(1)
Balance at 31 December 2022	**5,829**	**293**	**323**	**426**	**19**	**1,061**
Effects of movements in foreign exchange	(6)	–	–	–	–	–
Additions	–	9	–	6	50	65
Disposals	–	(5)	–	(4)	–	(9)
Subsidiaries acquired	1	–	–	–	–	–
Subsidiaries disposed of	(20)	–	–	(5)	–	(5)
Transfer to assets held for sale	(159)	(12)	–	(13)	(5)	(30)
Transfers and other changes	–	49	–	(3)	(45)	1
Balance at 31 December 2023	**5,645**	**334**	**323**	**407**	**19**	**1,083**
Amortisation and impairment losses						
Balance at 1 January 2022	**(2,497)**	**(168)**	**(8)**	**(236)**	**(1)**	**(413)**
Effects of movements in foreign exchange	(1)	–	–	2	–	2
Amortisation charge	–	(34)	(8)	(34)	–	(76)
Impairment losses	–	(2)	–	–	–	(2)
Disposals	–	13	–	5	–	18
Transfer to assets held for sale	–	–	–	–	–	–
Transfers and other changes	–	3	–	(2)	–	1
Balance at 31 December 2022	**(2,498)**	**(188)**	**(16)**	**(265)**	**(1)**	**(470)**
Effects of movements in foreign exchange	1	–	–	–	–	–
Amortisation charge	–	(46)	(7)	(34)	–	(87)
Impairment losses	–	–	–	–	–	–
Disposals	–	4	–	4	–	8
Transfer to assets held for sale	–	10	–	13	–	23
Transfers and other changes	–	(3)	1	2	–	–
Balance at 31 December 2023	**(2,497)**	**(223)**	**(22)**	**(280)**	**(1)**	**(526)**
Carrying amount:						
At 31 December 2022	**3,331**	**105**	**307**	**161**	**18**	**591**
At 31 December 2023	**3,148**	**111**	**301**	**127**	**18**	**557**

'Software licences and development' includes primarily capitalised costs associated to the RTL+ streaming platform in Germany and the Bedrock platform for other streaming services.

'Brands and trademarks' with an indefinite and finite useful life for an overall amount of €301 million (2022: €307 million), primarily related to brands within Groupe M6 (the M6 brand, Gulli-related brands and Stéphane Plaza brand) and RTL Deutschland (the Toggo brand). M6 brand and Gulli-related brands are considered to have an indefinite useful life and were recognised for an amount of €120 million and €38 million, respectively (2022: €120 million and €38 million). At 31 December 2023, an impairment test was performed for brands with indefinite useful life and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, management has considered various factors such as the historical and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and M6 management's strategy to maintain and strengthen the trademark 'M6'. Based on the analysis of these factors, management has determined and confirmed at 31 December 2023, that there is no foreseeable limit to the period over which the brand M6 is expected to generate cash inflows for the Group. Gulli-related brands correspond to Gulli, Canal J and Tiji. Given their positioning, the market's awareness of the brands and their history, they are considered to have an indefinite useful life.

The brands Stéphane Plaza and Toggo with a net book value of €47 million and €89 million respectively (2022: €49 million and €94 million) are considered to have a finite useful life.

'Sundry other intangible assets' with a definite useful life mainly include customer relationships resulting from the acquisition of Jeunesse TV in 2019 with a net book value of €38 million (2022: €41 million), franchising contracts of Stéphane Plaza amounting to €33 million (2022: €35 million) and customer relationships and contracts acquired resulting from the recent acquisitions by Fremantle amounting to €36 million (2022: €56 million).

Goodwill is allocated to the Group's cash-generating units (CGUs) on the basis of the business units and at the level at which independent cash flows are generated.

Business units and CGUs mainly operate in one country, except Fremantle and We Are Era, which have global/multi-territory operations. RTL Deutschland has minor businesses in France and the United Kingdom. Goodwill is allocated by CGU as follows:

	31 December 2023 €m	31 December 2022 €m
RTL Deutschland	1,264	1,269
Groupe M6	600	613
Fremantle	1,251	1,256
RTL Nederland	–	159
We Are Era	32	32
Others	1	2
Total goodwill on cash-generating units	**3,148**	**3,331**

Goodwill is tested for impairment annually, on 31 December, or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a CGU has been determined on the basis of the higher of its value in use and its fair value less costs of disposal:
- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the CGUs committed at year-end to the restructuring, and related provisions have been made. Furthermore, the discount rate is closely linked to peer group parameters. Specific country risk and inflation differentials are also considered.
- Fair value less costs of disposal is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. When available, market quoted prices are used.

The Group supports its fair values less costs of disposal on market-based valuations, if an active market exists, and on the basis of a discounted cash flow (DCF) model to the extent that it would reflect the value that 'any market participant' would be ready to pay in an arm's length transaction. Differently from the 'value in use' approach, which reflects the perspective of the Group for a long-term use of the CGU, a 'fair value less costs of disposal' DCF model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition.

Furthermore, the discount rate of each CGU is calculated based on a market approach, and most of the parameters used are derived from market sources. The discount rates are based on a mixed interest rate represented by the weighted average cost of equity and cost of capital (WACC) after tax. The discount rates reflect the time value of money and the perception of risk associated with projected future cash flows, both from the equity shareholders' and the debt holders' point of view.

The discount rates have been determined, CGU by CGU, and embody, where appropriate, the following factors:
– country risk
– inflation rate differential
– specific firm premium
– specific tax rate
– credit spread
– gearing ratio.

The recoverable amount of all CGUs is based on their fair value less costs of disposal and is a Level 3 fair value measurement, with the exception of Groupe M6 which is listed on Euronext Paris, Compartment A (Paris Stock Exchange). As at 31 December 2023, the market price of Métropole Télévision shares on the Paris Stock Exchange was €12.94 (2022: €15.35). The recoverable amount of Groupe M6 at that date was based on value in use using a discounted cash flow method (Level 3), as management considered the share price of Groupe M6 did not fully reflect its earning potential due to the expected growth in AVOD offers. The value in use determined exceeded the carrying amount.

Cash flow projections are based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period for a total of up to five years are prepared using the estimated growth rates and other key drivers. For the cash-generating units' operating advertising revenue, the projections consider audience and advertising market shares, the EBITA margin, operating cash conversion rates based on past performance, and expectations regarding market development. Management also relies on wider macroeconomic indicators from external sources to verify the appropriateness of its own budgeting assumptions. Finally, the market positions of the Group's channels are also reviewed in the context of the competitive landscape, including the impact of new technologies and consumption habits. For Fremantle, which operates a multi-territory/worldwide and diversified operation, the expected growth rate is determined according to a weighted average of growth expectations of its multiple regions, markets and product offerings.

Cash flows beyond the three and five-year period are extrapolated using the estimated perpetual growth and EBITA margin rates and applying the discount rates stated below.

The perpetual growth and EBITA margins are based on the expected outcome of the strategy implemented by the Group in the different markets, on macro-economic and industry trends, and on in-house estimates.

Capital expenditure is assumed to be in line with depreciation and amortisation. Management also considers that the moderate perpetual growth would not result in a significant increase of the net working capital.

	2023		2022	
	Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
RTL Deutschland	**0.5**	**8.1**	0.5	7.4
Groupe M6	**0.5**	**8.7**	0.0	8.2
Fremantle	**1.8**	**8.0**	1.8	8.0
RTL Nederland	**n/a**	**n/a**	0.5	7.4
We Are Era	**2.0**	**9.8**	2.0	12.4

For the CGU Fremantle, in the event of an increase in the discount rate by 1.2 percentage points, a decrease in the long-term growth rate by 2.2 percentage points or a decrease in the EBITA margin by 1.2 percentage points, the recoverable amount would fall below the carrying amount.

For the CGU We are Era, in the event of an increase in the discount rate by 1.6 percentage points, a decrease in the long-term growth rate by 2.2 percentage points or a decrease in the EBITA margin by 0.9 percentage points, the recoverable amount would fall below the carrying amount.

For other CGUs, management considers that, at 31 December 2023, no reasonably possible change in the market shares, EBITA margin and operating cash conversion rates would reduce the headroom between the recoverable amounts and the carrying amounts of the CGUs to zero, when the recoverable amount is solely based on a DCF approach.

6.3 Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2022	**386**	**313**	**237**	**936**
Effect of movements in foreign exchange	–	(2)	(1)	**(3)**
Additions	12	13	30	**55**
Disposals	(3)	(12)	(24)	**(39)**
Subsidiaries acquired	7	3	6	**16**
Subsidiaries disposed of	(3)	(16)	(4)	**(23)**
Transfer to assets held for sale	–	–	–	**–**
Transfers and other changes	–	(1)	1	**–**
Balance at 31 December 2022	**399**	**298**	**245**	**942**
Effect of movements in foreign exchange	–	–	–	**–**
Additions	5	16	36	**57**
Disposals	(2)	(12)	(20)	**(34)**
Subsidiaries acquired	–	–	–	**–**
Subsidiaries disposed of	–	–	–	**–**
Transfer to assets held for sale	(9)	(16)	(13)	**(38)**
Transfers and other changes	1	4	(6)	**(1)**
Balance at 31 December 2023	**394**	**290**	**242**	**926**
Depreciation and impairment losses				
Balance at 1 January 2022	**(222)**	**(265)**	**(185)**	**(672)**
Effect of movements in foreign exchange	–	1	1	**2**
Depreciation charge	(16)	(18)	(24)	**(58)**
Disposals	5	30	23	**58**
Transfer to assets held for sale	–	–	–	**–**
Balance at 31 December 2022	**(233)**	**(252)**	**(185)**	**(670)**
Effect of movements in foreign exchange	–	–	–	**–**
Depreciation charge	(16)	(18)	(27)	**(61)**
Disposals	1	11	20	**32**
Transfer to assets held for sale	8	15	7	**30**
Balance at 31 December 2023	**(240)**	**(244)**	**(185)**	**(669)**
Carrying amount:				
At 31 December 2022	**166**	**46**	**60**	**272**
At 31 December 2023	**154**	**46**	**57**	**257**

6.4 Right-of-use assets

Depreciation, additions and carrying amounts of right-of-use from leased property, plant and equipment are as follows:

	Land, buildings and improvements €m	Technical equipment €m	Other equipment, fixtures, furniture and office equipment €m	Total €m
Balance at 1 January 2023	**335**	**1**	**6**	**342**
Effect of movements in foreign exchange	(1)	–	–	**(1)**
Depreciation charge	(77)	(1)	(3)	**(81)**
Additions	34	–	4	**38**
Transfer to assets held for sale	(16)	–	(2)	**(18)**
Other changes	(10)	–	–	**(10)**
Balance at 31 December 2023	**265**	**–**	**5**	**270**

	Land, buildings and improvements €m	Technical equipment €m	Other equipment, fixtures, furniture and office equipment €m	Total €m
Balance at 1 January 2022	**277**	**1**	**5**	**283**
Effect of movements in foreign exchange	(1)	–	–	**(1)**
Depreciation charge	(72)	–	(4)	**(76)**
Additions	76	–	5	**81**
Other changes	55	–	–	**55**
Balance at 31 December 2022	**335**	**1**	**6**	**342**

6.5 Investments accounted for using the equity method

As at 31 December 2023, investments in 11 joint ventures (31 December 2022: 11) and 25 associates (31 December 2022: 24) were accounted for in the consolidated financial statements.

The amounts recognised in the consolidated statement of financial position are as follows:

	2023 €m	2022 €m
Associates	**401**	370
Joint ventures	**4**	6
Balance at 31 December	**405**	**376**

The amounts recognised in the income statement are as follows:

	2023 €m	2022 €m
Share of results of investments accounted for using the equity method		
Associates	**59**	33
Joint ventures	**2**	(20)
	61	**13**
Impairment and reversals of investments accounted for using the equity method		
Associates	**–**	(5)
Joint ventures	**–**	–
	–	**(5)**

In the year 2023, dividends received from investments accounted for using the equity method amounted to €45 million (2022: €53 million). This amount is considered as an adjustment in 'Financial results including net interest expense and share of results of investments accounted for using the equity method' when calculating cash flows from operating activities.

6.5.1 Investments in joint ventures

Individually material joint venture
As at 31 December 2023, RTL Group had no joint venture, which, in the opinion of management, is material to the Group.

Individually immaterial joint venture
The following table shows summarised financial information on joint ventures that management considers individually immaterial. The information provided represents RTL Group's interest in each case.

	2023 €m	2022 €m
Non-current assets	**4**	10
Current assets	**43**	66
Non-current liabilities	**4**	4
Current liabilities	**52**	85
Earnings after taxes from continuing operations	**2**	(20)
Earnings after taxes from discontinued operations	**1**	1
Other comprehensive income	**–**	–
Total comprehensive income	**3**	(19)

In March 2022, Groupe M6 subscribed to a capital increase of the joint venture Salto (the streaming platform held jointly by Groupe M6, TF1 and France Télévisions) for €41 million by offsetting its receivable held in its shareholder current account. Further, Groupe M6 provided Salto with a loan which, in substance, forms part of its investment in Salto. The proposed Groupe M6/Groupe TF1 merger having been abandoned, and in the absence of satisfactory offers for a sale of the platform, the three shareholders of Salto have unanimously decided to proceed with the voluntary liquidation of Salto. According to IAS 28.14A RTL Group applied IFRS 9 to the loan and recognised in 2022 an impairment amount of €-28 million through profit or loss presented in 'Impairment and reversals on other financial assets at amortised cost' as part of 'Other operating expenses'.

In February 2023, the France Télévisions, M6 and TF1 groups announced the amicable dissolution of Salto following the abandonment of the planned merger between TF1 and M6. The platform closed on 27 March 2023. The costs of the withdrawal for each of the partners were recognised by way of provision as at 31 December 2022, over and above their share of Salto's net loss for the year. Thus, the excess of €15 million was recognised as a provision as at 31 December 2022. During the financial year 2023 the provision was fully utilised.

6.5.2 Investments in associates

Individually material associates
Set out below are the associates of the Group at 31 December 2023, which, in the opinion of the management, are material to the Group:

Name of entity	Country of incorporation	Principal activity	Percentage ownership interest 2023	Percentage ownership interest 2022	Measurement method
Atresmedia	Spain	Broadcasting TV	**18.7**	18.7	At equity
Global Savings Group (GSG)	Germany	Shopping rewards	**31.5**	41.5	At equity
RTL 2 Fernsehen GmbH & Co KG	Germany	Broadcasting TV	**35.9**	35.9	At equity

Atresmedia Corporación de Medios de Comunicación S.A. (and subsidiaries, 'Atresmedia') is listed on the Madrid Stock Exchange. Based on the published share price at 31 December 2023, the market capitalisation of 100 per cent of Atresmedia amounts to €811 million, i.e. €3.59 per share (2022: €721 million, i.e. €3.19 per share). Global Savings Group (GSG) is a private company providing shopping rewards activities and there is no quoted market price available for its shares. RTL 2 Fernsehen GmbH & Co KG is a private company and there is no quoted market price available for its shares.

The following table shows summarised financial information for Atresmedia, Global Savings Group (GSG) and RTL 2 Fernsehen GmbH & Co KG. The information disclosed represents the amounts included in the financial statements of the material associates plus adjustments from using the equity method, and not RTL Group's share of these amounts.

