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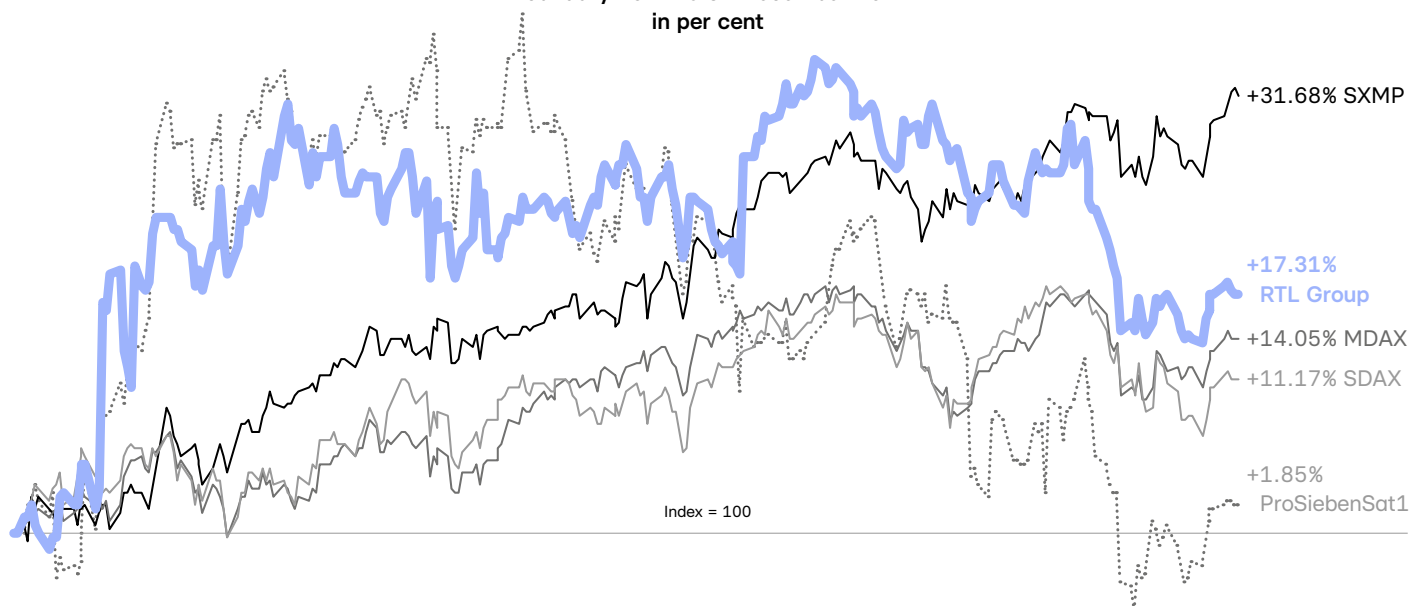
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RTL Group
Full-year results
2021

Key figures

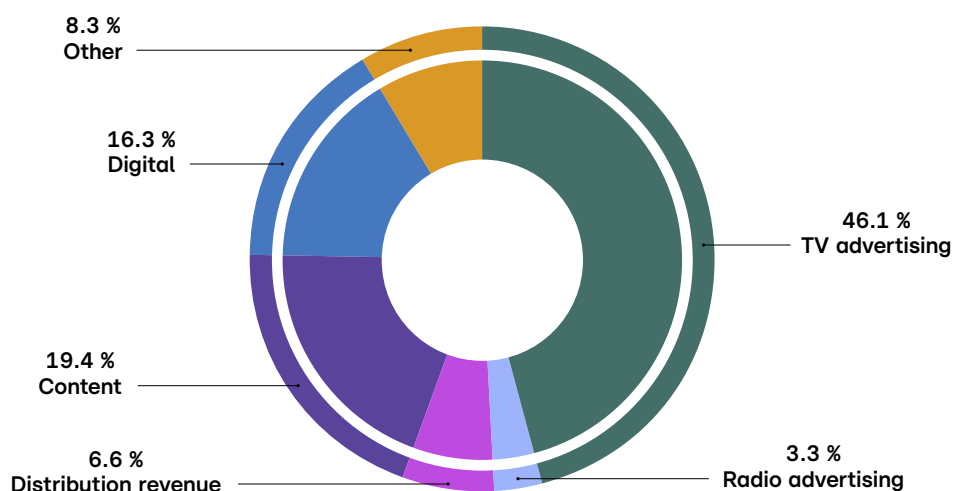
Share performance

1 January 2021 to 31 December 2021
in per cent



RTL Group share price development for January to December 2021
based on the Frankfurt Stock Exchange (Xetra) against MDAX/SDAX,
Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group revenue split



RTL Group's revenue is well diversified, with
46.1 per cent from TV advertising, 19.4 per cent from content,
16.3 per cent from digital activities, 6.6 per cent from distribution revenue,
3.3 per cent from radio advertising, and 8.3 per cent from other revenue.

Revenue	2017–2021 (€million)
21	6,637
20	6,017
19	6,651
18	6,505
17	6,373

Adjusted EBITA*	2017–2021 (€million)
21	1,152
20	853
19	1,156
18	1,171
17	1,248

* See Key performance indicators on pages 25 to 26

Group profit	2017–2021 (€million)
21	1,454
20	625
19	864
18	785
17	837

Equity	2017–2021 (€million)
21	5,272
20	4,353
19	3,825
18	3,553
17	3,432

Market capitalisation*	2017–2021 (€billion)
21	7.2
20	6.2
19	6.8
18	7.2
17	10.4

* As of 31 December

Total dividend/dividend yield per share		2017–2021	(€)	(%)
21	<div></div>		5.00	10.3
20	<div></div>		3.00	8.9
19			Nil*	–
18	<div></div>		4.00**	6.3
17	<div></div>		4.00***	5.9

* 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

** Including an interim dividend of €1.00 per share, paid in September 2018

*** Including an interim dividend of €1.00 per share, paid in September 2017

Operating cash conversion rate*	2017–2021 (%)
21	114
20	123
19	105
18	90
17	104

* Calculated as operating pre-tax free cash flow as a percentage of Adjusted EBITA. See Key performance indicators on pages 25 to 26 for further information on Adjusted EBITA

Streaming revenue*	2017–2021 (€million)
21	223
20	170
19	141

* Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL

"A strong year in terms of operating performance and strategic progress"

**Thomas Rabe,
Chief Executive Officer
of RTL Group, says:**



"2021 was a successful year for RTL Group. Revenue, Adjusted EBITA and Group profit were up significantly, driven by the recovery of the advertising markets, our strong market positions and active portfolio management, leading to a record Group profit of almost €1.5 billion.

We have also made significant progress in executing our strategy to establish national cross-media champions. Major consolidation moves in Germany, France, the Netherlands, Belgium and Croatia will create significant value for RTL Group's shareholders and stronger positions to compete with the global tech and streaming platforms.

RTL Group's growth businesses of streaming and content progressed significantly in 2021, with more than 3.8 million paying subscribers for RTL+ and Videoland, and 81 new drama productions from Fremantle. We have significantly raised our streaming targets. Compared to 2021, we plan to triple the annual content investments to around €600 million by 2026. On this basis, we aim to grow the number of paying subscribers for RTL+ and Videoland to 10 million by the end of 2026, to increase our streaming revenue to €1 billion and to reach profitability in 2026. In 2022, we will expand RTL+ to become a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines. This will add significantly to the growth of RTL+. In addition, we will accelerate the expansion of our content production business, Fremantle – both organically and via M&A – with a revenue target of €3 billion by 2025."

Statement from Thomas Rabe,
Chief Executive Officer of RTL Group

RTL Group reports record Group profit of €1.5 billion, strong growth in streaming subscribers and significant TV consolidation moves

- Full-year Group revenue up 10.3 per cent to €6.6 billion; Group revenue up 13.5 per cent organically vs 2020 and 4.3 per cent vs 2019
- TV advertising revenue +16.0 per cent, Fremantle revenue +25.3 per cent and streaming revenue +31.2 per cent vs 2020
- Full-year Adjusted EBITA up 35.1 per cent to €1,152 million (2020: €853 million). Adjusted EBITA margin up 3.2 percentage points to 17.4 per cent (2020: 14.2 per cent)
- Record Group profit at €1,454 million (2020: €625 million), due to strong operating performance and capital gains
- Proposed dividend of €5.00 per share, in line with the Group's dividend policy
- Paying subscribers up 73.8 per cent for RTL Group's streaming services in Germany and the Netherlands to more than 3.8 million
- Major consolidation moves in Germany, France, the Netherlands, Belgium and Croatia to build national cross-media champions
- Progress on Fremantle growth plan with four acquisitions completed since April 2021
- Portfolio management: disposals of SpotX, Ludia and VideoAmp

Luxembourg, 17 March 2022 – RTL Group announces its audited results for the year ended 31 December 2021.

Strong growth in revenue, Adjusted EBITA, EBIT and Group profit

- Group **revenue** increased 10.3 per cent to €6,637 million (2020: €6,017 million), mainly due to strong growth of TV advertising revenue in the second, third and fourth quarters of 2021, of Fremantle and of the streaming businesses. Group revenue was up 13.5 per cent organically¹ compared to 2020 and 4.3 per cent compared to 2019.
- In 2021, RTL Nederland reported significantly higher **audience share**, while the audience share of Groupe M6 was up slightly. RTL Deutschland's audience share decreased in 2021 partly due to major sporting events broadcast by the public broadcasters.
- **TV advertising revenue** across the Group was up 16.0 per cent year-on-year and 10.7 per cent in Q4/2021.
- **Streaming revenue**² from RTL+ and Videoland grew by 31.2 per cent to €223 million (2020: €170 million).
- **Distribution revenue**³ was up 9.0 per cent to €437 million (2020: €401 million).
- **Adjusted EBITA**⁴ was up 35.1 per cent to €1,152 million (2020: €853 million), while the **Adjusted EBITA margin**⁴ increased to 17.4 per cent (2020: 14.2 per cent). Streaming start-up losses amounted to €166 million (2020: €55 million).
- **EBIT** more than doubled, reaching a record level of €1,908 million (2020: €903 million).
- **Group profit** grew strongly, reaching a record level of €1,454 million (2020: €625 million), mainly due to the increase in Adjusted EBITA, the capital gains from the disposals of SpotX and Ludia and positive effects from the re-measurements of Super RTL and Stéphane Plaza Immobilier.
- **Net cash from operating activities** was €932 million. The operating cash conversion rate⁵ was 114 per cent (2020: 123 per cent). RTL Group had **net cash**⁶ of €657 million at the end of 2021 (2020: €236 million).
- RTL Group's Board of Directors has proposed a **dividend** of €5.00 per share for 2021 of which €3.50 represents ordinary dividend while the remaining €1.50 relates to the disposals of SpotX (cash proceeds only), Ludia and VideoAmp⁷.
- In 2021, RTL Group's share price increased by 17.3 per cent. Based on the average share price in 2021 (€48.6⁸), the proposed dividend of €5.00 per share represents a **dividend yield** of 10.3 per cent.