	Atresmedia		Global Savings Group (GSG)		RTL 2 Fernsehen GmbH & Co KG	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Non-current assets	702	686	378	189	64	63
Current assets	762	825	116	87	72	70
Current liabilities	(437)	(529)	(138)	(128)	(94)	(34)
Non-current liabilities	(267)	(295)	(128)	(56)	(6)	(47)
Net assets	760	687	228	92	36	52
Revenue	970	951	237	167	237	256
Earnings after taxes from continuing operations	171	112	20	(34)	26	38
Earnings after taxes from discontinued operations	–	–	–	–	–	–
Other comprehensive income	(8)	127	–	–	–	–
Total comprehensive income	163	239	20	(34)	26	38
Dividends received from associates	17	18	–	–	15	19

Earnings after taxes from continuing operations of Atresmedia includes the net effect of a lower income tax expense of €53 million due to the recognition of unused tax credits. The timing and recoverable amounts of these credits were re-estimated by Atresmedia in line with ruling 11/2024 issued on 18 January 2024 by Spain's Constitutional Court repealing Royal Decree Law 3/2016.

The reconciliation of the summarised financial information shown to the carrying amount of the interest in each material associate in the consolidated financial statements is shown in the following table:

	Atresmedia		Global Savings Group (GSG)		RTL 2 Fernsehen GmbH & Co KG	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Net assets at 31 December	760	687	228	92	36	52
Proportionate equity	142	128	62	38	12	17
Goodwill	166	166	42	42	24	24
Impairment on investments accounted for using the equity method	(110)	(110)	–	–	–	–
Carrying amount	198	184	104	80	36	41

In January 2023, Global Savings Group (GSG), an at-equity investment held by Groupe M6, completed the acquisition of *Pepper.com*. This transaction resulted in a dilution of Groupe M6's investment in GSG. Groupe M6 holds 31.47 per cent at 31 December 2023 compared to 41.49 per cent at 31 December 2022. The positive impact on profit or loss amounted to €15 million in 2023 and was recognised under 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree' of the consolidated income statement.

Investments in associates are tested for impairment according to the similar methodology applied for the impairment test of goodwill.

The perpetual growth and discount rates used are as follows:

	2023		2022	
	Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %
Atresmedia	0.0	9.8	0.0	10.0
RTL 2 Fernsehen GmbH & Co KG	0.5	7.8	0.5	6.7

As at 31 December 2023, the investment in Atresmedia was tested for impairment in accordance with IAS 36. The recoverable amount of Atresmedia on 31 December 2023 was based on the value in use determined using a discounted cash flow model, as management considered the share price of Atresmedia did not fully reflect its earning potential, which includes the diversification strategy through expansion of its investment portfolio, strengthening its digital streaming offers and building its leading position in locally relevant content production. The ongoing challenging economic environment in Spain combined with strong competition, changing viewing preferences and continued dependence on linear television continues to lead to high uncertainty in terms of forecasts. As at 31 December 2023, neither additional impairment loss nor reversal of impairment loss had to be recognised on the at equity investment in Atresmedia.

As at 31 December 2023, the share price of Atresmedia was € 3.59 (31 December 2022: € 3.19) which results in a fair value less costs of disposal of €149 million for the 18.7 per cent held by RTL Group (31 December 2022: € 132 million).

The assumptions based on the value in use using a discounted cash flow model are shown in the above table.

Management has identified that a reasonably possible change in one of the three key assumptions could cause the carrying amount to exceed the recoverable amount. In the event of an increase in the discount rate by 0.9 percentage points, a decrease in the long-term growth rate by 1.3 percentage points or a decrease in the EBITA margin by 0.8 percentage points, the recoverable amount would fall below the carrying amount.

In November 2019, the Spanish Competition Authority (CNMC) arrived at a decision in disciplinary proceedings imposing a fine on Atresmedia and Mediaset and barring both operators from specified courses of conduct. The parties were ordered to take steps to align their commercial and contractual relations to the requirements of the decision. The fine imposed on Atresmedia amounts to € 38.2 million. In 2020, Atresmedia challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. The application was found admissible. Consequently, Atresmedia will proceed with an appeal in the aforementioned court. The directors and legal advisors of Atresmedia believe that the application for judicial review against the CNMC's decision is likely to succeed. No provision has been recognised.

For Global Savings Group no triggering events for an impairment test have been identified.

The recoverable amount of RTL 2 Fernsehen GmbH & Co KG has been determined on the basis of the fair value less costs of disposal at 31 December 2023. This is a Level 3 fair value measurement.

Individually immaterial associates

The following table shows summarised financial information on associates that management considers individually immaterial. The information given represents RTL Group's interest in each case.

	2023 €m	2022 €m
Non-current assets	**55**	53
Current assets	**61**	72
Non-current liabilities	**7**	8
Current liabilities	**44**	50
Earnings after taxes from continuing operations	**10**	12
Earnings after taxes from discontinued operations	**–**	–
Other comprehensive income	**–**	1
Total comprehensive income	**10**	13

6.6 Loans and non-current other assets

	2023 €m	2022 €m
Loans and other financial assets		
Equity instruments at FVOCI	32	29
Equity instruments at FVTPL	13	6
Debt instruments at FVTPL	3	3
Derivative financial assets	4	14
Loans receivable to investments accounted for using the equity method	7	8
Other loans receivable	5	5
Trade accounts and other receivables	48	46
	112	111
Other non-financial assets		
Net defined benefit asset	2	2
	2	2
	114	113

Equity instruments at FVOCI comprise those instruments which are not held for trading and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, mainly in radio activities.

In December 2022, RTL Group sold its entire shareholding held by Fremantle in Beyond International Limited, a company listed on the Australian Stock Exchange. Beyond International Limited was a Level 1 fair value measurement. In 2022, RTL Group recorded an increase in the fair value of this equity instrument at FVOCI of €1 million.

The movements in equity instruments at FVOCI are as follows:

	2023 €m	2022 €m
Balance at 1 January	29	37
Net acquisitions and disposals	–	(3)
Change in fair value	3	(5)
Balance at 31 December	32	29

6.7 Deferred tax assets and liabilities

	2023 €m	2022 €m
Deferred tax assets	302	316
Deferred tax liabilities	(69)	(79)
Net deferred tax assets	233	237

	2023 €m	2022 €m
Net deferred tax assets at 1 January	237	245
Income tax income/(expense)	(12)	11
Income tax credited/(charged) to other comprehensive income	5	(29)
Change in consolidation scope	3	9
Transfer to assets held for sale	(1)	(1)
Transfers and other changes	1	2
Net deferred tax assets at 31 December	233	237

The amount of the tax benefit arising from a previously unrecognised tax loss that is used to reduce current tax expense amounts to €nil million (2022: €1 million).

The recognition of previously unrecognised tax loss carry forwards and deductible temporary differences resulted in a reduction in deferred tax expense of €58 million (2022: €74 million).

Of 'Income tax credited/(charged) to other comprehensive income' an amount of €3 million (2022: €-2 million) relates to effective portion of changes in fair value of cash flow hedges, €nil million (2022: €nil million) relates to recycling of cash flow hedge reserve, €3 million (2022: €-29 million) relates to defined benefit plan actuarial gains/(losses) and €-1 million (2022: €2 million) relates to change in fair value of equity instruments at FVOCI. The cumulative amount of deferred tax assets recognised in other comprehensive income amounts to €2 million (2022: €-3 million).

Deferred tax assets are recognised to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has not recognised deferred tax assets in respect of the following items:

	2023 €m	2022 €m
Tax loss carry forwards		
No expiration date	**3,928**	4,007
Expiration within 5 years	**58**	68
Expiration after 5 years	**13**	11
Deductible temporary differences (no expiration date)	**14**	**11**

At 31 December 2023, there were temporary differences of €197 million (2022: €171 million) related to investments in subsidiaries. However, deferred tax liabilities on these temporary differences were not recognised because the Group controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and these will not reverse in the foreseeable future.

The movement in deferred tax assets and liabilities during the year is as follows:

	Balance at 1 January 2023 €m	(Charged)/ credited to income statement €m	Charged to other comprehensive income €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2023 €m
Deferred tax assets						
Intangible assets	67	(7)	–	–	(4)	**56**
Programme rights	139	(16)	–	1	–	**124**
Property, plant and equipment	4	–	–	–	–	**4**
Right-of-use assets and lease liabilities	104	(22)	–	–	(1)	**81**
Provisions	87	(17)	3	–	–	**73**
Tax loss carry forwards	95	41	–	–	–	**136**
Others	84	(11)	1	–	–	**74**
Offset	(264)				18	**(246)**
	316	(32)	4	1	13	**302**
Deferred tax liabilities						
Intangible assets	(155)	1	–	–	5	**(149)**
Programme rights	(2)	–	–	–	–	**(2)**
Property, plant and equipment	(14)	–	–	–	–	**(14)**
Right-of-use assets and lease liabilities	(91)	18	–	–	1	**(72)**
Provisions	(39)	–	(1)	2	–	**(38)**
Others	(42)	1	2		(1)	**(40)**
Offset	264				(18)	**246**
	(79)	20	1	2	(13)	**(69)**

	Balance at 1 January 2022 €m	(Charged)/ credited to income statement €m	Charged to other comprehensive income €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2022 €m
Deferred tax assets						
Intangible assets	67	(12)	–	11	1	**67**
Programme rights	168	(29)	–	–	–	**139**
Property, plant and equipment	3	1	–	–	–	**4**
Right-of-use assets and lease liabilities	93	10	–	2	(1)	**104**
Provisions	95	(11)	(24)	27	–	**87**
Tax loss carry forwards	18	75	–	3	(1)	**95**
Others	92	(13)	(2)	6	1	**84**
Offset	(214)				(50)	**(264)**
	322	21	(26)	49	(50)	**316**
Deferred tax liabilities						
Intangible assets	(131)	(4)	–	(20)	–	**(155)**
Programme rights	(2)	2	–	(2)	–	**(2)**
Property, plant and equipment	(13)	–	–	(1)	–	**(14)**
Right-of-use assets and lease liabilities	(80)	(10)	–	(2)	1	**(91)**
Provisions	(24)	(4)	(3)	(9)	1	**(39)**
Others	(41)	6	–	(6)	(1)	**(42)**
Offset	214				50	**264**
	(77)	(10)	(3)	(40)	51	**(79)**

Deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria of offsetting. The term of the deferred taxes on temporary differences is mostly expected to be recovered or settled more than 12 months from the balance sheet date.

6.8 Current programme rights

	2023			2022		
	Gross value €m	Valuation allowance €m	Net value €m	Gross value €m	Valuation allowance €m	Net value €m
(Co-)productions and TV programmes	**627**	**(340)**	**287**	595	(339)	256
Audiovisual rights for broadcasting	**561**	**(113)**	**448**	589	(164)	425
Audiovisual rights for distribution	**134**	**(87)**	**47**	113	(87)	26
Sub-total programme rights	**1,322**	**(540)**	**782**	**1,297**	**(590)**	**707**
(Co-)productions and programmes in progress	**661**	**(13)**	**648**	713	(15)	698
Advance payments on (co-)productions, programmes and rights	**132**	**–**	**132**	169	–	169
Sub-total programme rights in progress	**793**	**(13)**	**780**	**882**	**(15)**	**867**
	2,115	**(553)**	**1,562**	**2,179**	**(605)**	**1,574**

Additions and reversals of valuation allowance have been recorded for €-31 million and €73 million respectively in 2023 (2022: €-48 million and €58 million, respectively).

6.9 Accounts receivable and other current assets

	2023 €m	2022 €m
Accounts receivable and other financial assets		
Trade accounts receivable	**1,230**	1,301
Contract assets	**5**	10
Accounts receivable from investments accounted for using the equity method	**23**	18
Loans receivable to investments accounted for using the equity method	**1**	–
Derivative financial assets	**14**	38
Equity instruments at FVTPL	**99**	127
Convertible loans at FVTPL	**2**	–
Other current financial assets	**9**	6
Current deposits with shareholder and its subsidiaries	**76**	276
Account receivable from shareholder in relation with PLP Agreement	**28**	306
Other accounts receivable	**88**	108
	1,575	2,190
Other non-financial assets		
Prepaid expenses	**102**	93
Sundry other non-financial assets	**273**	220
	375	313
	1,950	**2,503**

'Equity instruments at FVTPL' includes the minority investment in Magnite amounting to €95 million (31 December 2022: €123 million) as well as a number of minority investments held by different entities. The fair value of the listed investment in Magnite is measured on the basis of its market value. The gains and losses resulting from changes in the fair value are recognised in 'Fair value measurement of investments' as presented in note 5.3.

Additions and reversals of valuation allowance have been recorded for €-18 million and €19 million respectively in 2023 (2022: €-26 million and €19 million respectively).

6.10 Cash and cash equivalents

	2023 €m	2022 €m
Cash in hand and at bank	**420**	333
Fixed term deposits (under three months) and money market funds	**155**	256
Cash and cash equivalents (excluding bank overdrafts)	**575**	589

	2023 €m	2022 €m
Cash and cash equivalents (excluding bank overdrafts)	**575**	589
Bank overdrafts	**(2)**	(1)
Cash and cash equivalents and bank overdrafts	**573**	588

As at 31 December 2023, 'Cash in hand and at bank' in the amount of €2 million was subject to restrictions on disposals (2022: €3 million).

6.11 Assets classified as held for sale and discontinued operation

As at 15 December 2023, the Group has reached an agreement on the intended sale of RTL Nederland to DPG Media, a leading multi-media company active in the Netherlands, Belgium and Denmark. Subject to regulatory approvals and the consultation process with the respective works councils, the all-cash transaction is expected to close around mid-2024. The total consideration on a debt- and cash-free basis and with a normalised net working capital, to be paid at closing, amounts to €1.1 billion. The capital gain from the transaction will be largely tax exempt and will amount to approximately €0.8 billion.

As part of the sale, RTL Group and DPG Media will enter into a strategic partnership, spanning from technology to advertising sales and content: At the time of closing of the transaction, the service agreements for RTL Nederland in the areas of streaming technology (via Bedrock), broadcasting operations (via RTL Group's technical services provider BCE) and international advertising sales (via RTL AdAlliance) will be renewed for at least three years. RTL Nederland will also continue to use the solutions provided by RTL Group's ad-tech business, Smartclip. For three years after closing, RTL Group's broadcasters in Germany, France and Hungary will receive first-look rights for all new programmes developed by RTL Nederland. Based on a separate trademark licence agreement, DPG Media will continue to use the 'RTL' brand in the Netherlands at least until December 2034.

The operating segment RTL Nederland was classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023. The comparative consolidated income statement and consolidated statement of comprehensive income as well as the consolidated cash flow statement have been restated on a full-year basis to show the discontinued operation separately from continuing operations.

Financial information relating to the discontinued operation is as follows:

	2023 €m	2022 €m
Revenue	**620**	635
Expenses	**(475)**	(475)
Group profit from discontinued operations before taxes	**145**	160
Income tax	**(30)**	(36)
Group profit from discontinued operations	**115**	124
Attributable to:		
RTL Group shareholders	**115**	124
Non-controlling interests	**–**	–
Basic earnings per share from discontinued operations (in €)	**0.74**	0.80
Diluted earnings per share from discontinued operations (in €)	**0.74**	0.80

The item 'Expenses' includes fees related to the Group's auditor, KPMG, and its affiliates in the amount of €0.4 million (2022: €0.3 million).

	31 December 2023 €m
Assets	
Non-current assets	
Goodwill	159
Other intangible assets	7
Property, plant and equipment	8
Right-of-use assets	18
Investments accounted for using the equity method	5
Deferred tax assets	1
Current assets	
Programme rights	96
Accounts receivable and other current assets	122
Impairment on assets held for sale	–
Assets held for sale	416
Liabilities	
Non-current liabilities	
Lease liabilities	20
Accounts payable and other liabilities	2
Provisions	4
Current liabilities	
Provisions	4
Lease liabilities	4
Accounts payable and other liabilities	182
Contract liabilities	11
Liabilities related to assets held for sale	227

	2023 €m	2022 €m
Net cash from/(used in) operating activities	77	140
Net cash from/(used in) investing activities	(5)	(3)
Net cash from/(used in) financing activities	(72)	(137)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	–	–

As at 31 December 2022, RTL Group had no assets classified as held for sale.

6.12 Loans, bank overdrafts and lease liabilities

2023	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Bank overdrafts	2	–	**2**
Bank loans payable – fixed rate	54	68	**122**
Bank loans payable – floating rate	24	17	**41**
Loans due to investments accounted for using the equity method – floating rate	2	–	**2**
Term loan facility due to shareholders and their subsidiaries – fixed rate	170	600	**770**
Other loans payable – fixed rate	–	4	**4**
Other loans payable – floating rate	1	–	**1**
	253	689	**942**
Lease liabilities	76	225	**301**

2022	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Bank overdrafts	1	–	**1**
Bank loans payable – fixed rate	22	133	**155**
Bank loans payable – floating rate	3	–	**3**
Loans due to investments accounted for using the equity method – floating rate	–	–	**–**
Term loan facility due to shareholders and their subsidiaries – fixed rate	511	–	**511**
Other loans payable – fixed rate	–	5	**5**
Other loans payable – floating rate	10	–	**10**
	547	138	**685**
Lease liabilities	85	300	**385**

As at 31 December 2023, potential future cash outflows of €194 million (undiscounted) have not been included in the lease liabilities as it is not reasonably certain that the leases will be extended (or not terminated) (2022: €179 million).

6.13 Accounts payable and other liabilities

2023	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Accounts payable and other financial liabilities			
Trade accounts payable	1,237	39	**1,276**
Accounts payable to investments accounted for using the equity method	10	–	**10**
Derivative financial liabilities	29	2	**31**
Account payable to shareholder in relation to PLP Agreement	–	–	**–**
Sundry financial liabilities	63	138	**201**
	1,339	179	**1,518**
Non-financial liabilities			
Employee benefits liability	165	318	**483**
VAT payables	99	–	**99**
Deferred income	21	1	**22**
Social security and other taxes payable	90	–	**90**
	375	319	**694**
	1,714	498	**2,212**

2022	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Accounts payable and other financial liabilities			
Trade accounts payable	1,360	40	**1,400**
Accounts payable to investments accounted for using the equity method	8	–	**8**
Derivative financial liabilities	43	14	**57**
Account payable to shareholder in relation to PLP Agreement	322	–	**322**
Sundry financial liabilities	118	167	**285**
	1,851	221	**2,072**
Non-financial liabilities			
Employee benefits liability	249	287	**536**
VAT payables	132	–	**132**
Deferred income	3	–	**3**
Social security and other taxes payable	89	–	**89**
	473	287	**760**
	2,324	508	**2,832**

At 31 December 2023, the profit participation liabilities of RTL Deutschland amounted to €313 million (2022: €315 million).

6.14 Provisions

6.14.1 Provisions other than post-employment benefits

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2023	**24**	**29**	**72**	**32**	**157**
Provisions charged/(credited) to the income statement:					
– Additions	45	4	23	3	**75**
– Reversals	–	(3)	(13)	(4)	**(20)**
Provisions used during the year	(10)	(2)	(43)	(3)	**(58)**
Other changes	(1)	(3)	(1)	(19)	**(24)**
Balance at 31 December 2023	**58**	**25**	**38**	**9**	**130**

The provisions mainly relate to the following:

Restructuring
In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*. Other brands were sold or discontinued during the reporting period. During the reorganisation, costs will be reduced in all areas – especially in corporate functions, corporate IT, office space, publishing and editorial teams. Around 500 jobs will be reduced in Hamburg, while an additional 200 jobs will be transferred to new owners through the sale of titles. Negotiations with the employee representatives about a voluntary leave programme (Freiwilligenprogramm) and the collective dismissal process – which specifies the financial terms of the restructuring plan and the number of staff affected – were finalised during the first half-year 2023. As at 31 December 2023, the related provision amounted to €44 million.

Litigations
Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities. As at 31 December 2023, they comprise a number of litigations across RTL Group, none of which were material on a standalone basis.

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant. The main legal proceedings to which RTL Group is a party are disclosed in the Directors' Report under **Significant litigations.**

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

Onerous contracts

'Onerous contracts' mainly comprise provisions made by:

- RTL Deutschland for €36 million (2022: €68 million) mainly in relation to the supply of programmes, of which sport events €10 million (2022: €21 million)
- Groupe M6 for €2 million (2022: €1 million) in relation to the supply of programmes.

	2023 €m	2022 €m
Current	87	109
Non-current	43	48
	130	157

6.14.2 Post-employment benefits

	2023 €m	2022 €m
Defined benefit obligation	165	157
Other employee benefits	16	15
	181	172

	2023 €m	2022 €m
Present value of defined benefit obligation of unfunded plans	161	155
Present value of defined benefit obligation of funded plans	112	106
Total present value of defined benefit obligation	**273**	261
Fair value of plan assets	(111)	(106)
Impact from asset ceiling		
Net defined benefit liability recognised in the consolidated statement of financial position	**162**	155
– thereof provisions for pensions	165	157
– thereof other assets	3	2

6.15 Defined benefit obligations

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. FremantleMedia North America in the United States also operates a medical care plan which is also a defined benefit obligation and is included in 'Provisions' in the statement of financial position. These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group and associated risks is given below:

France

Groupe M6 operates retirement indemnity plans which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at the date of the retirement in accordance with the applicable collective agreement. The Métropole Télévision (following the merger with Ediradio) and ID retirement indemnity plan is partly funded by an insurance contract with AXA. Métropole Télévision (following the merger with Ediradio) also participates in a defined benefit plan that provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. By nature, the lifetime risk of the beneficiaries is no longer supported by Métropole Télévision at retirement. The risk is externalised to the insurer.

Germany
Employees of UFA companies (including UFA Fiction GmbH, UFA Shows & Factual GmbH, UFA GmbH, UFA Serial Drama GmbH), Radio Center Berlin, AVE Gesellschaft für Hörfunkbeteiligungen GmbH, UFA Film & Fernsehen GmbH, RTL Group GmbH and RTL Group Central & Eastern Europe participate in an unfunded common group retirement plan. The company UFA Serial Drama has a partly funded plan. Related obligations and plan assets are subject to demographic, legal and economic risks. The main risk relates to longevity risk for pension recipients. Each employer that participates in this plan has separately identifiable liabilities.

RTL Television, Super RTL, RTL Deutschland and Ad Alliance (former IP Deutschland GmbH) operate their own retirement arrangements. The pension obligations of Super RTL Fernsehen GmbH provide for a one-time lump-sum benefit and a widow's pension, which is subject to an annual increase of 1 per cent. Reinsurance policies have been taken out partially for the promised benefits. The reinsurance policies are classified as plan assets.

The pension obligations of RTL Deutschland GmbH are based on individual commitments of mostly deferred compensation. A monthly retirement pension is promised in an individually agreed amount, including entitlement for benefits in case of disability or death of the beneficiary. Current pension benefits are increased by 2 per cent annually. One reinsurance policy without benefit-determining character exists with AXA. Further there exists an individual commitment for a one-time lump-sum benefit, which is partially funded. The reinsurance policies are classified as plan assets. Ad Alliance GmbH (former IP Deutschland GmbH) sponsors individual plans for five former employees, providing defined pension benefits to each employee at retirement. RTL Television sponsors individual plans for two former employees, providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death. The plan of RTL Television is partly funded by a life insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. Both companies are exposed to certain risks associated with defined benefits plans such as longevity, inflation and the increase of wages and salaries.

The Gruner + Jahr companies participate in a pension plan, which has been closed to new members for many years. The pension entitlement amounts to 50 per cent of the pensionable income, which is fixed at the age of 41. Pension payments are paid annually, increased by at least 2 per cent.

Luxembourg
CLT-UFA, RTL Group and Broadcasting Center Europe (BCE) sponsor a post-employment defined benefit plan in favour of their employees. The occupational pension plan provides benefits to the affiliates (members and their dependants) in case of retirement, death in service or disability. The pension benefits are financed through an internal book reserve, as one of the allowed funding vehicles described in the law of 8 June 1999 and amended by the Law of 1 August 2018 on occupational pension plans in Luxembourg. Therefore CLT-UFA, RTL Group and BCE set up provision for the unfunded retirement benefit plan. Nevertheless, in such cases, the law requires the company to subscribe to insolvency insurance with the German Pension Protection Fund (Pensionssicherungsverein). The CLT-UFA, RTL Group and BCE occupational pension scheme is a defined benefit plan final pay with integration of the state pension. Consequently, the Company is exposed to certain risks associated with defined benefits plans – such as longevity, inflation, the effect of compensation increases – and of the state pension legislation.

Death and disability are insured with La Luxembourgeoise-Vie SA.

To further reduce the defined benefit risks, this plan has been closed for new employees at the end of 2022 and replaced by a defined contribution plan for employees joining from 2023 onwards. Additionally, two-thirds of the already-entitled defined benefit plan members opted for the new defined contribution plan. The change of the plan results in negative past service cost of €5 million recognised in the financial year 2023.

United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ('the Fremantle Plan' or 'the Plan'), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides benefits through two sections, one providing defined benefits and the other providing defined contribution benefits with a defined benefit underpin. Plan assets are held for both sections of the Fremantle Plan – the assets in the defined benefit section are the qualifying insurance (buy-in) policies; the assets in the defined contribution section comprise mainly equities, with the Plan holding corporate bonds in relation to the defined benefit underpin. The Plan is funded through a trust administered by a trustee company, the assets of which are held separately from the assets of the participating employers. FremantleMedia Group Limited is ultimately liable for any deficit in the Plan. Funding requirements are under section 3 of the Pensions Act 2004 (UK), which requires:

– Three-yearly formal actuarial valuations, with annual monitoring
– Trustees to maintain a Statement of Funding Principles
– Trustees and employers to agree the approach to each actuarial valuation
– Funding deficits to be eliminated in accordance with a schedule of deficit funding contributions.

The Company has been managing and reducing the risks associated with the Fremantle Plan. The Company closed the Plan to all further benefit accrual with effect from 31 March 2013. From 19 March 2014, the Company decided to secure benefits by insuring the Plan's liabilities through a buy-in policy.

Information about the nature of the present value of the defined benefit liabilities is detailed as follows:

	2023 €m	2022 €m
Final salary plans	**128**	128
Career average plans	**7**	6
Flat salary plans/plans with fixed amounts	**79**	73
Other commitments given	**59**	54
Present value of defined benefit obligation	**273**	261
– thereof capital commitments	**59**	65

'Other commitments given' broadly contains the defined contribution section of the Fremantle Plan. Under the Fremantle Plan Rules, in the defined benefit sections, a member may opt to exchange up to around 25 per cent of their pension benefit for a cash lump sum.

The breakdown of the present value of the defined benefit liabilities by the plan members is as follows:

	2023 Head	2022 Head	2023 €m	2022 €m
Active members	**2,362**	2,753	**106**	114
Deferred members	**1,427**	1,131	**103**	90
Pensioners	**324**	323	**64**	57
Total	**4,113**	4,207	**273**	261
– thereof vested			**241**	227

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2023 €m	2022 €m
Present value of defined benefit obligation of unfunded plans	**161**	155
Present value of defined benefit obligation of funded plans	**112**	106
Total present value of defined benefit obligation	**273**	261
Fair value of plan assets	**(111)**	(106)
Net defined benefit liability	**162**	155
– thereof provisions for pensions	**165**	157
– thereof other assets	**3**	2

The amounts recognised in profit or loss are determined as follows:

	2023 €m	2022 €m
Current service cost	**5**	9
Past service cost and impact from settlement	**(7)**	1
Net interest expense	**6**	4
Net pension expense	**4**	14

Changes in the present value of defined benefit obligations and plan assets in the reporting period were as follows:

	Defined benefit obligation (I)		Fair value of plan assets (II)		Net defined benefit balance (I)-(II)	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 January	**261**	**316**	**106**	**148**	**155**	**168**
Current service cost	**5**	9	**–**	–	**5**	9
Interest expense	**11**	6	**–**	–	**11**	6
Interest income	**–**	–	**5**	2	**(5)**	(2)
Past service cost	**(7)**	1	**–**	–	**(7)**	1
Income and expenses for defined benefit plans recognised in the consolidated income statement	**9**	**16**	**5**	**2**	**4**	**14**
Income/expense on plan assets excluding amounts included in net interest income and net interest expense	**–**	–	**–**	(34)	**–**	34
Actuarial gains (-) and losses (+)						
– changes in financial assumptions	**14**	(141)	**–**	–	**14**	(141)
– changes in demographic assumptions	**(1)**	5	**–**	–	**(1)**	5
– experience adjustments	**1**	(7)	**–**	–	**1**	(7)
Re-measurements for defined benefit plans recognised in the consolidated statement of comprehensive income	**14**	**(143)**	**–**	**(34)**	**14**	**(109)**
Contributions to plan assets by employer	**–**	–	**–**	1	**–**	(1)
Contributions to plan assets by employees	**–**	–	**–**	–	**–**	–
Pension payments	**(10)**	(13)	**(3)**	(8)	**(7)**	(5)
Changes in foreign exchange rates	**2**	(5)	**2**	(5)	**–**	–
Changes associated with assets held for sale	**(2)**	54	**–**	39	**(2)**	15
Change in consolidation scope	**–**	35	**–**	(38)	**–**	73
Other changes	**(1)**	1	**1**	1	**(2)**	–
Other reconciling items	**(11)**	**72**	**–**	**(10)**	**(11)**	**82**
Balance at 31 December	**273**	**261**	**111**	**106**	**162**	**155**
thereof						
Germany	**115**	106	**18**	18	**97**	88
UK	**89**	84	**91**	86	**(2)**	(2)
Other European countries	**69**	70	**2**	2	**67**	68

Plan assets are comprised as follows:

	2023 €m	2022 €m
Qualifying insurance policies	**52**	52
Equity instruments	**44**	40
Other funds	**10**	9
Debt instruments	**5**	4
Cash and cash equivalents	**–**	1
Fair value of plan assets	**111**	106

Significant actuarial assumptions used were as follows:

	2023 % a year			2022 % a year		
	Germany	Other European countries	UK	Germany	Other European countries	UK
Discount rate	**3.60**	**3.50**	**4.80**	4.20	4.20	4.80
Rate of salary increase	**2.25**	**3.19**	**n/a**	2.25	3.25	n/a
Rate of pension increase	**2.03**	**2.25**	**3.44**	20.60	2.27	3.57

The breakdown of the weighted-average duration by geographical area is as follows:

	2023 years	2022 years
Germany	**15**	15
Other European countries	**11**	11
UK	**20**	20

At 31 December 2023, the sensitivity of the defined benefit liabilities to changes in the weighted significant assumptions is as follows:

	Increase €m	Decrease €m
Effect of 0.5 percentage point change in discount rate	(13)	14
Effect of 0.5 percentage point change in rate of salary increase	3	(3)
Effect of 0.5 percentage point change in rate of pension increase	7	(7)
Effect of change in average life expectancy by 1 year	4	(5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

At 31 December 2023, expected maturity analysis of undiscounted pension future cash flows is as follows:

	Expected pension payments €m
2024	10
2025	12
2026	17
2027	20
2028	24
2029–2033	94

6.16 Equity

6.16.1 Share capital

At 31 December 2023, the share capital amounts to €192 million (2022: €192 million) and is represented by 154,742,806 (31 December 2022: 154,742,806) fully paid-up ordinary shares, without nominal value.