1 Adjusted for portfolio changes and at constant exchange rates, for 2019 additionally adjusted for the wind-down of StyleHaul. Further details can be found in **Key performance indicators** on page 25

2 Streaming revenue includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL

3 Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

4 See **Key performance indicators** on pages 25 to 26

5 Operating cash conversion rate reflects the level of operating profits converted into cash. Further details can be found in **Key performance indicators** on page 27

6 The net cash/(debt) excludes current and non-current lease liabilities. Including these, net cash as of 31 December 2021 was €325 million (31 December 2020: net debt of €-148 million). See **Key performance indicators** on page 28

7 Effective closing

5 January 2022
8 Frankfurt Stock Exchange

	2021 €m	2020 €m	Per cent change
Revenue	6,637	6,017	+10.3
Adjusted EBITA	1,152	853	+35.1
Adjusted EBITA margin (%)	17.4	14.2	
Adjusted EBITA	1,152	853	+35.1
Significant special items	(61)	(34)	
Impairment and reversals of investments accounted for using the equity method	2	(62)	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(19)	(25)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	949	172	
Fair value measurement of investments and re-measurement of earn-out arrangements	(115)	(1)	
EBIT	1,908	903	+111.3
Financial result	(27)	(28)	
Income tax expense	(427)	(250)	
Group profit	1,454	625	+132.6
Attributable to:			
– RTL Group shareholders	1,301	492	+164.4
– Non-controlling interests	153	133	
Basic and diluted EPS (in €)	8.41	3.20	+162.8

Strengthening RTL Group's core – creating national cross-media champions

In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced they had signed agreements to enter into exclusive negotiations to merge the activities of **Groupe TF1** and **Groupe M6** and create a major French media group. The merger project was unanimously approved by the Boards of the four groups concerned. In July 2021, Groupe Bouygues and RTL Group signed agreements relating to the merger following the favourable opinions of the employee representative bodies. The completion of the transaction remains subject to conditions precedent, in particular the authorisations of the competent authorities⁹ and the general meetings of the shareholders of Groupe TF1 and Groupe M6. The potential for synergies (Adjusted EBITA run-rate impact) is estimated at between €250 million and €350 million per year, to be fully realised by 2026. The transaction is expected to close at the beginning of 2023.

In June 2021, **RTL Group** and **Talpa Network** announced they had signed agreements to merge their broadcasting and other media businesses in **the Netherlands**. The merger will allow the combined group to step up investments in local content, streaming, technology and data, offering Dutch audiences the broadest spectrum of high-quality entertainment and reliable information programmes. The transaction is subject to approval from the competent authorities. The potential synergies of the merger (Adjusted EBITA run-rate impact) are estimated at between €100 million and €120 million per year, to be fully realised by 2025. The transaction is expected to close in the third quarter of 2022.

In June 2021, RTL Group announced it had signed a definitive agreement for the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. The transaction – with total cash proceeds of €250 million – is subject to regulatory approvals and is expected to close at the end of March 2022.

In July 2021, RTL Deutschland acquired the outstanding 50 per cent shareholding in **Super RTL** from its former joint-venture partner, The Walt Disney Company. RTL Group's shareholding in Super RTL is now 100 per cent.

In January 2022, **RTL Deutschland** fully acquired **Gruner + Jahr's (G+J) German publishing assets and brands** from Bertelsmann for the purchase price of €213 million on a cash-free and debt-free basis¹⁰, to create Germany's first cross-media champion. G+J contributes popular and trusted media brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern* and *Art* to RTL Deutschland. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €100 million per year, to be fully realised by 2025.

In February 2022, RTL Group announced that it had reached an agreement with Central European Media Enterprises (CME) for the sale of **RTL Croatia**. The preliminary total consideration to be paid at closing amounts to €50 million. In addition, RTL Group will benefit from royalties under a long-term trademark license agreement with CME. The transaction is subject to regulatory approvals and is expected to close in the second quarter of 2022.

Strengthening RTL Group's core – portfolio management

In April 2021, RTL Group sold its interests in **SpotX** to the US ad-tech company, Magnite. Following the announcement of the transaction on 5 February 2021, RTL Group exercised an option to increase the cash component of the transaction and received US-\$640 million (€587 million) in cash and 12.37 million shares of Magnite stock.

In September 2021, **Fremantle** completed the sale of its 100 per cent shareholding in Ludia Inc. to US-based mobile entertainment company, Jam City, for US-\$165 million (€146 million) in cash.

In January 2022, RTL Group sold its entire shareholding in **VideoAmp**, a US software and data company for media measurement, for US-\$104 million (€92 million) in cash.

⁹ The antitrust authorities (Autorité de la Concurrence) and media regulator (Autorité de Régulation de la Communication Audiovisuelle et Numérique)

¹⁰ The following Gruner + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (*Sächsische Zeitung*), Territory, AppLike Group and G+J's 25 per cent shareholding in Spiegel Gruppe

Boosting growth businesses

At the end of 2021, RTL Group registered **3.804 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands, up 73.8 per cent year-on-year (2020: 2.189 million).

- The number of paying subscribers for RTL+ more than doubled to 2.712 million compared to 1.286 million at the end of December 2020. The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV and the growing number of original formats such as *Sisi* contributed significantly to the growth.
- Paying subscriber numbers for Videoland grew 20.9 per cent to 1.092 million compared to 0.903 million at the end of December 2020, partly thanks to the third season of the Videoland original series *Mocro Maffia* and the reality format *Temptation Island*.

In November 2021, the rapidly growing German streaming service rebranded to **RTL+** and continued to expand its content offer, with 67 new originals available in 2021 (2020: 37).

In February 2022, RTL Group announced that **RTL Deutschland** had signed an exclusive agreement for an extensive, multi-year programme volume deal with the US production company **Warner Bros. Entertainment**. Starting from Q1/2022, RTL Deutschland will receive access to exclusive films and series, including HBO Max originals. In addition, RTL Deutschland will receive exclusive free-TV rights to future feature films and access to Warner Bros.' vast library of high-quality series and feature films across all genres.

Fremantle, RTL Group's global content business, targets full-year revenue of €3 billion by 2025. To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle in all territories, across all three content pillars – **drama and film, entertainment and factual shows and documentaries**. Fremantle's film business continued to grow, with seven movies produced in 2021. Its film, *The Hand of God*, directed by Paolo Sorrentino and produced by The Apartment for Netflix, was nominated for the 'Best International Feature Film' category of the 2022 Oscars. In March 2022, Fremantle signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. Fremantle and Angelina Jolie will jointly develop a variety of feature films, documentaries and original series, that she will produce, direct, or star in.

Since April 2021, Fremantle completed four transactions:

- In April 2021, Fremantle increased its stake in **Abot Hameiri**, taking full ownership of one of the leading entertainment producers in Israel.
- In May 2021, Fremantle also increased its shareholding in **Eureka**, a production company for entertainment content in the US and Australia, from 25 per cent to 51 per cent.
- In September 2021, Fremantle acquired **12 production labels from Nent Group** – now called This is Nice Group – in Norway, Sweden, Finland and Denmark that operate across non-scripted, scripted and factual.
- In March 2022, Fremantle acquired 70 per cent of the shareholding in the leading Italian scripted production company, **Lux Vide**.

Fostering alliances and partnerships

In October 2021, RTL Group announced a comprehensive cooperation with the advertising technology company Amobee, in order to strengthen both companies' ad-tech businesses in continental Europe. As part of **TechAlliance**, RTL Group and Amobee will establish a jointly owned sales and services company for the ad-tech services of Amobee and Smartclip in Europe. The TechAlliance offering will also benefit from Yospace's technology solutions. The agreement is subject to regulatory approvals and expected to close in the first half of 2022.

In January 2022, **RTL AdConnect** entered into a partnership with **NBCUniversal**, which will provide the opportunity for the company's clients and partner agencies in Germany, Austria, Switzerland, Belgium,

the Netherlands and Luxembourg to access all premium, brand-safe TV and digital inventory owned and operated by NBCUniversal. NBCUniversal will represent RTL AdConnect's European inventory to its clients based in China and the US, providing them with strong reach and advertising solutions.

In February 2022, RTL Group announced its decision to combine its fully-owned businesses **RTL AdConnect**, **G+J iMS** and the media division of **Smartclip** to create an international advertising sales champion. The new unit will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

Outlook

The following outlook assumes that the economic recovery continues – mainly driven by private consumption – and that there is no significant impact from Covid-19 and the war in Ukraine. It is too early to quantify the potential impact of the war in Ukraine on consumer sentiment, inflation and economic growth – and thus on RTL Group's results in 2022.

The outlook does not reflect the announced consolidation moves in France, the Netherlands and Croatia as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide by Fremantle (as of 3 March 2022) and the sale of RTL Belgium (as of end of March 2022)¹¹.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to approximately €7.4 billion. This includes organic growth of approximately 5 to 6 per cent.
- RTL Group expects its **Adjusted EBITA** for 2022 to be stable at approximately €1.15 billion, despite significantly higher streaming start-up losses of approximately €250 million (2021: €166 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to increase to approximately €1.4 billion (2021: €1,318 million).
- 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.

	2021	2022e
Revenue	€6,637m	~€7.4bn
Adjusted EBITA	€1,152m	~€1.15bn
Streaming start-up losses	€166m	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	€1,318m	~€1.4bn

RTL Group: strategic targets for the streaming services RTL+ and Videoland

	2021	2026e
Paying subscribers	3.804m	10m
Streaming revenue	€223m	€1bn
Content spend per annum	€209m	~€600m

Profitability is expected by 2026¹².

Fremantle: revenue target

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

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

¹¹ In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as of 30 April 2021) and Ludia (as of 8 September 2021) as well as the full consolidation of Eureka (as of 17 May 2021), Super RTL (as of 1 July 2021), This is Nice Group (as of 30 September 2021) and Gruner + Jahr (as of 1 January 2022).