At 31 December 2023, RTL Group's share price, as listed on the Frankfurt Stock Exchange, was €34.96 (31 December 2022: €39.44).

6.16.2 Treasury shares

Since 31 December 2020, the Group no longer holds treasury shares.

6.16.3 Currency translation reserve

The currency translation reserve comprises:
- all foreign exchange differences arising from the translation of the financial statements of foreign operations
- reserves on investments accounted for using the equity method for foreign exchange translation differences
- loans designated to form part of the Group's net investment in specific undertakings, as repayment of those loans is not anticipated within the foreseeable future.

6.16.4 Hedging reserve

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. Between 31 December 2022 and 31 December 2023, the hedging reserve decreased by €-13 million before tax effects. Between 31 December 2021 and 31 December 2022, the hedging reserve increased by €8 million before tax effects.

6.16.5 Revaluation reserve

The revaluation reserve includes:
- The cumulative change net of tax in the fair value of equity instruments at FVOCI (see note 6.6) for €34 million (2022: €32 million)
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gains of control of Groupe M6 and M-RTL (2023: €55 million; 2022: €55 million).

6.16.6 Dividends

Based on the resolution of the Annual General Meeting of shareholders on 26 April 2023, the Annual General Meeting of shareholders decided to distribute a final dividend of €4.00 per share. Accordingly, an amount of €619 million was paid out on 2 May 2023 (2022: €774 million).

6.16.7 Share-based payment plans

Groupe M6 has established free shares plans open to directors and certain employees. The number of free shares granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorisation given by the Annual General Meeting of shareholders.

Plans allocated in the financial year 2023:
- one plan involves 167 beneficiaries and covers 311,300 shares, subject to beneficiaries remaining employed by the Group at 31 March 2026 and the achievement of consolidated EBITA objectives in 2023
- another plan covers a group of 22 beneficiaries and relates to 191,900 shares subject to beneficiaries remaining employed by the Group at 31 March 2026. It is allotted annually on the basis of multi-year performance conditions.

The maximum number of free shares granted and remaining free shares are as follows, whereby all plans are settled by physical delivery of shares:

	Grant date	Maximum number of free shares granted[48]	Remaining free shares
Free shares plans			
	20/04/2021	407,200	–
	20/04/2021	93,000	–
	10/10/2022	291,050	278,350
	10/10/2022	224,700	218,700
	15/05/2023	311,300	308,700
	15/05/2023	191,900	191,900
Total		1,519,150	997,650

During the financial year, the balance of shares granted changed as follows:

	Number of shares
Balance at 31 December 2022	1,002,350
Change based on performance	(1,012)
Granted	503,200
Delivered	(485,588)
Forfeited	(21,300)
Balance at 31 December 2023	997,650

Free shares plans outstanding at the end of the year have the following terms:

	Expiry date	Number of shares 2023	Number of shares 2022
Free shares plans			
	2023	–	486,600
	2024	218,700	224,700
	2025	278,350	291,050
	2026	500,600	–
Total		997,650	1,002,350

The market price of Métropole Télévision shares on the Paris Stock Exchange was €12.94 at 31 December 2023 (31 December 2022: €15.35).

The fair value of performance shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability. For all performance share plans, the maturity corresponds to the vesting period (i.e. 2 years, 2 years and 6 months, 2 years and 8 months or 3 years).

The features of plans, fair value of benefits granted and employee expenses are as follows:

					Employee expense	
Grant date	Share price €	Risk-free interest rate % a year	Expected return % a year	Fair value €	2023 €m	2022 €m
Free shares plans						
30/07/2019 (2 plans)	15.35	(0.30)	6.97	13.23	**–**	0.8
20/04/2021 (2 plans)	18.38	(0.64)	n/a	14.34	**1.3**	4.1
10/10/2022 (2 plans)	10.34	2.07	6.15	8.38	**1.6**	0.4
15/05/2023 (2 plans)	13.32	2.79	7.89	11.40	**1.1**	–
Total					**4.0**	5.3

48 The maximum number of free shares granted if the performance conditions are significantly exceeded. Such number could be reduced to nil if objectives are not met.

6.16.8 Non-controlling interests

RTL Group has ownership interest of 48.4 per cent (after considering treasury shares held by Groupe M6) in Métropole Télévision SA which, together with its subsidiaries and investments accounted for using the equity method, represents Groupe M6, which is listed on the Paris Stock Exchange. Deviating from the ownership interests, RTL Group holds 48.5 per cent of the voting rights. The total non-controlling interests amount to €850 million at 31 December 2023 (2022: €798 million), of which €805 million (2022: €748 million) is for Groupe M6. Non-controlling interests in other subsidiaries are individually immaterial.

The following tables summarise the information relating to Groupe M6, before any intra-group elimination.

Summarised financial information (as published by Groupe M6):

	Groupe M6 2023 €m	Groupe M6 2022 €m
Non-current assets	**882**	888
Current assets	**1,168**	1,099
Assets held for sale	**–**	–
Current liabilities	**(547)**	(535)
Non-current liabilities	**(162)**	(214)
Liabilities related to assets held for sale	**–**	–
Net assets	**1,341**	1,238
Revenue	**1,316**	1,357
Profit before tax	**325**	241
Income tax expense	**(88)**	(75)
Profit from continuing operations	**237**	166
Profit from discontinued operations	**–**	–
Group profit	**237**	166
Other comprehensive income	**(1)**	11
Total comprehensive income	**236**	177
Dividends paid to non-controlling interest	**(6)**	(5)
Net cash from/(used in) operating activities	**307**	296
Net cash from/(used in) investing activities	**(65)**	(80)
Net cash from/(used in) financing activities	**(173)**	(190)
Net increase/(decrease) in cash and cash equivalents	**69**	26

RTL Group's subsidiary, Métropole Télévision SA, declared and paid cash dividends during the financial year 2023. The amount received within the Group was eliminated on consolidation and the amount paid to non-controlling interests was €65 million (2022: €65 million).

Transactions on non-controlling interests without changes of control

In the financial year 2023, there were no significant transactions with non-controlling interests.

In June 2022, RTL Group exercised its right to acquire the remaining interest in Eureka, increasing its ownership from 51 per cent to 100 per cent. The consideration paid amounted to €55 million and related to the settlement of a put option liability on the remaining share capital, which was recognised in connection with the acquisition of the majority interest in Eureka in 2021. The transaction was accounted for as an equity transaction in accordance with IFRS 10. The transaction resulted in an increase of the equity attributable to RTL Group shareholders in the amount of €17 million and a decrease of the equity attributable to non-controlling interests in the amount of €-17 million.

	Change in RTL Group shareholders' equity €m
Carrying amount of interests acquired	17
Increase in RTL Group shareholders' equity	17
– thereof increase in retained earnings	17
– thereof increase in other comprehensive income	–

7. Financial risk management

7.1 Financial risk factors

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

Risk management is carried out by the Group Treasury department under the supervision of the Chief Financial Officer under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges risks in close cooperation with the Group's operating units. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors has issued written principles for overall risk management and written policies covering specific areas, such as market risk, credit risk, liquidity risk, use of derivatives and investment of excess liquidity.

The Group seeks to minimise the potential adverse effects of changing financial markets on its performance using standard market financial derivatives, primarily unlisted (OTC) instruments such as foreign exchange forward contracts. Transactions are entered into with selected banks in line with the Bank Relationship Policy. Derivatives are not used for speculative purposes. Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk linked to the conversion of net investments in foreign operations is not hedged).

7.1.1 Market risk

Foreign exchange risk

Euro exchange rates for significant foreign currencies
The following significant exchange rates have been applied:

		Average rates		Closing rates	
Foreign currency unit per €1		2023	2022	31 December 2023	31 December 2022
British pound	GBP	**0.8699**	0.8527	**0.8691**	0.8869
US dollar	USD	**1.0814**	1.0534	**1.1050**	1.0666
Australian dollar	AUD	**1.6290**	1.5165	**1.6263**	1.5693

Foreign exchange exposure
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect of USD and GBP. Foreign exchange risk arises from recognised assets and liabilities, future commercial transactions and net investments in foreign operations.

For the Group as a whole, cash flows, net income and net worth are optimised by reference to the Euro. However, foreign exchange risks faced by individual Group companies are managed or hedged against the functional currency of the relevant entity (as these entities generally generate their revenue in local currencies). The Group therefore manages a variety of currencies due to the numerous functional currencies of the companies constituting the Group.

In addition, market practices in the television business imply a significant forward exposure to USD as programme rights are usually denominated in USD and not paid up-front. For this reason, the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions (US-$5 million as at 31 December 2023, US-$2 million as at 31 December 2022).

Management of foreign exchange exposure
RTL Group management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. Group companies are required to hedge their foreign currency exchange risk exposure with Group Treasury in accordance with the Group's Treasury policies. All foreign currency exchange exposures – including signed and forecast output deals and programme rights in foreign currency – are centralised in an intranet-based database. To manage their foreign exchange risk arising from recognised assets

and liabilities and future commercial transactions, entities in the Group use forward contracts transacted with Group Treasury. Group Treasury is then responsible for hedging, usually on a one-to-one basis, the exposure against the functional currency of the respective entity.

The Group's Treasury policy is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than the functional currency. The Group Treasury policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 10 per cent and 80 per cent of longer-term (between two and five years) cash flow forecasts.

In order to monitor the compliance of the management of the foreign exchange exposure (mainly USD) with the Group's policy, a monthly report is produced and analysed by RTL Group management. This report shows each subsidiary's exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany accounts) of on-balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios.

Accounting
At interception of the hedging relationships, RTL Group documents the risk management objective and strategy for undertaking the hedge. RTL Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and the hedging instrument are expected to offset each other.

RTL Group separates the spot component and the forward (or swap) point of the forward contracts. Only the spot component is considered as the hedging instrument. Forward (or swap) points are accounted for directly in profit or loss accounts.

The foreign currency cash flow hedge accounting model defined under IFRS 9 is applied by those companies that account for the majority of the Group's foreign currency exposure, when:
– Hedged foreign currency exposures relate to programme rights transactions that have not yet been recognised on the consolidated statement of financial position (such as forecast or firm purchases of programme rights for which the licence period has not yet begun)
– Amounts are sufficiently material to justify the need for hedge accounting.

When cash flow hedge accounting is applied, the effective portion of the changes in the fair value of the hedging instrument is recognised net of deferred tax in the cash flow hedging reserve as presented in 'Consolidated statement of changes in equity'. It is released to the income statement in the periods in which the hedged item impacts the income statement. In case of hedging forecast purchases of programme rights in foreign currency the releases from cash flow hedging reserve are added to the carrying amount of the hedged item when such an item is recognised in the statement of financial position. The ineffective portion of the change in fair value of the hedging instrument is recognised directly in profit or loss. For the year ended 31 December 2023, the swap points have been recognised in the income statement for €7 million (2022: €1 million).

For recognised foreign currency monetary assets and liabilities there is a natural offset of gains and losses in the income statement between the revaluation of the underlying derivatives and the exposure. Therefore, hedge accounting as defined under IFRS 9 is not applied.

Foreign exchange derivative contracts
The impact of forward foreign exchange contracts in the consolidated statement of financial position and in profit or loss is as follows:

	2023 €m	2022 €m
Net fair value of foreign exchange derivatives	**(13)**	(5)
Operating foreign exchange gains/(losses)	**(3)**	–
Non-operating foreign exchange gains/(losses)	**9**	(19)
Gains/(losses) resulting from swap points	**7**	1

	2023 €m	2022 €m
Less than 3 months	**(15)**	(10)
Less than 1 year	**–**	5
Less than 5 years	**2**	–
Net fair value of foreign exchange derivatives	**(13)**	(5)

The items 'Operating foreign exchange gains/(losses)' and 'Non-operating foreign exchange gains/(losses)' relate to derivatives used to offset the currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied.

The split by maturities of notional amounts of forward exchange contracts at 31 December 2023 is, for the main foreign currencies, as follows:

	2024 £m	2025 £m	2026 £m	2027 £m	≥ 2028 £m	Total £m
Buy	307	32	10	4	3	**356**
Sell	(488)	(14)	(3)	(2)	(1)	**(508)**
Total	**(181)**	**18**	**7**	**2**	**2**	**(152)**

	2024 $m	2025 $m	2026 $m	2027 $m	≥ 2028 $m	Total $m
Buy	993	102	24	1	2	**1,122**
Sell	(329)	(27)	(11)	(4)	(3)	**(374)**
Total	**664**	**75**	**13**	**(3)**	**(1)**	**748**

The split by maturities of notional amounts of forward exchange contracts at 31 December 2022 is, for the main foreign currencies, as follows:

	2023 £m	2024 £m	2025 £m	2026 £m	2027 £m	Total £m
Buy	388	125	12	4	4	**533**
Sell	(533)	(90)	(6)	(1)	(2)	**(632)**
Total	**(145)**	**35**	**6**	**3**	**2**	**(99)**

	2023 $m	2024 $m	2025 $m	2026 $m	2027 $m	Total $m
Buy	767	151	14	7	2	**941**
Sell	(353)	(142)	(12)	(5)	(6)	**(518)**
Total	**414**	**9**	**2**	**2**	**(4)**	**423**

Sensitivity analysis to foreign exchange rates
Management estimates that:

- If the USD had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact), and an additional pre-tax €23 million gain (respectively loss) (2022: €22 million gain (respectively loss)) recognised in total comprehensive income in equity
- If the GBP had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact), and an additional pre-tax €1 million loss (respectively gain) recognised in total comprehensive income in equity (2022: no material impact)
- If other currencies had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact) and no material impact on the pre-tax expense (respectively income) recognised in total comprehensive income in equity (2022: no material impact).

This sensitivity analysis does not include the impact of translation into € of foreign operations.

Interest rate risk

The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long term and to maximise the excess cash return.

The Group interest rate risk arises primarily from loans payable, financing agreements with Bertelsmann SE & Co. KGaA and its subsidiaries (see note 10.1) and from cash and cash equivalents.

During the third quarter of 2017, Groupe M6 secured a seven-year Euro private placement bond issue (seven-year Euro private placement bond) of €50 million bearing a fixed annual interest rate of 1.50 per cent (all-in).

During the third quarter of 2019, Groupe M6 entered into a seven-year-term Schuldschein loan of €75 million including a credit line of €65 million with a fixed rate of 1 per cent and a credit facility for €10 million with a floating rate of EURIBOR six months (floored at zero per cent) plus a margin of 1 per cent per year. The fair value of the seven-year-term Schuldschein of €65 million – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to €62 million (2022: €65 million).

Groupe M6 total committed credit facilities amount to €180 million, equally split between three different counterparties. Two of the credit facilities expire in 2024. The third one expires at the end of 2028.

In order to maximise the excess cash return on cash balances and to minimise the gross indebtedness of the Group, cross-border cash pooling has been set up for most Group entities. The interest rate strategy defined by RTL Group depends on the net cash position of each company.

Group Treasury uses various indicators to monitor interest rate risk, such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest coverage ratio.

If the interest rates achieved had plus or minus 100 basis points, and assuming the current amount of floating net cash available remained constant, the net interest income/(expense) at 31 December 2023 would have been changed as follows:

	31 December 2023		31 December 2022	
	Shift +1% €m	Shift (1)% €m	Shift +1% €m	Shift (1)% €m
Cash flow risks (income statement)	**4.4**	**(4.4)**	3.0	(3.0)

7.1.2 Credit risk

RTL Group's exposure to credit risk primarily arises through sales made to customers (trade receivables), investments in money market funds classified in cash and cash equivalents, and deposits made with banks and the shareholder.

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances, which are managed by individual subsidiaries.

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2023, combined television and radio advertising revenue contributed 18 per cent of the Group's revenue (2022: 43 per cent). Due to its business model, RTL Group's exposure to credit risk is directly linked to the final client. However, the risks are considered to be low due to the size of the individual companies or agency groups.

RTL Group sells, licenses and monetises content to state-owned and commercial television channels and internet platforms. In 2023, these activities contributed 35 per cent of the Group's revenue (2022: 34 per cent). Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long-standing relationships between content providers and broadcasters, and the fact that the customers are large businesses with solid financial positions, the level of credit risk is significantly mitigated.

RTL Group also has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

According to the Group's banking policy, derivative instruments and cash transactions (including bank deposits and investments in money market funds) are operated only with high credit quality financial institutions in order to mitigate counterparty risk (only independently rated parties with a minimum rating of 'BBB+' are accepted for bank deposits for the smallest tranches). The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as applicable supervisory authorities, investment policy, maximum volatility, track record, rating, cash and cash equivalents as defined under IAS 7). To mitigate settlement risk, the Group has policies that limit the amount of credit exposure to any one financial institution on any single day. Statistics (such as the percentage of the business allocated to each bank over the year, or a summary of the highest intraday exposures by bank and maturity date) are computed and used daily to ensure credit risk is mitigated in practice at any time.

The carrying amount of financial assets represents their maximum credit exposure.

For trade receivables and contract assets, RTL Group uses a simplified approach to measure expected credit losses. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses have been prepared. The impairment matrices were created for business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

At 31 December 2023	Current €m	More than 30 days past due €m	More than 90 days past due €m	Total €m
Average expected loss rate (in %)	0.26	2.22	4.55	
Gross carrying amount	1,170	45	44	**1,259**
Loss allowance	3	1	2	**6**

At 31 December 2022	Current €m	More than 30 days past due €m	More than 90 days past due €m	Total €m
Average expected loss rate (in %)	0.41	1.52	7.94	
Gross carrying amount	1,218	66	63	**1,347**
Loss allowance	5	1	5	**11**

At 31 December 2023, the gross carrying amount of credit impaired trade receivables and contract assets amounts to €30 million with €28 million loss allowance (2022: €39 million and €34 million, respectively).

The other accounts receivables are considered to be of low default risk.

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann. Nevertheless, credit risk arising from transactions with the principal shareholder or its subsidiaries is significantly mitigated (see note 10.1). RTL Group considers that there is a low concentration of credit risk for other counterparties.

7.1.3 Price risk

The Group is subject to price risk mainly linked to equity securities, earn-out mechanisms, put options on non-controlling interests and derivatives, and investments accounted for using the equity method. The primary goal of the Group's investment in equity securities categorised as FVOCI is to hold such investments for the long term for strategic purposes. Some investments designated at FVTPL are actively monitored on a fair value basis.

7.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, management aims to maintain flexibility in funding by keeping committed credit lines available despite the total cash situation. Cash flow forecasting is performed in the operating entities of the Group. Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitors, on a monthly basis, the level of the 'liquidity headroom' (total committed facilities minus current utilisation through bank loans and guarantees).

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	2023 €m
Credit facilities – banks				
Committed facilities	170	135	–	**305**
Headroom	120	60	–	**180**

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	2022 €m
Credit facilities – banks				
Committed facilities	–	247	–	**247**
Headroom	–	122	–	**122**

Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Group Treasury. Group Treasury invests surplus cash in interest-bearing current accounts, time deposits, money market funds or deposits with Bertelsmann SE & Co. KGaA (see note 10.1) choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the closing date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	253	685	4	**942**
Lease liabilities	84	179	68	**331**
Accounts payable and other non-derivative financial liabilities	1,310	108	86	**1,504**
At 31 December 2023	**1,647**	**972**	**158**	**2,777**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	(1,200)	(100)	–	**(1,300)**
– Inflow	1,171	100	–	**1,271**
At 31 December 2023	**(29)**	**–**	**–**	**(29)**

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	547	134	4	**685**
Lease liabilities	91	220	97	**408**
Accounts payable and other non-derivative financial liabilities	1,808	139	91	**2,038**
At 31 December 2022	**2,446**	**493**	**192**	**3,131**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	(1,027)	(181)	(2)	**(1,210)**
– Inflow	984	167	2	**1,153**
At 31 December 2022	**(43)**	**(14)**	**–**	**(57)**

7.2 Capital management

The Group monitors capital on the basis of its net debt to EBITDA ratio (non-IFRS measure).

The Group's ability and intention to pay dividends in the future will depend on its financial condition, results of operations, capital requirements, investment alternatives and other factors that management may deem relevant. Management expects that the principal source of funds for the payment of dividends will be the cash flow and dividends received from its current and future subsidiaries.

The Group intends to pay ordinary dividends in the future targeting a dividend payout ratio of at least 80 per cent of the adjusted net profit attributable to RTL Group shareholders.

The adjusted net profit (non-IFRS measure) is the reported net result available to RTL Group shareholders, adjusted for any material non-cash impacts such as goodwill impairments.

7.3 Accounting classifications and fair value hierarchy

7.3.1 Financial instruments by category

The fair value of each class of financial assets and liabilities is equivalent to its carrying amount.

	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Derivatives at FVTPL €m	Financial assets at amortised cost €m	Total €m
Assets					
Loans and other financial assets	16	32	4	60	**112**
Accounts receivable and other financial assets	101	–	14	1,455	**1,570**
Cash and cash equivalents	149	–	–	426	**575**
At 31 December 2023	**266**	**32**	**18**	**1,941**	**2,257**

	Liabilities at FVTPL €m	Derivatives at FVTPL €m	Financial liabilities at amortised cost €m	Total €m
Liabilities				
Loans and bank overdrafts	–	–	942	**942**
Lease liabilities	–	–	301	**301**
Accounts payable and other financial liabilities	1	31	1,486	**1,518**
At 31 December 2023	**1**	**31**	**2,729**	**2,761**

	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Derivatives at FVTPL €m	Financial assets at amortised cost €m	Total €m
Assets					
Loans and other financial assets	9	29	14	59	**111**
Accounts receivable and other financial assets	127	–	38	2,015	**2,180**
Cash and cash equivalents	170	–	–	419	**589**
At 31 December 2022	**306**	**29**	**52**	**2,493**	**2,880**

	Liabilities at FVTPL €m	Derivatives at FVTPL €m	Financial liabilities at amortised cost €m	Total €m
Liabilities				
Loans and bank overdrafts	–	–	685	**685**
Lease liabilities	–	–	385	**385**
Accounts payable and other financial liabilities	31	57	1,984	**2,072**
At 31 December 2022	**31**	**57**	**3,054**	**3,142**

7.3.2 Fair value hierarchy

The different levels have been defined as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities)
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors.

The following table presents the Group's financial assets and liabilities measured at fair value.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity instruments at FVOCI	**32**	–	–	32
Equity instruments at FVTPL	**112**	95	–	17
Debt instruments at FVTPL	**5**	–	3	2
Primary and derivative financial assets held for trading	**13**	–	13	–
Derivatives with hedge relation	**5**	–	5	–
Other cash equivalents	**149**	–	149	–
At 31 December 2023	**316**	**95**	**170**	**51**
Liabilities				
Primary and derivative financial liabilities held for trading	**27**	–	27	–
Derivatives with hedge relation	**4**	–	4	–
Contingent consideration	**1**	–	–	1
At 31 December 2023	**32**	**–**	**31**	**1**

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity instruments at FVOCI	**29**	–	–	29
Equity instruments at FVTPL	**133**	123	–	10
Debt instruments at FVTPL	**3**	–	–	3
Primary and derivative financial assets held for trading	**39**	–	39	–
Derivatives with hedge relation	**13**	–	13	–
Other cash equivalents	**170**	–	170	–
At 31 December 2022	**387**	**123**	**222**	**42**
Liabilities				
Primary and derivative financial liabilities held for trading	**48**	–	48	–
Derivatives with hedge relation	**9**	–	9	–
Contingent consideration	**31**	–	–	31
At 31 December 2022	**88**	**–**	**57**	**31**

The amount disclosed in 'Equity instruments at FVTPL' mainly (€95 million; 2022: €123 million) relates to the Magnite shares. The effect from re-measurement of these shares amounted to €-12 million (2022: €-67 million) and is disclosed in 'Other operating expenses' under 'Fair value measurement of investments'.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors and included in Level 3.

The Group's Treasury and Controlling teams perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level-3-related inputs used by RTL Group relate to the determination of the expected discounted cash flows and the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:
- For measuring the fair value of unlisted derivatives, RTL Group uses various financial methods reflecting the prevailing market conditions and risks at the respective balance sheet dates. Irrespective of the type of financial instrument, future cash flows are discounted at the end of the reporting period based on the respective market interest rates and yield curves at the end of the reporting period. The fair value of forward exchange transactions is calculated using middle spot prices at the end of the reporting period and taking into account forward markdowns and markups for the remaining term of the transactions. (Level 2)
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis or option pricing models are used. These are based for the main instruments on significant unobservable inputs (for example, forecast revenue growth rates and market multiples) to determine the fair value for the remaining financial instruments. Volatility is primarily determined by reference to comparable, publicly traded peers.

Transfers between levels of the fair value hierarchy are recognised at the date of the event or change in circumstances that caused the transfer.

The following table presents the change in Level 3 instruments:

	Assets			Liabilities
	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Total assets €m	Liabilities at FVTPL €m
Balance at 1 January 2023	**13**	**29**	**42**	**31**
Acquisitions and additions	9	–	**9**	–
Gains and losses recognised in other comprehensive income	–	3	**3**	1
Gains and losses recognised in profit or loss	(11)	–	**(11)**	9
Sales/settlements	(6)	–	**(6)**	(40)
Transfers into Level 3 (including first-time classification as Level 3)	3	–	**3**	–
Transfers out of Level 3	(1)	–	**(1)**	–
Other changes	12	–	**12**	–
Balance at 31 December 2023	**19**	**32**	**51**	**1**

The amount disclosed in 'Acquisitions and additions' in the assets column relates to different smaller investments. The amount disclosed in 'Sales/settlements' in the liabilities column relates to payments in connection with contingent consideration arrangements by Fremantle.

	Assets			Liabilities
	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Total assets €m	Liabilities at FVTPL €m
Balance at 1 January 2022	**101**	**32**	**133**	**4**
Acquisitions and additions	4	4	**8**	31
Gains and losses recognised in other comprehensive income	–	(6)	**(6)**	–
Gains and losses recognised in profit or loss	–	–	**–**	(1)
Sales/settlements	(92)	(1)	**(93)**	(3)
Balance at 31 December 2022	**13**	**29**	**42**	**31**

The amount disclosed in 'Acquisitions and additions' in the liabilities column related to liabilities resulting from contingent consideration arrangements on acquisitions conducted by Fremantle. The respective expected cash inflows were estimated based on the relevant terms of the sale and purchase agreements, RTL Group's knowledge of the business of acquired entities, and how the current economic environment is likely to impact it. In the financial year 2022, the amount disclosed in 'Sales/settlements' related to the sale of the investment in VideoAmp – a US software and data company for media measurement – in January 2022. There were no transfers in or out of Level 3 during 2022.

7.4 Master netting agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not currently have any legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a bank loan default or other credit event.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements. The column 'Net amount' shows the impact on the consolidated statement of financial position if all set-off rights were exercised.

	At 31 December 2023			At 31 December 2022		
	Gross amounts in the statement of financial position €m	Related financial instruments that are not offset €m	Net amount €m	Gross amounts in the statement of financial position €m	Related financial instruments that are not offset €m	Net amount €m
Financial assets						
Derivative financial instruments						
– Forward exchange contracts used to offset currency exposure	18	(17)	1	52	(43)	9
	18	(17)	1	52	(43)	9
Financial liabilities						
Derivative financial instruments						
– Forward exchange contracts used to offset currency exposure	(31)	17	(14)	(57)	43	(14)
	(31)	17	(14)	(57)	43	(14)

8. Commitments and contingencies

	2023 €m	2022 €m
Guarantees and endorsements given	–	27
Contracts for purchasing rights, (co-)productions and programmes	1,620	1,704
Satellite transponders	4	20
Leases signed but not yet commenced	23	–
Purchase obligations in respect of transmission and distribution	126	153
Other long-term contracts and commitments	211	236

The Group has investments in unlimited liability entities. In the event that these entities make losses, the Group may have to participate to the entire amount of losses, even if these entities are not wholly owned.

Some Dutch companies have elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year 2023. A full list of the companies concerned is provided in note 12.

In the course of their activities, several Group companies benefit from licence frequency agreements, which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

8.1 Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the signals of the Group's TV channels and radio stations.

8.2 Other long-term contracts and commitments

Long-term contracts include contracts for services, agreements to purchase assets or goods, and commitments to acquire licences other than audio-visual rights and television programming that are enforceable and legally binding and that specify all significant terms.

9. Cash flow statement

The consolidated cash flow statement has been prepared in accordance with IAS 7 and is used to evaluate the Group's ability to generate cash and cash equivalents. Cash flows are divided into those relating to operating activities, investing activities and financing activities. Cash flows from operating activities are presented using the indirect method, whereby 'Group profit before tax' is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments, and items of income or expense associated with investing and financing cash flows. In addition, cash flows arising from income taxes are classified as cash flows from operating activities as well as other cash flows that are neither investing nor financing.

The change in provisions for pensions and similar obligations represents the balance of personnel costs for pensions and similar obligations and company payments for these obligations (see note 6.15). Contributions to pension plans totalling €nil million (2022: €-1 million) were also included in this item. 'Financial results including net interest expense and share of results of investments accounted for using the equity method' of the cash flow from operating activities includes the adjustments of results from investments accounted for using the equity method, taking into account dividends received from these investments, adjustments of items of expense associated with financing activities, and adjustments in connection with non-cash income and expenses.

The consolidated cash flow statement includes the effects of changes in foreign currencies and changes in the scope of consolidation. Items in the consolidated cash flow statement thus cannot be reconciled with changes in items reported in the statement of financial position. Investing activities include payments for investments in non-current assets and purchase price payments for acquisitions as well as proceeds from the disposal of non-current assets and consolidated investments. Further explanations concerning acquisitions made during the financial year are presented in note 4.2. Disposals made during the financial year are presented separately in note 4.3. In the financial year 2023, financial debt of €nil million was assumed during the reporting period. In 2022, financial debt of €-46 million was assumed during the reporting period, of which €3 million was repaid at acquisitions date. Its repayment was presented in 'Acquisitions of: Subsidiaries, net of cash acquired'. Also in 2022, 'Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets' mainly related to disposal of the entire investment in VideoAmp for US-$104 million (€92 million) in cash in January 2022. The transaction was carried out as a share buyback by VideoAmp.

'Cash flow from financing activities' includes changes in equity, financial debt, lease liabilities and dividend distributions affecting cash, as well as interest paid (including interest paid due to leases). In the financial year 2023, 'Proceeds from loans' mainly include a shareholder loan from Bertelsmann Business Support Sàrl of €250 million entered into by RTL Group SA. Total cash outflows from leases amounted to €-94 million (2022: €-86 million).