¹² Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 25 to 26

Corporate profile

RTL Group – Entertain. Inform. Engage.

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 67 television channels, ten streaming services and 39 radio stations.

The Group's families of TV channels are either number one or number two in eight European countries, while RTL Group owns or has interests in radio stations in France, Germany, Belgium, 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, Videoland in the Netherlands and 6play and Salto in France.

Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in more than 25 countries. The streaming tech company Bedrock and the ad-tech company Smartclip are also owned by RTL Group.

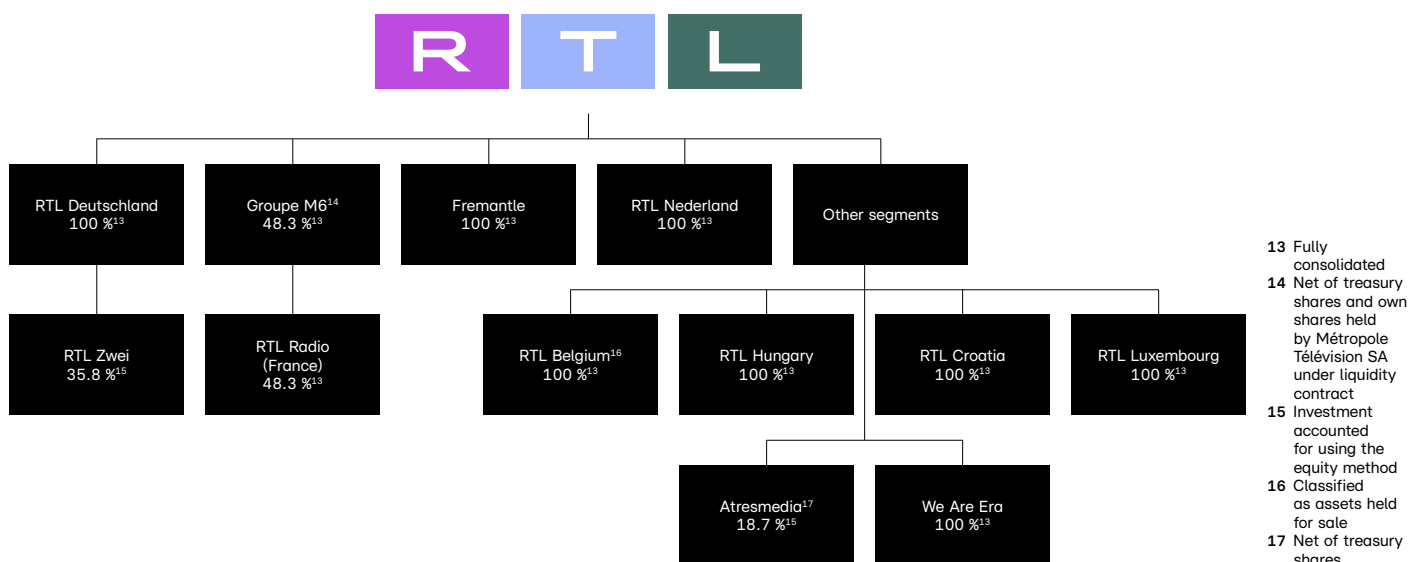
As a market leader, RTL Group strives to foster alliances and partnerships within the European media industry, for example by building one-stop advertising sales houses in Germany and the Netherlands with Ad Alliance and driving international advertising sales with RTL AdConnect.

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. From September 2013 to September 2020, RTL Group was listed in the MDAX stock index. Since then, RTL Group has been listed in the SDAX stock index. As of 21 March 2022, RTL Group will be re-included in the MDAX. RTL Group publishes its consolidated financial statements in accordance with IFRS as adopted by the European Union.

RTL Group corporate structure (simplified)



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 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 COO/Deputy CEO and the CFO. The Executive Committee is vested with internal management authority.

In the Operations Management Committee (OMC), the Executive Committee and senior executives from the Corporate Centre meet 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); content creation, sourcing and distribution; and international advertising sales.

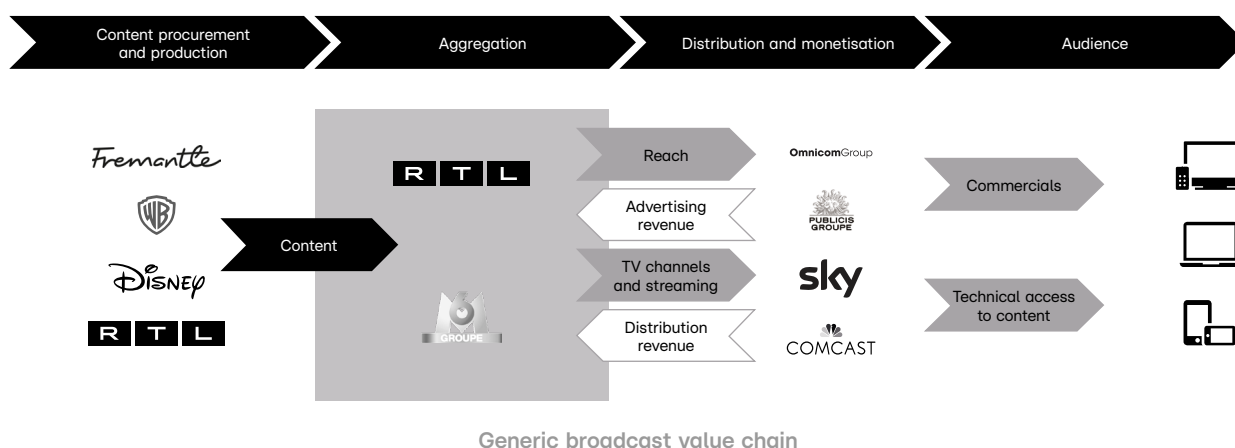
In addition, all units benefit from sharing information, knowledge and experience across the Group through the Group's Synergy Committees (SyCos). These SyCos – which are comprised of executives and experts from each segment and from the Group's Corporate Centre – meet regularly to discuss topics such as programming, advertising sales, distribution and news. 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 the framework of strategic direction and financial control, 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



RTL Group's broadcasters buy, produce and commission mostly local content. They also buy or license broadcasting rights for movies, TV series and sporting events. TV channels and radio stations 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, it's crucial for broadcasters to offer content that makes them stand out.

Advertising is the primary source of revenue for RTL Group's broadcasters, and 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. 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, they receive fees from the platform operators. RTL Group reports this figure separately as distribution revenue. Between 2012 and 2021, this high-margin revenue rose from €175 million to €437 million.

Streaming

RTL Group's broadcasters have established their own streaming services, which make their programmes available on all devices at all times, and which are predominantly financed by advertising and subscription fees. These broadcasters continue to increase their production volume of original content for their streaming services.

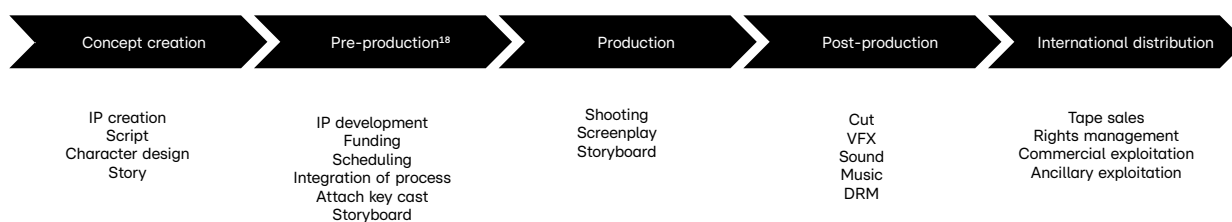
The aim is to combine the different streaming offerings into a hybrid business model, consisting of various price packages. Lower-priced or free packages are predominantly financed by advertising. The various premium price packages include, for example, several parallel streams on various devices, the live signal of RTL TV channels in HD quality and premium content bundles, that offer the programmes of the Group's linear TV channels in the respective countries, plus premium content either exclusively produced or licensed from third parties.



Streaming value chain

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 around 12,000 hours of programming per year.



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 game shows and daily drama to reality TV formats. As a production company, Fremantle provides broadcasters and streaming services with content that these clients use to build their businesses. Fremantle has an international network of teams across production and distribution, operating in more than 25 countries.

Fremantle's international distribution business sells finished programmes and formats around the world, and acquires, develops, finances and co-produces new titles for the international market. Its catalogue contains a diverse range of programming that includes drama, comedy, factual, lifestyle and entertainment shows.

The distribution business also plays an important role in providing financing for high-quality drama such as *American Gods*, *Anna*, *Reyka* and *The Responder*.

¹⁸ Pre-production only starts once the idea is sold to a commissioning client network

Supported by a brand management team, and a sales network that spans ten international offices and five continents, Fremantle distributes content in over 180 territories worldwide.

The business model of drama series is based on creating long-term library value. Ideally, these series will entertain viewers and thereby generate revenue and profits for between five and 20 years. The development cycle of

high-end drama series – from concept to screening – ranges from two to three years.

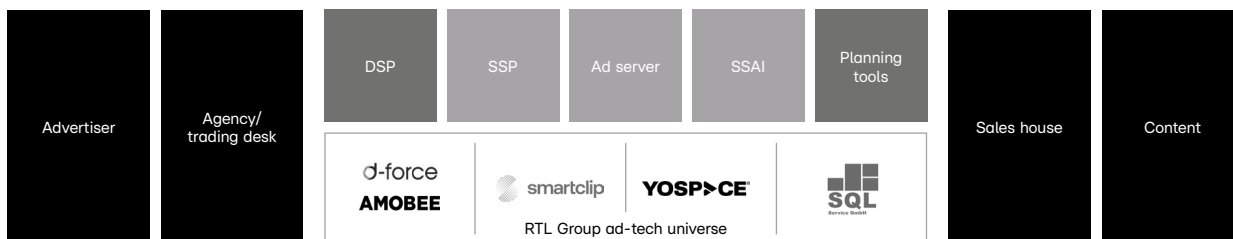
The fact that both the timing of the delivery of a finished programme and the initial transmission date are often decided by the broadcaster or streaming service can ultimately affect revenue recognition at Group level. Phasing effects can swing significantly from one quarter to another but are often balanced over the course of the year.