The following tables show the cash changes and non-cash changes of liabilities arising from financing activities:

			Non-cash changes				
	1 January 2023 €m	Cash changes €m	Acquisitions through business combinations €m	Disposals through business combinations €m	Exchange rate effects €m	Other changes €m	31 December 2023 €m
Bank overdrafts	1	1	–	–	–	–	2
Bank loans payable	158	6	–	(1)	–	–	163
Loans due to investments accounted for using the equity method	1	1	–	–	–	–	2
Term loan facility due to shareholders and their subsidiaries	511	229	–	–	–	30	770
Other loans payable	13	(5)	–	–	–	(3)	5
Lease liabilities	385	(94)	–	–	(1)	11	301
Liabilities arising from financing activities	1,069	138	–	(1)	(1)	38	1,243

	1 January 2022 €m	Cash changes €m	Non-cash changes: Acquisitions through business combinations €m	Disposals through business combinations €m	Exchange rate effects €m	Other changes €m	31 December 2022 €m
Bank overdrafts	–	1	–	–	–	–	1
Bank loans payable	154	(34)	36	–	–	2	158
Loans due to investments accounted for using the equity method	1	–	–	–	–	–	1
Term loan facility due to shareholders and their subsidiaries	511	(14)	–	–	–	14	511
Other loans payable	17	(12)	7	–	–	1	13
Lease liabilities	332	(86)	13	(1)	–	127	385
Liabilities arising from financing activities	1,015	(145)	56	(1)	–	144	1,069

As at 31 December 2023, the other non-cash changes in lease liabilities mainly related to lease contracts newly concluded and extended lease contracts in the financial year 2023 partly compensated by early termination of lease contracts and presentation of RTL Nederland as assets held for sale. As at 31 December 2022, the other non-cash changes in lease liabilities mainly related to lease contracts newly concluded and extended lease contracts in the financial year 2022.

10. Related parties

Identity of related parties
At 31 December 2023, the principal shareholder of RTL Group is Bertelsmann Capital Holding GmbH (BCH) (76.28 per cent). The remainder of the Group's shares are publicly listed on the Frankfurt and Luxembourg Stock Exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

10.1 Transactions with shareholders and their subsidiaries

Sales and purchases of goods and services
During the year the Group made sales of goods and services to and purchases of goods and services from Bertelsmann Group amounting to €28 million (2022: €34 million) and €63 million (2022: €62 million) respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €3 million (2022: €14 million) and €14 million (2022: €18 million) respectively. At 31 December 2023, RTL Group had prepaid expenses to Bertelsmann Group amounting to €7 million (31 December 2022: €3 million).

Dividend income
In 2023 RTL Group received dividends of €5 million (2022: €2 million) from Bertelsmann Business Support Sàrl related to a 10 per cent interest in the entity, thereof a minimum dividend amounted to €1 million (2022: €1 million). 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 Sàrl, 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 and has been recognised at contract inception for the entire contract duration. Only excessive amounts are recognised in profit or loss. The dividend accounts receivable amounts to €13 million as at 31 December 2023 (31 December 2022: €14 million).

Lease agreement
As at 1 January 2022, RTL Group has entered into a sub-lease agreement with RM Hamburg Holding GmbH, a subsidiary of Bertelsmann SE & Co. KGaA, for premises in Hamburg, Germany. The lease contract expires on 31 January 2025. The lease payments in the financial year 2023 amount to €13 million (2022: €12 million). The payables from this lease agreement as at 31 December 2023 amount to €15 million (31 December 2022: €26 million). The lease payments of RTL Group correspond to the payments of Bertelsmann from the head lease.

Deposits Bertelsmann SE & Co. KGaA
In 2006, RTL Group SA entered into a Deposit Agreement with Bertelsmann SE & Co. KGaA, the main terms of which are the following as of 31 December 2023:
- Interest rates are based on ESTR (floored to zero) plus 10 basis points
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary, Média Communication SAS
  - All shares of its wholly owned Spanish subsidiary, Bertelsmann Espana SLU (Arvato Group excluded)
  - All shares of its wholly owned German subsidiary, RM Hamburg Holding GmbH
  - All shares of its wholly owned English subsidiary, Bertelsmann UK Ltd (Arvato Group excluded).

The shares of RM Hamburg Holding GmbH and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

In December 2011, RTL Group GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group GmbH its shares of RM Hamburg Holding GmbH.

In March 2021, an amendment to the pledge agreement was signed between RTL Group SA, RTL Group GmbH, CLT-UFA SA, Bertelsmann SE & Co. KGaA, Reinhard Mohn GmbH and Bertelsmann Business Support Sàrl that precises the valuation methodology of the pledged shares and grants to RTL Group an additional pledge on all current repayment claims of Bertelsmann Business Support Sàrl against RTL Group GmbH under the Term Loan Facility of €500 million.

In March 2023, a further amendment to the pledge agreement was signed between RTL Group SA, RTL Group GmbH, CLT-UFA SA, Bertelsmann SE & Co. KGaA, Reinhard Mohn GmbH and Bertelsmann Business Support Sàrl granting RTL Group the pledge on all current repayment claims of Bertelsmann Business Support Sàrl against RTL Group GmbH under the new term loan facilities of €500 million.

At 31 December 2023, the deposit of RTL Group GmbH with Bertelsmann SE & Co. KGaA amounted to €76 million (2022: €197 million). The interest income for the period is €1 million (2022: €1 million).

In April 2021, Bertelsmann, Inc. signed a promissory note for a total amount of US-$705 million. In September 2021, an amended version was signed including a remuneration of five basis points on the outstanding amount.

At 31 December 2023, the outstanding amount was EUR-equivalent €nil million (2022: €79 million). The interest income/expense for the year was €nil million (2022: €nil million).

Loans from Bertelsmann SE & Co. KGaA and Bertelsmann Business Support Sàrl
On 7 March 2013, RTL Group GmbH and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million and a revolving and swing line facility in the amount of up to €1 billion. The revolving loan terminated in February 2018.
RTL Group has re-negotiated an extension for another five-year period. The main terms of these facilities were:
- Term loan facility of €500 million until 7 March 2023 bearing a fixed interest rate of 2.713 per cent per annum; RTL Group SA had the right to early repay the loan subject to break costs. On 23 June 2016, the term loan facility of €500 million was transferred from Bertelsmann SE & Co. KGaA to Bertelsmann Business Support Sàrl controlled by Bertelsmann Luxembourg Sàrl. At 31 December 2022, the term loan balance amounted to €500 million. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounted to €513 million at 31 December 2022. This loan was set-off at the beginning of March 2023 by two new term loan facilities in the amount of €200 million and €300 million, respectively, as described below.

- The interest rates for loans under the revolving and swingline facility were EURIBOR (floored at zero per cent) plus a margin of 0.40 per cent per annum, and ESTR (floored at zero per cent) plus a margin of 0.40 per cent per year, respectively. A commitment fee of 30 per cent of the applicable margin was payable on the undrawn amount of the total credit facility. At 31 December 2022, the total of revolving and swingline loan amounted to €nil million. The Revolving Credit Facility was renewed at its anniversary with the new market conditions as described below.

In February 2023, RTL Group GmbH and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a revolving and swingline facility in the amount of up to €600 million. This agreement was amended in May 2023 with the parties to the contract being replaced by RTL Group SA and Bertelsmann Business Support Sàrl. With all conditions remaining unchanged, the facility was increased to be up to €900 million. The main terms of this facility are:
- Interest rates for loans under the revolving and swingline facility are EURIBOR (floored at zero per cent) plus a margin of 0.40 per cent per annum, and ESTR (floored at zero per cent) plus a margin of 0.40 per cent per year, respectively.
- Additional utilisation fees of 0.075/0.15/0.30 per cent per year are computed for the utilisation of each subsequent tranche of €200 million, respectively, or €300 million under the amended agreement,
- with an upfront fee of 0.25 per cent and a commitment fee of 14 basis points calculated and payable on the undrawn amount of the total credit facility.

In March 2023, RTL Group GmbH and Bertelsmann Business Support Sàrl entered into a shareholder loan agreement pursuant to which Bertelsmann makes available two term loan facilities in the amount of €500 million. The main terms of these facilities are:
- Term loan facility of €200 million until 9 March 2026 bearing a fixed interest rate of 3.60 per cent per annum
- Term loan facility of €300 million until 7 March 2028 bearing a fixed interest rate of 3.57 per cent per annum
- RTL Group GmbH has the right to repay the loans early subject to break costs.

In May 2023, RTL Group SA and Bertelsmann Business Support Sàrl entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €100 million until May 2027 bearing a fixed interest rate of 3.805 per cent per annum.

At 31 December 2023, the term loan balance amounts to €770 million and the total of revolving and swingline loan amounts to €nil million.

The interest expense for the financial year 2023 amounts to €29 million (2022: €14 million). The commitment fee charge for the financial year amounts to €3 million (2022: €3 million).

In 2023, Bertelsmann SE & Co. KGaA guaranteed RTL Trust e.V. deferred payment obligations to employees for a total amount of €296 million. The guaranteed companies are RTL Television GmbH, Ad Alliance GmbH, VOX Television GmbH, RTL interactive GmbH, RTL Nord GmbH, RTL West GmbH, RTL Hessen GmbH, RTL News GmbH, CBC Cologne Broadcasting Center GmbH, n-tv Nachrichtenfernsehen GmbH, RTL Journalistenschule für Fernsehen und Multimedia GmbH and RTL Deutschland GmbH. The guarantee is counter-guaranteed by RTL Group SA. The commission is 0.35 per cent. On 31 December 2023, the guarantee amounted to €296 million. This guarantee replaced previous bank guarantees. The commitment fee charge for the financial year amounts to €1 million.

Tax

On 26 June 2008, the Board of Directors of RTL Group agreed to proceed with the tax pooling of its indirect subsidiary RTL Group GmbH (RGG) into BCH, a direct subsidiary of Bertelsmann SE & Co. KGaA.

To that effect, RGG entered into a Profit and Loss Pooling Agreement (PLP Agreement) with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann SE & Co. KGaA entered into a Compensation Agreement with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above profit transfer and an additional commission (‘Commission’) amounting to 50 per cent of the tax saving based upon the taxable profit of RGG.

Through these agreements, as from 1 January 2008, Bertelsmann SE & Co. KGaA and the RGG sub-group of RTL Group are treated as a single entity for German income tax purposes.

As the PLP Agreement does not give any authority to BCH to instruct or control RGG, it affects neither RTL Group nor RGG's ability to manage their business, including their responsibility to optimise their tax structures as they deem fit. After six years, both PLP and Compensation Agreements are renewable on a yearly basis. RGG and CLT-UFA have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE & Co. KGaA and of the expected level of indebtedness of RTL Group in the future.

The PLP Agreement was slightly amended in 2014 on the basis of a recent change to German corporate tax law and in 2022 following the acquisition of Gruner + Jahr Deutschland GmbH, Deutsche Medien Manufaktur GmbH & Co KG and 11 Freunde Verlag GmbH & Co KG.

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the RGG sub-group based on the amounts payable to Bertelsmann SE & Co. KGaA and BCH as a result of the PLP and Compensation Agreements described above. Deferred income taxes continue to be recognised, based upon the enacted tax rate, in the consolidated financial statements based on the amounts expected to be settled by the Group in the future. The Commission, being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

At 31 December 2023, the balance receivable to BCH amounts to €18 million (2022: €322 million payable) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €10 million (2022: €306 million).

For the year ended 31 December 2023, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €nil million (2022: €32 million). The Commission amounts to €10 million (2022: €16 million).

As from 1 July 2019, RGG entered into the VAT tax group with Bertelsmann SE & Co. KGaA. Bertelsmann SE & Co. KGaA and the RGG sub-group are treated as a single entity for German VAT purposes.

The UK Group relief of Fremantle Group to Bertelsmann Group resulted in a tax income of €8 million (2022: €6 million).

All Danish entities under common control by an ultimate parent are subject to Danish tax consolidation, which is mandatory under Danish tax law. Riverty Denmark A/S – a 100 per cent held subsidiary of Bertelsmann SE & Co. KGaA – was elected as the management company of the Bertelsmann Denmark Group.

All Spanish entities with a direct or indirect shareholding of at least 75 per cent by an ultimate parent are subject to Spanish tax consolidation which is mandatory under Spanish tax law. Bertelsmann SE & Co. KGaA appointed Bertelsmann España, S.L. as Spanish representative of the consolidated tax group in Spain.

10.2 Transactions with investments accounted for using the equity method

The following transactions occurred with investments accounted for using the equity method:

	2023 €m	2022 €m
Sales of goods and services to:		
Associates	**37**	33
Joint ventures	**15**	31
	52	64
Purchase of goods and services from:		
Associates	**26**	26
Joint ventures	**11**	10
	37	36
Accounts receivable from:		
Associates	**19**	10
Joint ventures	**6**	8
	25	18
Accounts payable to:		
Associates	**9**	8
Joint ventures	**1**	–
	10	8
Off-balance sheet commitments against:		
Associates	**22**	9
Joint ventures	**–**	–
	22	9
Off-balance sheet commitments from:		
Associates	**13**	–
Joint ventures	**1**	4
	14	4

In the financial year 2023, the interest income from joint ventures amounted to € 2 million (2022: € 1 million). Also in 2023, RTL Group made capital contributions to joint ventures amounting to € 4 million and to associates amounting to € 1 million.

In the financial year 2022, in addition to the capital contributions in Salto, RTL Group made further capital contributions to joint ventures amounting to €2 million and to its investments in associates amounting to €4 million.

10.3 Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to key management personnel and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows and includes benefits for the period for which the individuals held the Executive Committee position:

	2023 €m	2022 €m
Short-term benefits	**5.0**	6.3
Post-employment benefits	**–**	–
Long-term benefits	**1.2**	1.5
	6.2	7.8

Further details on the remuneration of key management personnel can be found in the remuneration report.

10.4 Directors' fees

In 2023, a total of €1.4 million (2022: €1.3 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees that emanate from it, with respect to their functions within RTL Group SA and other Group companies.

11. Subsequent events

In February 2024, Fremantle reached an agreement with Oaktree Capital Management, subject to customary closing conditions, to fully acquire Asacha Media Group, a European production group based in France that owns interests in eight production companies in France, Italy and the UK. The multi-award-winning slate of international IP in this portfolio includes *Death in Paradise* for BBC One and *Scènes de ménages* for M6. Asacha Media Group is diversified in geography, genre and its customer base, complementing Fremantle's footprint in Europe and strengthening Fremantle's position as home to top and new talent. The transaction will be accounted for as a business combination in accordance with IFRS 3. At the time the consolidated financial statements were authorised for issue, the purchase price allocation considering the preliminary estimated consideration of €125 million was at a very preliminary stage.

In February 2024, Fremantle acquired an 80 per cent interest in the Asian production company Beach House Pictures. The Singapore-based company has a base in China and partners in Southeast Asia, Korea, Japan and India. They specialise in creating and co-financing original IP across non-scripted content but also scripted, entertainment and brand-funded programming for all major regional and international platforms. Most recent productions include the Emmy-nominated Netflix lifestyle series *Mind Your Manners* and the Netflix Global Top 5 true crime documentary series *Missing: The Lucie Blackman Case.* The transaction will be accounted for as a business combination in accordance with IFRS 3. At the time the consolidated financial statements were authorised for issue, the purchase price allocation considering the preliminary estimated consideration of €11 million was at a very preliminary stage.