Digital

Advertising technology

While linear television remains the only medium to reach mass audiences daily, digital video advertising lets advertisers bring their message to an engaged audience, which can be enhanced using technology and data. This is done using a sophisticated process 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 perfect match between advertiser and user and, b) to

find the perfect 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. The market for addressable TV in Germany alone is forecast to be greater than €500 million by 2025. Around 14.5 million TV devices in Germany are already accessible to addressable TV, and therefore tailored advertising.



Digital video companies

RTL Group fully owns the talent agency and studio We Are Era. Creators and influencers create content for their own channels on an online platform such as YouTube, TikTok or Instagram. As it can be hard for individual creators to sell advertising on their own or to approach and cooperate with bigger brands, digital video companies and talent agencies aggregate content to offer advertisers an attractive content package and, most importantly, help them reach a defined target group.

We Are Era has become a modern talent agency with a growing studio business, and has several broadcasters such as Vox, NGOs and world-leading brands among its clients – including Netflix, Disney+, EA Sports, Adidas, N26, and Ikea.



Market

Market environment

Digitisation has significantly transformed the TV market. More than 90 per cent of EU households now receive their TV signal digitally and, in Germany alone, viewers have access to over 75 linear television channels.

Digitisation has brought new ways of reaching viewers – such as short-form video content made for consumption on mobile devices and over-the-top streaming services – which complement conventional modes of TV distribution such as terrestrial television, cable and satellite (free-to-air and pay-TV). Broadcasters such as RTL Group 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 (smartphones, tablets,

connected TVs) has led to far-reaching changes in TV viewing behaviour. Now that media convergence has become a technical reality, the media industry can see noticeable shifts in audience reach, advertising, distribution and platform business.

To most people, TV still refers to the screen in their living room. But the business model of TV, and the wider industry behind it, has moved on – and, with it, the definition of TV. At RTL Group, TV stands for **Total Video**.

The Total 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 or pay-per-view (especially long-form)
- YouTube, Facebook and other online video platforms (especially short-form)

Market trends

Against the backdrop of 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 is growing fast, and displaying the following trends:

- 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
- Watching video content on mobile devices increases the demand for short-form video (short clips that last just a few minutes)
- The higher the share of non-linear viewing, the higher the demand for high-end drama series and documentaries

Competition

Traditional media companies, particularly in the United States, are spending tens of billions of dollars 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, WarnerMedia 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 \$20 a month.

As a result, the production business around the world is booming, especially for high-end drama series, causing rapidly rising prices for the best content and talent:

- According to the *Financial Times*, the top eight media groups in the US plan to spend at least \$115 billion on new movies and television shows in 2022. When sports rights are taken into account, the combined spending estimate increases to \$140 billion. According to predictions from research firm, Ampere Analysis, media companies will spend \$230 billion on video content in 2022 – twice as much as ten years ago.
- Content production prices increased rapidly. According to *The Economist*, the final season of WarnerMedia's *Game of Thrones* cost \$15 million in 2019. The first season of the new series *Lord of the Rings* for Amazon Prime – scheduled to launch in September 2022 – is estimated to cost \$465 million for eight episodes.

- The boom has meant big Hollywood names such as JJ Abrams, Shonda Rhimes and Ryan Murphy, can command nine-figure deals to make shows for streaming services.
- More and more key players – such as Disney, Paramount Global and WarnerMedia – are holding back valuable IP and content to boost the growth of their own streaming services.

Consolidation

In the past ten years, some media groups have been folded into vertically integrated conglomerates that control both the production and distribution of content. For example, Comcast bought NBCUniversal.

The world's largest media company, Disney, expanded horizontally rather than vertically, with its \$71 billion acquisition of 21st Century Fox, 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 the Warner Bros. studio. AT&T plans to split off WarnerMedia and to combine it with Discovery in summer 2022. Elsewhere, US media companies, CBS Corporation and Viacom, formed ViacomCBS (called Paramount Global since February 2022). This period of consolidation created a handful of content giants with huge back catalogues, ready to spend heavily on old shows and new programming.

The production business 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, that acquired Endemol Shine from Disney and Apollo Global Management, creating a global production giant which represents the largest TV producer outside the United States.

In 2021, a trend of in-country consolidation started in Europe to form national cross-media champions to compete with the global tech platforms.

Strategy

The international TV industry is experiencing a major transformation, with huge opportunities for those who are prepared to shape the future.

To successfully transform RTL Group's business, two factors are particularly important. One is higher reach – combining linear and non-linear – which requires investments in content, marketing and a state-of-the-art streaming platform. The second is better monetisation of audience reach – via targeting and personalisation or

recommendation – which requires 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 – creating national media champions

Wherever attractive opportunities arise, the Group **aims to consolidate** across its existing European broadcasting footprint, including through mergers and acquisitions to create national cross-media champions. The strategic rationale is about scale, pooling resources and creativity to compete with global tech platforms in the respective national markets. It is about higher investments in exclusive, local content to boost the growth of the Group's streaming services. And it is about investments in tech and data and, in particular, addressable TV advertising. Hence, the following consolidation steps will create significant value for all shareholders through significant synergies.

In May 2021, Groupe TF1, Groupe M6, Groupe Bouygues and RTL Group announced they had signed agreements to enter into exclusive negotiations to merge the activities of **Groupe TF1** and **Groupe M6** and create a major French media group. The merger project was unanimously approved by the Boards of the four groups concerned. In July 2021, Groupe Bouygues and RTL Group signed agreements relating to the merger following the favourable opinions of the employee representative bodies. The completion of the transaction remains subject to conditions precedent, in particular the authorisations of the competent authorities¹⁹ and the general meetings of the shareholders of Groupe TF1 and Groupe M6. The potential synergies (Adjusted EBITA run-rate impact) are estimated at between €250 million and €350 million per year, to be fully realised by 2026. The transaction is expected to close at the beginning of 2023.

In June 2021, **RTL Group** and **Talpa Network** announced that they had signed agreements to merge their broadcasting and affiliated media businesses in **the Netherlands** and create a strong Dutch cross-media group. The merger will allow the combined group to step up investments in local content, streaming, technology and data, offering Dutch audiences the broadest spectrum

of high-quality entertainment and reliable information programmes. Both the Dutch creative industry and advertising market will benefit from the ambitious long-term strategy pursued by RTL Group and Talpa Network. The transaction is subject to approval from the competent authorities. The potential synergies of the merger (Adjusted EBITA run-rate impact) are estimated at between €100 million and €120 million per year, to be fully realised by 2025. The transaction is expected to close in the third quarter of 2022.

In June 2021, RTL Group announced that it had signed a definitive agreement for the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. The transaction – with total cash proceeds of €250 million – is subject to regulatory approvals and is expected to close at the end of March 2022. With this sale, RTL Group enables consolidation for other market participants.

In July 2021, RTL Deutschland acquired the outstanding 50 per cent of the shares in **Super RTL** from its previous joint venture partner, The Walt Disney Company. RTL Group's shareholding in Super RTL is now 100 per cent.

In January 2022, **RTL Deutschland** fully acquired **Gruner + Jahr's (G+J) German publishing assets and brands** from Bertelsmann for €213 million on a cash-free and debt-free basis²⁰. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €100 million per year, to be fully realised by 2025. As of 1 January 2022, G+J contributes popular and trusted brands such as *Stern*, *Brigitte*, *Geo*, *Capital*, *Schöner Wohnen*, *Eltern* and *Art* to RTL Deutschland. The combination further strengthens RTL Deutschland's position as partner of choice for Germany's creative talent and will boost the growth of its streaming service RTL+, with investments in local content, independent journalism, technology and data. A joint

¹⁹ The antitrust authorities (Autorité de la Concurrence) and media regulator (Autorité de Régulation de la Communication Audiovisuelle et Numérique)

²⁰ The following Gruner + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (Sächsische Zeitung), Territory, Applike Group and G+J's 25 per cent shareholding in Spiegel Gruppe

editorial team with more than 1,500 journalists creates a journalistic powerhouse to deliver reliable news, investigative reports and features in all genres across TV, audio and print.

In February 2022, RTL Group announced that it had reached an agreement with Central European Media Enterprises (CME) for the sale of **RTL Croatia**. The total consideration to be paid at closing amounts to €50 million. In addition, RTL Group will benefit from royalties under a long-term trademark license agreement with CME. The transaction is subject to regulatory approvals and is expected to close in the second quarter of 2022.

Building and extending families of TV channels has been key to addressing increasing audience fragmentation and competition in a digital, multi-channel world, with the overall goal of keeping RTL Group's audience shares and net TV advertising market shares in the various countries stable or growing them. In recent years, RTL Group's families of channels have been extended by digital channels, including Nitro, RTL Up, Vox Up, 6ter, and RTL Z.

Another focus for strengthening the Group's core business in broadcasting is to increase non-advertising revenue, by **further growing the revenue from platform operators**. RTL Group aims to receive a fair revenue share for its brands and programmes from the major distribution platforms – cable network operators, satellite companies and internet TV providers – for services such as high-definition TV channels, streaming platforms and digital pay channels.

Investing in content

Every year, RTL Group invests around €3.5 billion in content, combining the programming spend of its broadcasters and the productions of its global content business, Fremantle.

Exploring all possible ways to develop and own new hit formats while continuing to grow the Group's investments in premium content are key to strengthening RTL Group's core businesses.

Investment in local, exclusive content – including the rights for live sports events – strengthens both RTL Group's linear TV channels and streaming services. For example, in January 2020, RTL Deutschland won the full and exclusive rights to broadcast and stream the Uefa Europa League and the newly established Uefa Conference League, starting with the 2021/22 season, for a period of three years. In March 2021, RTL Deutschland and Deutsche Telekom agreed on the sub-licensing of exclusive rights to 17 Uefa Euro 2024 matches, as part of the companies' strategic partnership, announced in November 2020.

The agreement covers the broadcast of 14 group phase matches, two round-of-16 matches and one quarter-final to be broadcast exclusively on free-to-air TV on RTL Television and live streamed on RTL+. These deals strengthen two of RTL Deutschland's linear channels – RTL Television and Nitro – and will play an important part in attracting new paying subscribers for RTL+. RTL Nederland also acquired the rights to broadcast certain Uefa Champions League matches, starting with the 2021/22 season, for a period of three years.

Streamlining RTL Group's portfolio

RTL Group's management continuously reviews the Group's portfolio of assets. In the past four years, RTL Group sold several non-core assets in Europe such as the football club Girondins de Bordeaux and the website MonAlbumPhoto in France, and the home entertainment and theatrical distribution company Universum Film in Germany. In North America, the Group sold its digital businesses below due to limited synergy potential with its core businesses.

- In October 2020, RTL Group completed the sale of its digital video network BroadbandTV to BBTV Holdings Inc. for €102 million in cash.
- In April 2021, RTL Group sold its interests in SpotX to the US ad-tech company, Magnite. Since the announcement of the transaction on 5 February 2021, RTL Group exercised an option to increase the cash component of the transaction and received US-\$640 million (€587 million) in cash and 12.37 million shares of Magnite stock.
- In September 2021, Fremantle completed the sale of its 100 per cent shareholding in Ludia Inc. to US-based mobile entertainment company, Jam City, for US-\$165 million (€146 million) in cash.
- In January 2022, RTL Group sold its entire shareholding in VideoAmp, a US software and data company for media measurement, for US-\$104 million (€92 million) in cash.
- 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.

Increasing operational efficiency

Management continuously assesses opportunities to reduce costs and to reallocate resources to growth areas such as its streaming services. In December 2020, RTL Deutschland announced that it would free up resources for significant additional investments in streaming content, technology and data by reallocating budgets as well as through cost savings. The programme was implemented in the course of 2021, the cost savings will target overhead and structural costs such as events and travel, including personnel.

Growth

Building national streaming champions

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

The strategy is rolled out either through stand-alone services such as RTL+ in Germany and Videoland in the Netherlands, or through national partnerships such as Salto in France.

RTL Group's stand-alone services will gradually adopt a **hybrid business model** – consisting of various price packages. Lower-priced or free packages are predominantly financed by advertising. The various premium price packages include, for example, several parallel streams on various devices, the live signal of RTL TV channels in HD quality and premium content bundles including the programmes of the Group's linear TV channels in the respective countries, plus premium content either exclusively produced or licensed from third parties.

On 31 December 2021, RTL Group registered **3.804 million paying subscribers** for its streaming services RTL+ in Germany and Videoland in the Netherlands – up 73.8 per cent year-on-year (31 December 2020: 2.189 million).

The rapidly growing German streaming service was rebranded as **RTL+** in November 2021 and, on average, provides more than one original per week. In 2022, RTL+ will expand to a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines, which will be a unique selling proposition in the German-speaking market.

As a consequence of these increased investments in RTL+ and following the strong growth of the Group's streaming services, RTL Group **raised its streaming targets** in November 2021 and will therefore grow:

- ...its **annual content spend** in RTL+ and Videoland to around €600 million by 2026 (previous target: around €350 million by 2025).
- ...the number of **paying subscribers** for RTL+ and Videoland to 10 million by the end of 2026 (previous target: between 5 and 7 million paying subscribers by the end of 2025).
- ...its **streaming revenue**, to €1 billion by 2026 (previous target: at least €500 million by 2025).
- with the aim of reaching **profitability** by 2026 (previous target: Adjusted EBITA breakeven by 2025). The peak of the investment (streaming start-up losses) is expected in 2022, with around €250 million.

In July 2020, RTL Nederland announced a **new hybrid model for Videoland**, adding an entry subscription model at a lower price including advertising, and a Plus subscription model enabling concurrent streams. This strategic step has opened up Videoland to advertising clients of the Dutch Ad Alliance.

In November 2020, **RTL Deutschland** and **Deutsche Telekom** announced a **strategic partnership**. The partners integrated the RTL streaming service RTL+ Premium within Deutsche Telekom's TV offer, Magenta TV. Since then, the price plans for both Magenta TV Smart and Magenta TV Smart Flex have included RTL+ Premium with no additional fee for customers.

In March 2021, **RTL Deutschland** and **Sky Deutschland** announced an agreement for closer collaboration in the areas of streaming and content. **RTL+ Premium** has been available for an additional premium on the **Sky Q platform** since June 2021. As part of the agreement, Sky exclusively sub-licenses Formula One free-to-air rights to RTL Deutschland for the 2021 and 2022 seasons.

In June 2021, **RTL Nederland** and **T-Mobile** in the Netherlands announced that Videoland will become part of T-Mobile's new Unlimited & Entertainment proposition. The new offer gives customers access to both Videoland Plus and Netflix Standard as well as unlimited 5G data, calling and SMS in the T-Mobile network in the Netherlands with an attractive price advantage.

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 has an international network of teams across production and distribution, operating in more than 25 countries, being responsible for around 12,000 hours of programming per year, and distributing content worldwide.

Fremantle targets full-year revenue of €3 billion by 2025. To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

Fremantle pursues three strategic goals:

- Maintaining its position as a leading producer and distributor of quality programming by **nurturing established brands** such as *Idols*, *Got Talent* and *The Farmer Wants a Wife*, while investing in creating new formats and brands.
- **Diversifying its portfolio**. Fremantle has made a series of investments in talent and labels, to strengthen its capabilities in the scripted, entertainment and factual genres, and in building a new client base with global streaming platforms such as Netflix and Amazon Prime.

As part of Fremantle's growth plan, it established a new global documentaries division in May 2021 to significantly grow the company's high-end documentary business. Fremantle has already announced the production of a number of premium documentaries including *Arctic Drift*, *Veleno: The Town of Lost Children*, *Kingdom of Dreams* and *Phat Tuesdays*. Further growth drivers include the production of feature films such as *The Hand of God* and taking the opportunity of new monetisation models.

- **Maximising its global network** by increasing scale in strategic markets. The company has strengthened its Scandinavian and southern European footprint and expanded its scripted footprint in Latin America, Sweden, Norway and Spain.

Given current market trends, drama series are key for RTL Group's expansion plans for both its streaming services and its global content business, Fremantle.

Since 2012, Fremantle has invested heavily in high-end productions, to **accelerate its growth in scripted series**. With a number of acquisitions – including Miso Film in Scandinavia, Wildside in Italy, Kwaï in France, Abot Hameiri in Israel and This is Nice Group in the Nordics – Fremantle has created a global network that now comprises 20 production sites for drama series.

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. Fremantle – together with broadcasters and streaming platforms – delivered 81 scripted productions across drama, film and soaps in 2021.

As a result of this strategy, Fremantle generated 29 per cent of its total revenue in 2021 from drama productions and expects this share to grow further over the coming years.

Investing in technology and data

Combining key success factors of TV advertising – such as high reach, brand safety and emotional storytelling – with data and targeting offers significant growth potential for RTL Group's largest revenue stream: advertising. Addressable TV will grow available inventory, attract new advertisers and deliver higher CPMs. Market studies predict that addressable TV could account for 30 to 50 per cent of all TV advertising spend in Europe in the long term.

RTL Group's largest unit, RTL Deutschland, is responsible for the Group's ad-tech business, **Smartclip**. The objective is to create an open ad-tech platform, based on the technology developed by Smartclip and tailored for the needs of European broadcasters and streaming services. Accordingly, RTL Deutschland will invest further in evolving and growing the Smartclip platform.

In October 2021, RTL Group announced a comprehensive cooperation with the advertising technology company Amobee, to strengthen both companies' ad-tech businesses in continental Europe. As part of **TechAlliance**, RTL Group and Amobee will establish a jointly owned sales and services company for the ad-tech services of Amobee and Smartclip in Europe. The TechAlliance offering will also use Yospace's technology solutions. The agreement is subject to regulatory approvals and expected to close in the first half of 2022. TechAlliance will give advertisers programmatic access to the addressable TV inventory of broadcasting partners from RTL Group and Smartclip.

The tech platform for RTL Group's streaming services is built by **Bedrock**, a French technology company. A common platform allows RTL Group to bundle its investments in streaming technology. The Bedrock platform serves Groupe M6's streaming service, 6play, the French subscription service Salto, Videoland in the Netherlands, and the RTL streaming services in Belgium and Hungary.

Within the area of data, the open log-in standard **NetID** was developed by the European NetID Foundation and initiated by RTL Deutschland, ProSiebenSat1 and United Internet. The standard offers a single sign-on that can be used on numerous German websites, and which already has a reach of more than 35 million users.

In 2021, We Are Era launched the **Social Intelligence Hub**, pooling its data-driven services for brands, broadcasters, NGOs and platforms. It will offer partners psychographic and demographic insights and analyses covering communities across all social networks plus deep social listening insights about online conversations.

Alliances and partnerships

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

Driving international advertising sales via RTL AdConnect

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 its **international sales house, RTL AdConnect**, to give international advertisers and agencies easy access to the Group's large portfolio of TV and streaming services, digital video company and advertising technology, in a brand-safe environment. To be more relevant in all key European markets, RTL AdConnect's portfolio also encompasses leading partners such as ITV in the UK, RAI in Italy and DPG Media in Belgium. Thanks to these partnerships, RTL Group is one of the only media companies in Europe that can **offer advertisers pan-European digital video campaigns**. In January 2022, RTL AdConnect entered into a partnership with NBCUniversal, which opens up new advertising opportunities for marketers across Europe, the US and Asia. NBCUniversal will represent RTL AdConnect's premium Total Video European portfolio to its clients based in China and the US, providing them with strong reach and powerful advertising solutions, including the

leading TV channels and digital platforms from RTL AdConnect's media partners in Germany, France, the UK, Belgium, the Netherlands and Luxembourg. In February 2022, RTL Group announced its decision to combine its fully-owned businesses **RTL AdConnect**, **G+J iMS** and the media division of **Smartclip** to create an international advertising sales champion. The new unit will provide 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

Ad Alliance, launched in Germany in 2016, offers high reach to advertisers and agencies, and 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. After the sales house Media Impact (Axel Springer) became a partner of the German Ad Alliance for its digital inventory in January 2020, the companies agreed to intensify their partnership and expand their advertising sales cooperation to Media Impact's print titles, such as *Bild* and *Welt*, from January 2021. Together, the platforms of Ad Alliance reach 99 per cent of the German population. Ad Alliance remains open to additional partners.

RTL Nederland followed the German example by building an integrated advertising sales network for the Dutch market, also called Ad Alliance. The **Dutch Ad Alliance** integrates the sales activities of RTL Nederland, BrandDeli, Adfactor and Triade Media, and is also open to new partners.