In March 2024, Groupe M6 presented its investment plan for its streaming service M6+ (previous 6play). The additional investments of €100 million in content, technology and marketing will build up over time. The service will be primarily financed by advertising (AVOD), complemented by a premium subscription tier (SVOD). It will feature exclusive local content accessible from all screens alongside offering innovative experiences for the viewers and a higher value proposition for advertisers. The service will run on the technology platform provided by Bedrock and is set to launch in May 2024.

In March 2024, Groupe M6 announced that it acquired the exclusive free-to-air TV rights for the majority of the matches of the Fifa World Cup in 2026 and 2030 – representing 54 matches for each tournament. This significant acquisition strengthens Groupe M6's event-based, free-to-air sports offering and its streaming service M6+.

12. Group undertakings

The following table presents the RTL Group undertakings as at 31 December 2023 sorted by country. RTL Group SA is the parent company and incorporated in Luxembourg.

	Group's ownership[49] (in per cent)	Consolidation method[50]
Antigua and Barbuda		
Grundy International Operations Ltd	100.0	FC
Australia		
Eureka Productions Pty Ltd	99.7	FC
FremantleMedia Australia Holdings Pty Ltd	99.7	FC
FremantleMedia Australia Pty Ltd	99.7	FC
Grundy Organization Pty Ltd	99.7	FC
Helium Five Pty Ltd	99.7	FC
Helium Four Pty Ltd	99.7	FC
Helium One Pty Ltd	99.7	FC
Helium Seven Pty Ltd	99.7	FC
Helium Six Pty Ltd	99.7	FC
Helium Three Pty Ltd	99.7	FC
Helium Two Pty Ltd	99.7	FC
Huzzah Productions Pty Ltd	99.7	FC
Regal Chandos Pty Ltd	99.7	FC
Royal Atchison Pty Ltd	99.7	FC
Austria		
Eat the World GmbH	99.7	FC
G+J Holding GmbH	99.7	FC
IP Österreich GmbH	49.9	FC
RTL Austria GmbH	99.7	FC
Belgium		
A Team Productions BV	50.9	FC
Freecaster BVBA	99.7	FC
FremantleMedia Belgium NV	99.7	FC
Brazil		
FremantleMedia Brazil Producao de Televisao Ltda.	99.7	FC
Canada		
FremantleMedia Canada No 2 Inc.	99.7	FC
Denmark		
Blu A/S	99.7	FC
Miso Film ApS	99.7	FC
Miso Holdings ApS	99.7	FC
Strong Productions A/S	99.7	FC
Finland		
Fremantlemedia Finland Oy	99.7	FC
Nice Entertainment Group Oy	99.7	FC
This is Nice Studios Finland Oy	99.7	FC
France		
Academee SAS	24.2	EM (JV)
BCE France SAS	99.7	FC
Bedrock SAS	74.0	FC
BG Team SAS	21.2	EM (A)
C. Productions SA	48.4	FC
Canal Star SARL	48.4	FC
EDI TV SAS	48.4	FC
Extension TV SAS	24.2	EM (JV)
FM Graffiti SARL	48.4	FC
Freecaster France SAS	99.7	FC
FremantleMedia France SAS	99.7	FC
Immobiliere 46D SAS	48.4	FC
Immobiliere M6 SAS	48.4	FC
Jeunesse TV SAS	48.4	FC
Kwai SAS	99.7	FC
M6 Communication SAS	48.4	FC
M6 Creations SAS	48.4	FC
M6 Developpement SAS	48.4	FC
M6 Diffusion SA	48.4	FC
M6 Digital Services SAS	48.4	FC
M6 Distribution Digital SAS	48.4	FC
M6 Editions SA	48.4	FC
M6 Evenements SA	48.4	FC
M6 Films SA	48.4	FC
M6 Foot SAS	48.4	FC
M6 Generation SAS	48.4	FC
M6 Interactions SAS	48.4	FC
M6 Invest 3 SAS	48.4	FC
M6 Invest 4 SAS	48.4	FC
M6 Plateforme SA	48.4	FC
M6 Publicite SAS	48.4	FC
M6 Shop SAS	48.4	FC
M6 Studio SAS	48.4	FC
M6 Thematique SAS	48.4	FC
Malesherbes SAS	48.4	FC
Media Strategie SARL	48.4	FC
Metropole Television SA	48.4	FC
Miliboo SA	10.4	EM (A)
Panora Services SAS	24.2	EM (JV)
Pariocas SAS	10.3	EM (A)
Paris Premiere SAS	48.4	FC
Quicksign SAS	11.0	EM (A)
Radio Golfe SARL	48.4	FC
Radio Porte Sud SARL	48.4	FC
Realytics SAS	99.7	FC
RTL AdAlliance SAS	99.7	FC
RTL France Holding SAS	99.7	FC
RTL France Radio SAS	48.4	FC
Salto Gestion SAS	16.1	EM (JV)
Salto SNC	16.1	EM (JV)
SCI du 107	48.4	FC
SEDI TV SAS	48.4	FC
SND FICTIONS SAS	48.4	FC
SNDA SAS	48.4	FC
Societe Communication A2B SARL	48.4	FC
Societe de Developpement de Radio Diffusion SA	48.4	FC
Societe d'Exploitation Radio Chic SA	48.4	FC

49 The Group's ownership is based on the total number of shares as at 31 December 2023

50 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method

	Group's ownership[51] (in per cent)	Consolidation method[52]
Societe Nouvelle de Distribution SA	48.4	FC
Societe Privee de Radiodiffusion Gibus Bourgogne SARL	48.4	FC
Stephane Plaza France SAS	24.7	FC
Studio 89 Productions SAS	48.4	FC
we are era SAS	99.7	FC
Wild Buzz Agency SAS	23.7	EM (A)

Germany

	Group's ownership[51] (in per cent)	Consolidation method[52]
99 pro media GmbH	99.7	FC
Ad Alliance GmbH	99.7	FC
Antenne Niedersachsen GmbH & Co. KG	55.8	FC
AVE Gesellschaft für Hörfunkbeteiligungen mbH	99.7	FC
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG	99.7	FC
BCE Germany GmbH	99.7	FC
BCS Broadcast Sachsen GmbH & Co. KG	47.5	EM (A)
Blueberry Food Studios GmbH	99.7	FC
Checkout Charlie GmbH	99.7	FC
Chefkoch GmbH	99.7	FC
CLT-UFA Germany GmbH	99.7	FC
d-force GmbH	49.9	EM (JV)
Digital Media Hub GmbH	99.7	FC
DMV DER MEDIENVERTRIEB GmbH & Co. KG	48.9	EM (A)
DPV Deutscher Pressevertrieb GmbH	99.7	FC
Eat the World GmbH	99.7	FC
FremantleMedia International Germany GmbH	99.7	FC
Funkhaus Halle GmbH & Co. KG	61.2	FC
G+J Electronic Media Sales GmbH	99.7	FC
G+J LIVING Digital GmbH	99.7	FC
G+J Medien GmbH	99.7	FC
Global Savings Group GmbH	15.2	EM (A)
Gruner + Jahr Deutschland GmbH	99.7	FC
Henri-Nannen-Schule Gruner+Jahr/DIE ZEIT GmbH	94.7	FC
HITRADIO RTL Sachsen GmbH	86.3	FC
Madsack Hörfunk GmbH [53]	99.7	FC
Mediengesellschaft Mittelstand Niedersachsen GmbH [53]	23.1	EM (A)
MSP Medien-Service und Promotion GmbH	99.7	FC
Neue Spreeradio Hörfunkgesellschaft mbH	99.7	FC
ntv Nachrichtenfernsehen GmbH	99.7	FC
Radio Hamburg GmbH & Co. KG	30.6	EM (A)
Radio NRW GmbH	21.4	EM (A)
Radio21 GmbH & Co. KG	21.0	EM (A)
RTL 2 Fernsehen Geschäftsführungs GmbH	35.8	EM (A)
RTL 2 Fernsehen GmbH & Co. KG	35.4	EM (A)
RTL AdAlliance GmbH	99.7	FC
RTL Advertising GmbH	99.7	FC
RTL Audio Center Berlin GmbH	99.7	FC
RTL Audio Vermarktung GmbH	99.7	FC
RTL Deutschland GmbH	99.7	FC
RTL Group Financial Services GmbH	99.7	FC
RTL Group GmbH	99.7	FC
RTL Group Markenverwaltungs GmbH	99.7	FC
RTL Group Services GmbH	99.7	FC
RTL Group Vermögensverwaltung GmbH	99.7	FC
RTL Hessen GmbH	99.7	FC

	Group's ownership[51] (in per cent)	Consolidation method[52]
RTL Hessen Programmfenster GmbH	59.8	FC
RTL interactive GmbH	99.7	FC
RTL International GmbH	99.7	FC
RTL Journalistenschule GmbH	89.8	FC
RTL MUSIC PUBLISHING GmbH	99.7	FC
RTL NEWS GmbH	99.7	FC
RTL Nord GmbH	99.7	FC
RTL Radio Berlin GmbH	99.7	FC
RTL Radio Deutschland GmbH	99.7	FC
RTL Radio Luxemburg GmbH	99.7	FC
RTL STUDIOS GmbH	99.7	FC
RTL Technology GmbH	99.7	FC
RTL Television GmbH	99.7	FC
RTL WEST GmbH	74.8	FC
Screenworks Köln GmbH	49.8	EM (A)
Sellwell GmbH & Co. KG	99.7	FC
Skyline Medien GmbH	49.7	EM (JV)
smartclip Europe GmbH	99.7	FC
SQL Service GmbH	49.9	EM (A)
SUPER RTL Fernsehen GmbH	99.7	FC
UFA Distribution GmbH	99.7	FC
UFA Documentary GmbH	99.7	FC
UFA Fiction GmbH	99.7	FC
UFA Fiction Productions GmbH	99.7	FC
UFA Film und Fernseh GmbH	99.7	FC
UFA GmbH	99.7	FC
Ufa Radio-Programmgesellschaft in Bayern mbH	99.7	FC
UFA Serial Drama GmbH	99.7	FC
UFA Show & Factual GmbH	99.7	FC
VOX Holding GmbH	99.7	FC
VOX Television GmbH	99.4	FC
VSG Schwerin - Verlagsservicegesellschaft mbH	99.7	FC
we are era GmbH	99.7	FC

Greece

Fremantle Productions SA	99.7	FC

Hungary

Magyar RTL Televizio Zrt.	99.7	FC
R-Time Kft.	99.7	FC
RTL Services Kft.	99.7	FC
UFA Magyarorszag Kft.	99.7	FC
UFA Projekt 2022 Kft.	99.7	FC

India

Fremantle India Television Productions Pvt Ltd	99.7	FC

Indonesia

PT Dunia Visitama Produksi IDN/PMA	99.7	FC

Ireland

Element Pictures (CWF) Limited	50.9	FC
Element Pictures (The Dry) Limited	50.9	FC
Element Pictures Limited	50.9	FC
Element Pictures Television Limited	50.9	FC
Sorrento TV Sales Limited	50.9	FC

51 The Group's ownership is based on the total number of shares as at 31 December 2023

52 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method

53 At 31 December 2023, the Group's share legally held in Madsack Hörfunk GmbH and Mediengesellschaft Mittelstand Niedersachsen GmbH is 24.8 % and 5.7 % respectively. The Group's ownership disclosed for both entities takes into account an option agreement in accordance with IAS 32

	Group's ownership[54] (in per cent)	Consolidation method[55]
Isle of Man		
Element Pictures GHC	50.9	FC
Israel		
Abot Hameiri Communications Ltd.	99.7	FC
Italy		
Film Factory S.r.l.	69.8	FC
FremantleMedia Italia S.p.A.	99.7	FC
FremantleMedia Italy Group S.r.l.	99.7	FC
Lux Vide F.I.A.T. S.p.A.	69.8	FC
Offside S.r.l.	99.7	FC
RTL AdAlliance S.r.l.	99.7	FC
RTL AdConnect S.r.l.	99.7	FC
The Apartment S.r.l.	99.7	FC
we are era S.r.l.	99.7	FC
Wildside S.r.l.	99.7	FC
Luxembourg		
Broadcasting Center Europe International S.A.	99.7	FC
Broadcasting Center Europe S.A.	99.7	FC
CLT-UFA S.A.	99.7	FC
Data Center Europe S.a r.L.	99.7	FC
European News Exchange S.A.	64.5	FC
Heliovos S.A.	48.9	EM (A)
IP Luxembourg S.a r.l.	99.7	FC
Luxradio S.a r.L.	99.7	FC
Media Assurances S.A.	99.7	FC
Media Properties S.a r.l.	99.7	FC
Media Real Estate S.A.	99.7	FC
RTL AdAlliance S.A.	99.7	FC
RTL Group Holding S.a. r.l.	99.7	FC
RTL Media Support S.A.	99.7	FC
RTL Nederland Media Services S.A.	99.7	FC
RTL Nederland Media Services S.A. & Cie S.C.S.	99.7	FC
Mexico		
FremantleMedia Mexico, S.A. de C.V.	99.7	FC
Norway		
Miso Film Norge AS	99.7	FC
Monster AS	99.7	FC
One Big Happy Family AS	99.7	FC
Playroom Events AS	99.7	FC
Strix Television AS	99.7	FC
This is Nice Studios Norway AS	99.7	FC
Poland		
FremantleMedia Polska Sp. z o.o.	99.7	FC
Portugal		
Bedrock Streaming Portugal, Unipessoal, Ltd.	74.0	FC
FremantleMedia Portugal SA	99.7	FC
Russia		
OOO LTI Vostok	48.4	FC

		Group's ownership[54] (in per cent)	Consolidation method[55]
Singapore			
FremantleMedia Asia Pte. Ltd.		99.7	FC
Spain			
Atresmedia Corporacion de Medios de Comunicacion, S.A.		18.7	EM (A)
FremantleMedia Espana, S.A.		99.7	FC
we are era, S.L.U.		99.7	FC
Sweden			
FremantleMedia Sverige AB		99.7	FC
Miso Film Sverige AB		99.7	FC
RTL AdAlliance AB		99.7	FC
This is Nice Studios Holding AB		99.7	FC
This is Nice Studios Sweden AB		99.7	FC
we are era AB		99.7	FC
Switzerland			
Goldbach Audience (Switzerland) AG		24.9	EM (A)
Goldbach Media (Switzerland) AG		22.9	EM (A)
Swiss Radioworld AG		22.9	EM (A)
The Netherlands			
Ad Alliance B.V.	56	99.7	FC
Benelux Film Investments B.V.		49.9	EM (JV)
E-Health & Safety skills B.V.		48.9	EM (A)
Fiction Valley B.V.	56	99.7	FC
Format Creation Group B.V.	56	99.7	FC
Fremantle Productions B.V.	56	99.7	FC
FremantleMedia Netherlands B.V.	56	99.7	FC
FremantleMedia Overseas Holdings B.V.		99.7	FC
Grundy International Holdings (I) B.V.		99.7	FC
Grundy/Endemol Nederland V.O.F.		49.9	EM (JV)
HelloSparkle B.V.		24.9	EM (A)
NLZiet Coöperatief U.A.		33.2	EM (JV)
RTL AdAlliance B.V.		99.7	FC
RTL Group Beheer B.V.	56	99.7	FC
RTL Nederland B.V.	56	99.7	FC
RTL Nederland Holding B.V.	56	99.7	FC
RTL Nederland Ventures B.V.	56	99.7	FC
RTL Nieuws B.V.	56	99.7	FC
smartclip Benelux B.V.		99.7	FC
Videoland B.V.	56	99.7	FC
we are era B.V.		99.7	FC
United Kingdom			
72 Films Limited		54.8	FC
America Films Limited		50.9	FC
Baxter Film Productions Limited		50.9	FC
Blue Star Films Limited		54.8	FC
CLT-UFA UK Radio		99.7	FC
Cockerel Films Limited		54.8	FC
Conversations Productions Limited		50.9	FC
Dancing Ledge Productions Limited		60.8	FC
DDE Films Limited		54.8	FC
DLP (Big Mood) Ltd		60.8	FC
DLP (Crossfire) Ltd		60.8	FC
DLP (Domino Day) Ltd		60.8	FC
DLP (Platform 7) Limited		60.8	FC