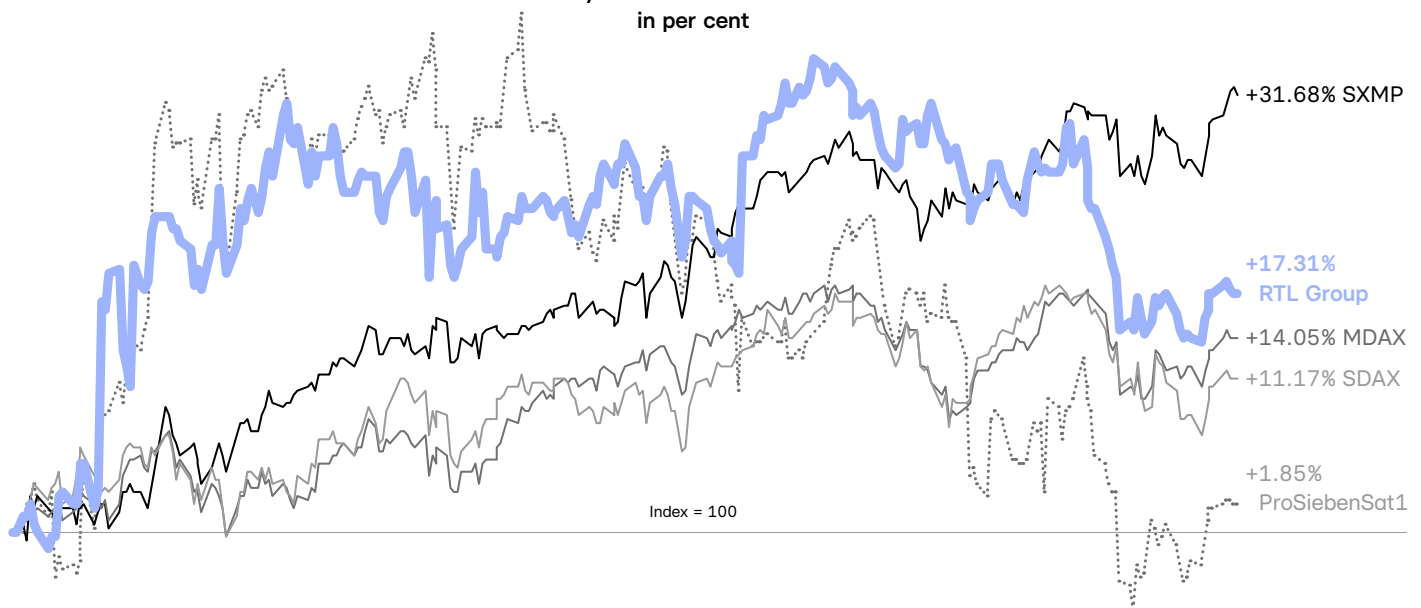
Capital markets and share

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. From September 2013 to September 2020,

RTL Group was listed in the MDAX stock index. Since then, RTL Group has been listed in the SDAX stock index. As of 21 March 2022, RTL Group will be re-included in the MDAX.

Share performance

1 January 2021 to 31 December 2021
in per cent



RTL Group share price development for January to December 2021
based on the Frankfurt Stock Exchange (Xetra) against MDAX/SDAX,
Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group's share price started 2021 at €39.74, finished the year up 17.3 per cent, at €46.62, thereby performing better than the German indices SDAX and MDAX. The share price highs and lows were €53.30 (27 August) and €39.26 (11 January). During 2021 the Group's share continued to recover from the Covid-19 downturn.

Quarterly, the average share price evolved as follows:

Q1: €46.04
Q2: €49.20
Q3: €50.66
Q4: €48.35

The Group declared a dividend in April 2021 that was paid in May. The payment of €3.00 (gross) per share related to the 2020 full-year dividend. The total dividend paid amounted to €464 million. Based on the average share price in 2020 (€33.85), this represents a dividend yield of 8.9 per cent (2020: nil) and a dividend payout ratio of 80 per cent in line with the 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

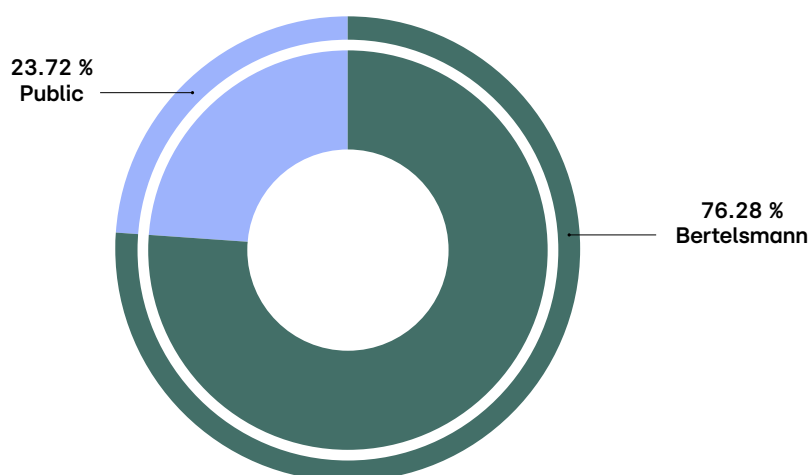
RTL Group's dividend policy offers a pay-out ratio of at least 80 per cent of the Group's adjusted net result.

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 2021, 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

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	861149
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 2020)	€3.00
Number of shares	154,742,806
Market capitalisation ²¹	€7,214,109,615
52 week high	€53.30 (27 August 2021)
52 week low	€39.26 (11 January 2021)

Indices

RTL Group's shares were/are listed in the indices with the weight as outlined below:

Index	Weight in per cent	Date
SDAX	2.4548	30/12/2021
SDAX Kursindex	2.4524	30/12/2021
Prime All Share	0.0951	30/12/2021
HDAX	0.0831	18/09/2020
HDAX Kursindex	0.0818	18/09/2020

As of 21 March 2022, RTL Group will be re-included in the MDAX.

Key performance indicators

RTL Group analyses key performance indicators (KPIs) to manage its businesses, including revenue, organic growth/decline, Adjusted EBITA, Adjusted EBITA margin, net debt, operating cash conversion rate and audience shares in main target groups. RTL Group's key performance indicators 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.

Organic growth/decline

The organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects as well as 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. The key performance indicator for the operating profitability of RTL Group and its business units is Adjusted EBITA. Analysts also continue to use EBITDA as a KPI for the Group's profitability. As a result, for these purposes the calculation of EBITDA for the Group is 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 15 to 16) and **Strategy** section (pages 17 to 21) 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 is continually assessing opportunities to reduce costs in its traditional broadcasting activities, i.e. to reallocate resources from its traditional businesses to its growing digital businesses, which 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
- 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 exceed 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 2021, 'Special items' reflects the impact of restructuring expenses at RTL Deutschland (€-38 million), reversal of negative effects from onerous advertising sales contracts (€10 million) and the impact of expenses in connection with strategic portfolio management (€-33 million).

In 2020, 'Special items' reflected the impact of a restructuring programme at RTL Deutschland (€-27 million) and onerous advertising sales contracts (€-10 million) as well as reversal of a provision at the Corporate Centre in Luxembourg (€3 million).

	2021 €m	2020 €m
Earnings before interest and taxes (EBIT)	1,908	903
Impairment of goodwill of subsidiaries	-	11
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	19	14
Impairment and reversals of investments accounted for using the equity method	(2)	62
Re-measurement of earn-out arrangements	-	1
Fair value measurement of investments	115	-
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(949)	(172)
EBITA	1,091	819
Significant special items	61	34
Adjusted EBITA	1,152	853

In accordance with RTL Group's strategy, significant efforts were spent in growth businesses of streaming activities. Furthermore, the company is continuing to heavily invest in its streaming services RTL+ and Videoland with a rapidly increasing number of paying subscribers (for further details please refer to the section **Building national streaming champions**). Therefore, RTL Group discloses additionally the streaming start-up losses defined as total

of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. For the year 2021, the total of streaming start-up losses amounted to €166 million (2020: €55 million). Considering this amount, the Adjusted EBITA before streaming start-up losses was €1,318 million (2020: €908 million).

Adjusted EBITA Margin

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

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
- 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

	2021 €m	2020 ²² €m
Earnings before interest and taxes (EBIT)	1,908	903
Depreciation, amortisation and impairment	209	238
Impairment of goodwill of subsidiaries	–	11
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	19	14
Impairment and reversals of investments accounted for using the equity method	(2)	62
Re-measurement of earn-out arrangements	–	1
Fair value measurement of investments	115	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(949)	(172)
EBITDA	1,300	1,057

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 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
- Cash outflows from the acquisitions of programme and other rights and other intangible and tangible assets
- Cash inflows from proceeds from the sale of intangible and tangible assets
- Transaction-related costs with regard to significant disposals of subsidiaries

	2021 €m	2020 €m
Net cash from operating activities	932	933
Adjusted by:		
Income tax paid	437	248
Transaction-related costs	72	–
Acquisitions of:		
– Programme and other rights	(88)	(60)
– Other intangible and tangible assets	(107)	(118)
Proceeds from the sale of intangible and tangible assets	2	2
Operating free cash flow	1,248	1,005
EBITA	1,091	819
Operating cash conversion rate	114%	123%

²² The figures from the previous year have been adjusted (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
- Cash pooling accounts receivable with investments accounted for using the equity method and not consolidated investments presented in 'Accounts receivable and other financial assets'

- 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 EBITDA ratio is used. The ratio is calculated as net debt divided by EBITDA.

	31 December 2021 €m	31 December 2020 €m
Current loans and bank overdrafts	(49)	(124)
Non-current loans	(635)	(641)
	(684)	(765)
Deduction of:		
– Cash and cash equivalents	547	436
– Cash pooling accounts receivable with investments accounted for using the equity method and not consolidated investments	–	2
– Current deposits with shareholder and its subsidiaries	794	563
Net cash/(debt)	657	236
EBITDA	1,300	1,057
Net cash/(debt) to EBITDA ratio	n.a.	n.a.

The net debt excludes current and non-current lease liabilities of €332 million (31 December 2020: €384 million).

RVA

In 2020, RTL Group applied a performance indicator for assessing the profitability from operations and return on invested capital, RTL Group Value Added (RVA). From 2021, RTL Group management decided to discontinue the application of this KPI.

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'.

	2021 €m	2020 ²³ €m
Consumption of current programme rights	2,512	2,070
Depreciation, amortisation and impairment	209	238
Other operating expenses	3,055	2,960
Operating cost base	5,776	5,268

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 SpotX, Super RTL, Stéphane Plaza Immobilier, Eureka and VideoAmp.

	2021 €m
Profit attributable to RTL Group shareholders	1,301
Adjustments (from SpotX, Super RTL, Stéphane Plaza Immobilier, Eureka, VideoAmp)	335
Adjusted profit for the year attributable to RTL Group shareholders	967
from ordinary activities	682
from cash capital gains (from SpotX, Ludia and VideoAmp transactions ²⁴)	285
Dividend in € per share	5.00
from ordinary activities	3.50
from cash capital gains (from SpotX, Ludia and VideoAmp transactions ²⁴)	1.50
Dividend, absolute amount	774
Dividend payout ratio²⁵	~80%

²³ The figures from the previous year have been adjusted (see note 1.30. to the consolidated financial statements)

²⁴ Including non-cash gain for VideoAmp, for which cash proceeds are reflected in dividend as proceeds were received in the first quarter of 2022

²⁵ Dividend, absolute amount/adjusted profit attributable to RTL Group shareholders

Financial review

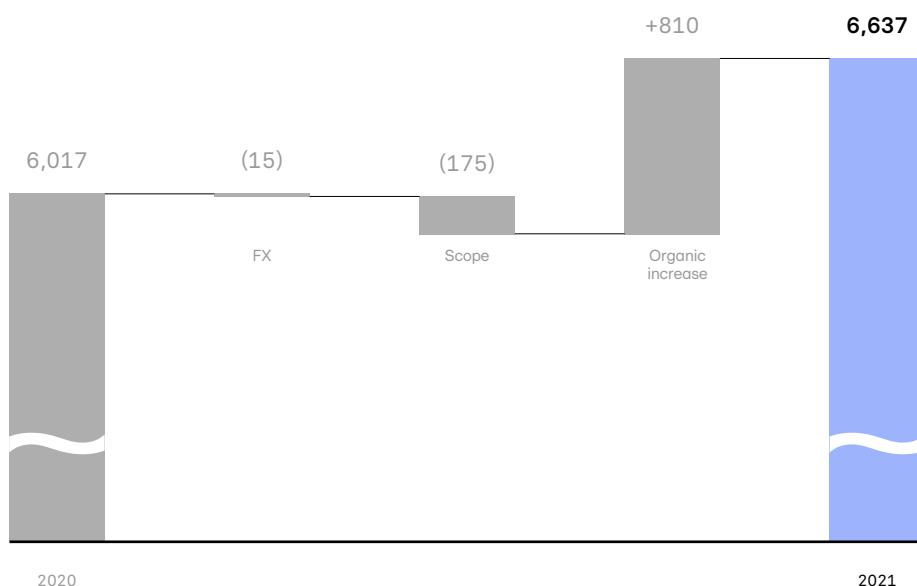
Revenue

RTL Group estimates that the net TV advertising markets were up strongly across RTL Group's key markets. 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.

	Net TV advertising market growth rate 2021 (in per cent)	RTL Group audience share in the main target group 2021 (in per cent)	RTL Group audience share in the main target group 2020 (in per cent)
Germany	6.0 to 6.5 ²⁶	26.3 ²⁷	27.5 ²⁷
France	16.1 ²⁸	22.8 ²⁹	22.7 ²⁹
The Netherlands	21.6 ²⁶	34.2 ³⁰	31.7 ³⁰
Belgium	11.9 ²⁶	34.1 ³¹	36.1 ³¹
Hungary	18.0 ²⁶	25.1 ³²	26.6 ³²
Croatia	20.1 ²⁶	23.8 ³³	27.0 ³³
Spain	8.3 ³⁴	27.4 ³⁵	27.8 ³⁵

RTL Group's total **revenue** increased 10.3 per cent to €6,637 million (2020: €6,017 million), mainly due to strong growth of TV advertising revenue in the second, third and fourth quarters of 2021, of Fremantle and of the streaming businesses. Group revenue was up 13.5 per cent organically. Foreign exchange rate effects had a negative impact of €15 million on revenue in 2021.

RTL Group revenue bridge in 2021 (in €million)



²⁶ Industry and RTL Group estimates

²⁷ Source: GfK. Target group: 14–59

²⁸ Source: Groupe M6 estimate

²⁹ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

³⁰ Source: SKO. Target group: 25–54, 18–24h. Restated for a different audience measurement method, now excluding the screen use coming from devices such as hard disk DVD and video recorders

³¹ Source: Audimétrie. Target group: shoppers 18–54, 17–23h

³² Source: AGB Hungary. Target group: 18–49, prime time (including cable channels) 20–23h

³³ Source: AGB Nielsen Media Research. Target group: 18–49, prime time 20–23h

³⁴ Source: Infoadex

³⁵ Source: TNS Sofres. Commercial target group: 25–59

Streaming revenue – which includes SVOD, TVOD, in-stream and distribution revenue from RTL+ and Videoland/RTL XL – was up by 31.2 per cent, to €223 million (2020: €170 million).

RTL Group's **advertising revenue** was €3,774 million (2020: €3,330 million), of which €3,057 million represented TV advertising revenue (2020: €2,636 million), €348 million represented digital advertising revenue (2020: €345 million) and €219 million represented radio advertising revenue (2020: €212 million).

RTL Group's **digital revenue** was up by 2.7 per cent to €1,083 million (2020: €1,055 million). The effect of the disposals of BroadbandTV in 2020 and SpotX in 2021 was mainly compensated by Fremantle and higher streaming revenue.

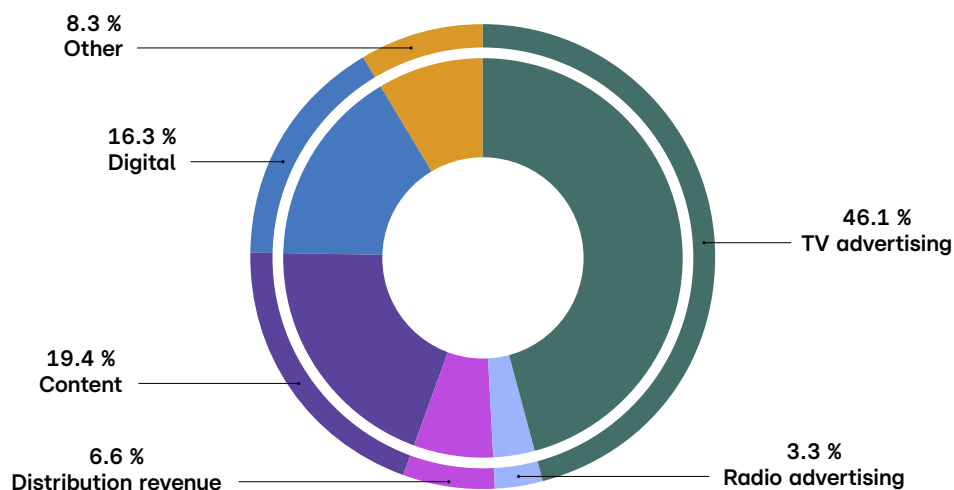
Distribution revenue – generated across all distribution platforms (cable, satellite, internet TV) including

subscription and re-transmission fees – was up 9.0 per cent to €437 million (2020: €401 million).

Digital revenue is spread over three different categories: digital advertising sales, revenue from distribution and licensing content, and consumer and professional services. In contrast to some competitors, RTL Group recognises only pure digital businesses as digital revenue and does not consider e-commerce, home shopping and distribution revenue as digital revenue. Revenue from e-commerce, home shopping and distribution is included in 'revenue from selling goods and merchandise and providing services' as stated in note 5.1. to the consolidated financial statements.

RTL Group's revenue is well diversified, with 46.1 per cent from TV advertising, 19.4 per cent from content, 16.3 per cent from digital activities, 6.6 per cent from distribution revenue, 3.3 per cent from radio advertising, and 8.3 per cent from other revenue.

RTL Group revenue split



Geographical revenue overview

	2021 €m	2021 %	2020 €m	2020 %
Germany	2,241	33.8	1,958	32.5
France	1,392	21.0	1,242	20.6
USA	901	13.6	1,037	17.2
The Netherlands	610	9.2	497	8.3
UK	233	3.5	197	3.3
Belgium	203	3.1	187	3.1
Other regions	1,057	15.9	899	14.9

Adjusted EBITA

Adjusted EBITA was significantly up to €1,152 million (2020: €853 million). The **Adjusted EBITA margin** came in at 17.4 per cent (2020: 14.2 per cent).

For more detailed information and reconciliation of these measures see pages 25 to 26.

Financial development over time

	2021 €m	2020 €m	2019 €m	2018 €m	2017 €m
Revenue	6,637	6,017	6,651	6,505	6,373
Adjusted EBITA	1,152	853	1,156	1,171	1,248
Net cash/(debt)	657	236	(384)	(470)	(545)
Operating cash conversion rate (in per cent)	114	123	105	90	104

Operating cost base

Group operating cost base increased to €5,776 million in 2021 (2020: €5,268 million), due mainly to increased programme costs at the Group's broadcasting businesses and production costs at Fremantle.

Investments accounted for using the equity method

The total share of results of these investments was €27 million (2020: €32 million).

Fair value measurement of investments

Fair value measurement of investments of €-115 million (2020: nil) is mostly attributable to the negative valuation effects of the Magnite shares, partly compensated by valuation effects of the minority stake in VideoAmp.

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

In 2021, the Group recorded a gain of €949 million (2020: €172 million), mainly thanks to the disposals of SpotX and Ludia and positive effects of pre-existing interests in Super RTL and Stéphane Plaza Immobilier.

Financial result

Financial result amounted to the expense of €-27 million (2020: expense of €-28 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 €19 million (2020: €25 million), relates to the amortisation of fair value adjustments on

acquisitions of subsidiaries and in 2020 additionally to the impairment loss of goodwill allocated to We Are Era.

Income tax expense

In 2021, the income tax expense was €427 million (2020: €250 million).

Profit attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €1,301 million (2020: €492 million), mainly thanks to the capital gains of the disposals of SpotX and Ludia, positive effects of pre-existing interests in Super RTL and Stéphane Plaza Immobilier, and significantly higher Adjusted EBITA.

Earnings per share

Earnings per share, based upon 154,742,806 weighted average number of ordinary shares, both basic and diluted, was up strongly to €8.41 (2020: €3.20 per share based on 153,586,913 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. All treasury shares were used as a part of the consideration paid to acquire non-controlling interests in RTL Belgium in 2020.

Profit appropriation (RTL Group SA)

The annual accounts of RTL Group show a profit for the financial year 2021 of €70,963,534 (2020: €4,627,791). Taking into account the share premium account of €4,691,802,190 (2020: €4,691,802,190) and the profit brought forward of €249,050,821 (2020: €708,651,448), the amount available for distribution is €5,011,816,545 (2020: €5,405,081,429).