54 The Group's ownership is based on the total number of shares as at 31 December 2023
55 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method
56 Company has elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code

	Group's ownership[57] (in per cent)	Consolidation method[58]
DLP (The Responder) Ltd	60.8	FC
DLP (Wedding Season) Ltd	60.8	FC
Dublin Murders Productions Limited	87.5	FC
Element Pictures (GP) Limited	50.9	FC
Element Pictures BG Limited	50.9	FC
Element Pictures GVS Limited	50.9	FC
Element Pictures MFS Limited	50.9	FC
Element Pictures Productions UK Limited	50.9	FC
Element Pictures PT Limited	50.9	FC
Element Pictures RMF Limited	50.9	FC
Element Pictures UK Holdings Limited	50.9	FC
Element Pictures UK Holdings Two Limited	50.9	FC
Element Pictures UK Limited	50.9	FC
Eternal Daughter Productions Limited	50.9	FC
Euston Films Productions Limited	99.7	FC
Fremantle Nordic Holdings Limited	99.7	FC
Fremantle Periodic (Holdings) Limited	99.7	FC
FremantleMedia Group Limited	99.7	FC
FremantleMedia Limited	99.7	FC
FremantleMedia Overseas Limited	99.7	FC
FremantleMedia Studios Limited	99.7	FC
House Element Wonder Limited	25.4	EM (JV)
Label1 Television Limited	99.7	FC
LBJ Films Limited	54.8	FC
Marlborough Film Productions Limited	50.9	FC
Matriarch Films Limited	50.9	FC
Naked Television Limited	99.7	FC
OBG Film Productions Limited	50.9	FC
Orangutan Films Limited	50.9	FC
Raven Facilities Limited	54.8	FC
RTL AdAlliance Limited	99.7	FC
RTL Group Support Services Limited	99.7	FC
Sentient Productions Limited	50.9	FC
Slade Films Limited	54.8	FC
Syracuse Films Limited	54.8	FC
Talkback Productions Limited	99.7	FC
TalkbackThames UK Limited	99.7	FC
Thames Television Limited	99.7	FC
Tigerstripe Films Limited	50.9	FC
True Life Films Limited	50.9	FC
UFA Fiction Limited	99.7	FC
Underdogs Films Limited	50.9	FC
Wildshot Games Limited	50.9	FC
Wildspark Films Limited	50.9	FC
WildStar Films Limited	50.9	FC
Yospace Technologies Limited	99.7	FC

	Group's ownership[57] (in per cent)	Consolidation method[58]
United States		
3 Doors Productions, Inc.	99.7	FC
American Idol Productions, Inc.	99.7	FC
Amygdala Records, Inc.	99.7	FC
Big Break Productions, Inc.	99.7	FC
Blue Orbit Productions, Inc.	99.7	FC
Crown Broadway Productions LLC	99.7	FC
Crown Cloverfield Productions LLC	99.7	FC
Crown Noah Productions LLC	99.7	FC
Crown Venice Productions LLC	99.7	FC
Crown Wilshire Productions LLC	99.7	FC
Eureka Productions LLC	99.7	FC
Fabel Entertainment LLC	24.9	EM (A)
FCB Productions, Inc.	99.7	FC
Fellow Travelers Productions, Inc.	99.7	FC
Fremantle Productions North America, Inc.	99.7	FC
Fremantle Productions, Inc.	99.7	FC
FremantleMedia Latin America, Inc.	99.7	FC
FremantleMedia North America, Inc.	99.7	FC
Good Games Live, Inc.	99.7	FC
Haskell Studio Rentals, Inc.	99.7	FC
Haven Studios, Inc.	99.7	FC
Inception XR, Inc.	22.4	EM (A)
Kickoff Productions, Inc.	99.7	FC
L&S USA LLC	69.8	FC
Let's Play, Inc.	94.7	FC
Little Pond Television, Inc.	99.7	FC
Mad Sweeney Productions, Inc.	99.7	FC
Marathon Productions, Inc.	99.7	FC
Max Post, Inc.	99.7	FC
Music Box Library, Inc.	99.7	FC
OP Services, Inc.	99.7	FC
Original Productions, Inc.	99.7	FC
P & P Productions, Inc.	99.7	FC
Passenger Production LLC	98.7	FC
Prime Media Rentals LLC	99.7	FC
RTL US Holding, Inc.	99.7	FC
SND Films LLC	48.4	FC
Studio Production Services, Inc.	99.7	FC
TCF Productions, Inc.	99.7	FC
Terrapin Productions, Inc.	99.7	FC
The Price Is Right Productions, Inc.	99.7	FC
Tick Tock Productions, Inc.	99.7	FC
Triple Threat Productions, Inc.	99.7	FC
Wanderlust Productions, Inc.	99.7	FC
YoSpace, Inc.	99.7	FC

57 The Group's ownership is based on the total number of shares as at 31 December 2023

58 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

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 "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group 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 consolidated financial statements, 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 consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill

a) *Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period*

Refer to Note 1.7.2, Note 2.5 and Note 6.2 to the consolidated financial statements.

Goodwill represents EUR 3,148 million or approximately 33% of the Group's total assets as at 31 December 2023.

Management performs an annual impairment test of the Cash Generating Units (CGUs) to which the goodwill is allocated to assess whether the recoverable amount is at least equal to its carrying value. The recoverable amount can be determined through different valuation techniques; the most common used by Management being the fair value less cost of disposal derived from a Discounted Cash Flow (DCF) model.

This matter and the related disclosures were of particular significance to our audit as Management's determination of cash flow forecasts based on EBITA margin, discount rates and terminal growth rates used in the calculation of the recoverable amount by using DCF model, involves significant judgement and estimates.

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

Our procedures over the impairment of goodwill include, but are not limited to:

- Gaining an understanding of the process of preparation of the goodwill impairment test by performing a walkthrough of the process and testing design and implementation of the key controls;
- Assessing the appropriateness of the identification of the cash generating units and allocation of goodwill and cash flows to those CGUs done by the Management;
- Assessing the valuation models applied by Management;
- Assessing key assumptions used by Management in the impairment tests by reference to the budgets approved by the Board of Directors, data external to the Group, our understanding of the economic environment as well as to historical data and performance;
- Involving our own valuation specialists to test the reasonableness of discount rates applied by Management;
- Assessing the sensitivity analysis of the recoverable amount to the discount rate, profitability measure and terminal growth rate for the most sensitive CGUs;
- Considering the adequacy and appropriateness of the disclosures provided on goodwill impairment pursuant to the relevant accounting and financial reporting standards.

Valuation of investment in associates – Atresmedia

a) Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period

Refer to Note 1.3.2, Note 2.5 and Note 6.5.2 to the consolidated financial statements.

The investment in associate – Atresmedia, listed on the Madrid stock exchange, has a carrying value of EUR 198 million as at 31 December 2023. The implied value of Atresmedia shares (defined as being the carrying value of Atresmedia in the consolidated financial statements divided by the number of shares held in Atresmedia) exceeds the quoted market price available as at 31 December 2023. No impairment loss was recorded during the current or prior financial year.

Management performs an annual impairment test of its investment in Atresmedia to assess whether its recoverable amount is at least equal to its carrying value. The recoverable amount was determined on the basis of the value in use derived from a Discounted Cash Flow (DCF) model.

This matter and the related disclosures were of particular significance to our audit as Management's determination of cash flow forecasts based on EBITA margin, discount rates and growth rates used in the calculation of the recoverable amount involves significant judgement and estimates.

b) How the matter was addressed during the audit

Our procedures over the valuation of the investment in Atresmedia include, but are not limited to:

- Gaining an understanding of the process of preparation of the impairment test by performing a walkthrough of the process and testing design and implementation of the key controls;

- Assessing the valuation models applied by Management;

- Assessing key assumptions used by Management in the impairment tests by reference to the budgets, data external to the Group, our understanding of the economic environment as well as to historical data and performance;

- Involving our own valuation specialists to test the reasonableness of the discount rate applied by Management;

- Assessing the sensitivity analysis of the recoverable amount to the discount rate, profitability measure and terminal growth rate;

- Considering the adequacy and appropriateness of the disclosures provided on Atresmedia impairment test pursuant to the relevant accounting and financial reporting standards.

Impairment of programme rights and provisions for onerous contracts

a) Why the matter was considered to be one of most significant in our audit of the consolidated financial statements of the current period

Refer to Notes 1.7.1, 1.11, 1.19, 2.4, 6.1, 6.8 and 6.14 to the consolidated financial statements.

Non-current programme and other rights and current programme rights amounting to EUR 68 million and EUR 1,562 million respectively, as of 31 December 2023 include (co-)productions, audio-visual and other rights acquired with the primary intention to broadcast, distribute or trade as part of the Group's operations.

These programme rights are tested for impairment by Management if there are indicators that these assets may be impaired.

Such impairment test for programme rights requires a high level of judgement, in particular in relation with estimates of revenue, the future programme grid, the realised and expected audience of the programme, the discount rate used and the current programme rights that are not likely to be broadcast.

Valuation of programme rights also encompasses rights that the Group has committed to purchase in periods subsequent to 31 December 2023. Provisions for onerous contracts are recognised when Management expects, at the closing date, a lower than initially budgeted return on these rights. As of 31 December 2023, provisions for onerous contracts amount to EUR 38 million and are mainly related to the supply of programmes rights.

These matters were significant to our audit since the determination of the level of impairment or provision requires significant judgment.

b) How the matter was addressed during the audit

Our procedures over impairment of programme rights and provision for onerous contracts include but are not limited to:

- Gaining an understanding of the process to estimate the cash flows generated by the use of programme rights and the need for programme rights impairment or provision for onerous contracts, including testing design and implementation of the key controls;

- Analysing, when relevant, the estimation of cash flows generated by the use of programme rights (including rights that the Group has committed to purchase in subsequent periods) based on the future programme grid and expected audience;

- Assessing the reliability of Management's estimates by comparing last year broadcasting forecasts with the current year programme grid;

- Testing Management's calculation of impairments and provisions when the estimated future revenues are not expected to exceed the carrying value of programme rights or purchase commitment;

- Assessing the appropriateness of the Group's disclosures regarding impairment of programme rights and provisions for onerous contracts.

Revenue recognition

a) Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period

Refer to accounting policy Note 1.22 and Note 5.1 of the consolidated financial statements.

Revenue of the Group (from continuing operations) amounts to EUR 6,234 million for the year ended 31 December 2023 compared to EUR 6,589 million in previous year. Revenue relates to advertising, the production, distribution and licensing of films, programmes and other rights, the rendering of services and the sales of merchandise.

Revenue is recognised in accordance with the various revenue recognition principles that apply to the specific revenue streams. There is an elevated risk linked to timing of revenue recognition around year end for revenue recognised over time. The continuously evolving online media revenue stream also results in new and more complex revenue recognition due to the trend towards new product offerings.

b) How the matter was addressed during the audit

Our procedures over the revenue recognition include, but are not limited to:

- Gaining an understanding of the various revenue processes by performing a walkthrough of the process and testing design and implementation of the key controls;
- Testing of the relevant internal controls used to ensure the completeness, existence, accuracy and timing of revenue recognised;
- Involvement of our own Information Risk Management specialists to evaluate the key IT general controls of relevant IT systems;
- Assessing whether appropriate revenue recognition policies are applied by the Group by comparing them with relevant accounting standards;
- Performing analytical reviews on revenues recognised to identify any material new revenue streams;
- Performing test of details over revenue recognition, including but not limited to cash proofing, addition and release of deferred income, cut-off procedures;
- Testing of supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items;
- Considering the appropriateness of the disclosures provided on revenue recognition pursuant to the relevant accounting and financial reporting standards.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Directors' report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements 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 consolidated financial statements, 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 Group'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 Group'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 consolidated financial statements 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements 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 General Meeting of Shareholders on 26 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is four years.

The Directors' report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. 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 consolidated financial statements 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 Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

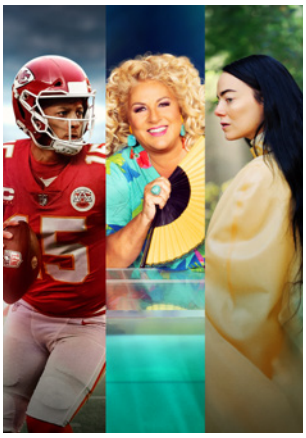
In our opinion, the consolidated financial statements of RTL Group S.A. as at 31 December 2023, identified as rtlgroupsa-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of RTL Group S.A. as at 31 December 2023, identified as rtlgroupsa-2023-12-31-en.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 13 March 2024

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

Jean-Manuel Séris



NFL player Patrick Mahomes; Marianne James in *La France a un incroyable talent* (France's Got Talent); Emma Stone in *Poor Things*

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Five-year summary

	2023 €m	2022 €m	2021 €m	2020 €m	2019 €m
Revenue	**6,234**	**6,589**	**6,637**	**6,017**	**6,651**
Profit from operating activities	**559**	820	1,879	933	1,147
Earnings before interest and taxes (EBIT)	**620**	**828**	**1,908**	**903**	**1,161**
Profit before tax from continuing operations	**607**	772	1,881	875	1,156
Group profit from continuing operations	**483**	**642**	**1,454**	**625**	**864**
Group profit from discontinued operations	**115**	124			
Total Group profit	**598**	**766**	**1,454**	**625**	**864**
Attributable to:					
RTL Group shareholders	**467**	**673**	**1,301**	**492**	**754**
– Continuing operations	**352**	**549**	**1,301**	**492**	**754**
– Discontinued operations	**115**	124			
Non-controlling interests	**131**	93	153	133	110
– Continuing operations	**131**	93	153	133	110
– Discontinued operations	**–**	–			
Adjusted EBITA	**782**	**922**	**1,152**	**853**	**1,156**
Basic earnings per share (in €)	**3.02**	**4.35**	**8.41**	**3.20**	**4.91**
– Continuing operations	**2.27**	3.55	8.41	3.20	4.91
– Discontinued operations	**0.74**	0.80			
Final dividend per share (in €)	**2.75**	4.00	5.00	3.00	Nil*
Dividends paid[59]	**426**	619	774	464	Nil*
Average number of full-time equivalent employees	**12,835**	12,975	10,861	10,598	10,747
Equity	**5,100**	5,220	5,304	4,353	3,825
Net (debt)/cash	**(291)**	180	657	236	(384)

The figures from the previous year have been adjusted (see note 1.30 to the consolidated financial statements).
Figures prior to 2022 are as reported in the Annual Report 2022.

*On 2 April 2020, RTL Group's Board of Directors decided to withdraw its earlier proposal of a €4.00 per share dividend in respect of the fiscal year 2019, due to the Covid-19 outbreak

59 Dividends paid refers to the amounts paid for the respective financial years. All dividends were paid in May of the following year. The dividend of €2.75 per share for 2023 would be paid on 29 April 2024.

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