Main portfolio changes

In April 2021, RTL Group sold its interests in **SpotX** to the US ad-tech company, Magnite. Since the announcement of the transaction on 5 February 2021, RTL Group exercised an option to increase the cash component of the transaction and received US-\$640 million (€587 million) in cash and 12.37 million shares of Magnite stock.

In May 2021, Fremantle acquired a 26 per cent shareholding in **Eureka** through direct acquisition of shares and thus increased its total interest to 51 per cent by exercising a call option. As a result of obtaining control, the investment previously accounted for using the equity method is fully consolidated from the date of acquisition. The consideration transferred in terms of IFRS 3 was €24 million and comprises a purchase price payment of €2 million and the fair value of call option of €22 million.

In July 2021, RTL Deutschland acquired the outstanding 50 per cent shareholding in **Super RTL** from its former joint-venture partner, The Walt Disney Company, for a purchase price of €124 million. RTL Group's shareholding in Super RTL is now 100 per cent.

In September 2021, Fremantle acquired 12 production labels from Nent Group – now called **This is Nice Group** – in Norway, Sweden, Finland and Denmark that operate across non-scripted, scripted and factual businesses, for a purchase price of €39 million.

In September 2021, Fremantle completed the sale of its 100 per cent shareholding in **Ludia Inc.** to US-based mobile entertainment company, Jam City, for US-\$165 million (€146 million) in cash.

In December 2021, Groupe M6 finalised the acquisition of a 2 per cent stake in **Stéphane Plaza Immobilier**, in which it already held a 49 per cent shareholding, thereby assuming control of this network of franchised estate agents. The consideration transferred in terms of IFRS 3 was €3 million.

Major related party transactions

At 31 December 2021, 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 the note 10. to the consolidated financial statements.

General management statement on the fiscal year 2021 performance

Linear TV continues to dominate the Total Video market as the only 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 platforms. The demand for high-quality video content continues to grow rapidly, and with it, online video advertising.

RTL Group estimates that the net TV advertising markets increased in 2021 in all markets where the Group is active, due to the strong rebound from the Covid-19 crisis. RTL Group's TV advertising revenue was up significantly in the second, third and fourth quarters compared to the same periods in the previous year.

Across Europe, RTL Group's flagship channels remained number one or two in their respective markets and target groups. RTL Nederland reported significantly higher audience share while the audience share of Groupe M6 was up slightly. RTL Deutschland's audience share decreased partly due to major sporting events broadcast by the public broadcasters.

RTL Group has made significant progress in its strategy to create national media champions. Major moves to consolidate in Germany, France, the Netherlands and Belgium will generate significant value for RTL Group's shareholders and keep the Group in a strong position to compete with the global tech platforms.

In 2021 RTL Group also made other significant portfolio changes, successfully selling non-core assets such as SpotX and Ludia to create significant capital gains. The Group also made several strategic acquisitions to strengthen its core businesses.

RTL Group's growth businesses of streaming and content performed particularly well. RTL+ and Videoland had more than 3.8 million paying streaming subscribers, and Fremantle produced 81 new dramas, which is why the Group raised its targets for both: For RTL+ and Videoland, these targets – all for 2026 – are: to increase annual content spend to around €600 million; to increase the number of paying subscribers for both services to 10 million; to grow streaming revenue to €1 billion; and to reach profitability³⁶. In 2022, RTL+ will expand into a cross-media entertainment service, comprising video, music (through a cooperation with Deezer), podcasts, audio books and e-magazines that will add significantly to the growth of RTL+.

RTL Group's streaming revenue increased by 31.2 per cent to €223 million during 2021 as a result of organic growth.

In addition, RTL Group will accelerate the expansion of its content production business, Fremantle – both organically and via M&A – targeting €3 billion revenue by 2025. Fremantle will continue to focus on drama and film, entertainment and documentaries. Major creative successes included shows such as *American Idol*, reality formats like *Too Hot to Handle* for Netflix, and fiction film and series productions such as *The Hand of God*, *The Mosquito Coast*, *The Investigation* and *Exit*. The company has positioned itself as a producer of quality TV drama and film with worldwide appeal to both broadcasters and streaming services. As one of the biggest independent production companies, Fremantle continues to focus on creative talent and on developing projects that will feed into its network.

For the full year 2021, RTL Group generated an Adjusted EBITA of €1,152 million with an Adjusted EBITA margin of 17.4 per cent. The Group's EBIT more than doubled to a record €1,908 million. RTL Group ended the year 2021 with a very strong set of financial results, with a record Group profit of €1,454 million and net cash of €657 million.

At the time of writing, RTL Group is characterised by a strong financial position and operating performance, despite the uncertainty resulting from the ongoing pandemic. Strong cash flows enable 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+ and Videoland with a rapidly increasing number of paying subscribers.
- The company's content production company, Fremantle, has successfully branched out into scripted drama and high-end factual programming.
- The company is among the European leaders in ad-tech.

³⁶ Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 25 to 26

Review by segments

Full year 2021

Revenue	2021 €m	2020 €m	Per cent change
RTL Deutschland	2,425	2,127	+14.0
Groupe M6	1,390	1,273	+9.2
Fremantle	1,926	1,537	+25.3
RTL Nederland	575	476	+20.8
Other segments	604	873	(30.8)
Eliminations	(283)	(269)	
Total revenue	6,637	6,017	+10.3

Adjusted EBITA	2021 €m	2020 €m	Per cent change
RTL Deutschland	541	467	+15.8
Groupe M6	329	266	+23.7
Fremantle	141	87	+62.1
RTL Nederland	107	58	+84.5
Other segments	33	(25)	>100.0
Eliminations	1	–	
Adjusted EBITA	1,152	853	+35.1

Adjusted EBITA margin	2021 per cent	2020 per cent	Percentage point change
RTL Deutschland	22.3	22.0	+0.3
Groupe M6	23.7	20.9	+2.8
Fremantle	7.3	5.7	+1.6
RTL Nederland	18.6	12.2	+6.4
RTL Group	17.4	14.2	+3.2

RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 6.0 and 6.5 per cent. RTL Deutschland's revenue was up 14.0 per cent to €2,425 million (2020: €2,127 million), thanks to significantly higher TV advertising revenue and growing streaming revenue. Accordingly, Adjusted EBITA was up significantly from €467 million in 2020 to €541 million.

Audience ratings

In 2021, the combined average audience share of **RTL Deutschland** in the target group of viewers aged 14 to 59 was 26.3 per cent (2020: 27.5 per cent), including the pay-TV channels RTL Crime, RTL Living, RTL Passion and Geo Television. The German RTL family of channels was ahead of its main commercial competitor, ProSiebenSat1, by 3.5 percentage points (audience share 2021: 22.8 per cent, 2020: lead of 3.6 percentage points).

With its portfolio of eight free-TV, four pay-TV channels and the streaming service RTL+, RTL Deutschland reached 28.9 million viewers every day in 2021 (2020: 30.3 million viewers).

With an audience share of 9.0 per cent in the target group of viewers aged 14 to 59 in 2021 (2020: 10.2 per cent), **RTL Television** was the leading commercial channel, ahead of Sat1 (6.7 per cent) and ProSieben (6.3 per cent), but behind the public channels ZDF (9.8 per cent) and Das Erste (9.1 per cent).

Let's Dance was the channel's most successful show in 2021. On average, 4.41 million viewers (15.8 per cent) aged three and above watched the 14th season, representing an average audience share in the commercial target group (viewers aged 14 to 59) of 17.5 per cent (2020: 19.0 per cent). The most watched programme was the German football match against Iceland on 8 September 2021, which attracted an average 7.34 million total viewers and a total average audience share of 28.9 per cent. The main news *RTL Aktuell* increased its average audience share in the commercial target group to 19.7 per cent, up 1.3 percentage points compared to 2020. On average the evening news was watched by 3.4 million total viewers. The late evening news format *RTL Direkt* was established successfully in the German news market with an audience share of 8.4 per cent in the commercial target group of viewers aged 14 to 59.

RTL Deutschland (continued)

The streaming service **RTL+** continued its rapid growth in 2021, more than doubling its number of paying subscribers, taking the total to 2.712 million (2020: 1.286 million). Viewing time increased by 47 per cent year-on-year, making RTL+ the leading German entertainment offering in the streaming market. This was thanks to the wide range of programmes available, including fiction series such as *Sisi*, *Glauben* and *Faking Hitler. Are you the One – Realitystars in Love* and *Temptation Island VIP* were the most-watched shows among RTL+ reality shows. The exclusive series *Gossip Girl* (2021), documentaries such as *Stern Crime: Der Alptraummann* and the TV show *Kampf der Realitystars* also attracted a large audience.

Vox achieved a stable audience share of 6.1 per cent in the target group of viewers aged 14 to 59 (2020: 6.1 per cent). *Die Höhle der Löwen* (Dragons' Den) remained popular, generating an average audience share of 12.9 per cent among viewers aged 14 to 59, while *Kitchen Impossible* was watched by 10.4 per cent of the target group. *Showtime of my Life – Stars gegen Krebs* – awarded with Deutscher Fernsehpreis (German TV Award) – was another success for Vox. The two episodes were watched by 7.0 per cent of viewers ages 14 to 59. Furthermore, in the 14 to 49 target group, Vox was for the first time and then in total for four months, among the top three commercial channels (monthly ranking).

Nitro attracted 2.2 per cent of the 14 to 59 target group (2020: 2.1 per cent) and 2.9 per cent of its main target demographic of men aged 30 to 49 (2020: 2.6 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 (2020: 1.2 per cent and 1.3 per cent).

RTL Up, previously RTL Plus, attained a 1.8 per cent audience share in the 14 to 59 age group, up 0.1 percentage points on 2020.

Super RTL retained its leading position in the children's segment in 2021, attracting an average audience share of 21.0 per cent in the target group of three to 13-year-olds between 06:00 and 20:15, including Toggo Plus (2020: 20.7 per cent), ahead of the public service broadcaster KiKA (17.2 per cent).

In 2021, **RTL Zwei** attained a market share of 3.7 per cent among 14 to 59-year-old viewers (2020: 4.0 per cent).

Radio consumption in Germany remained strong in 2021, reaching 74.7 per cent of Germans aged 14 and above every day – with an average listening time of 259 minutes per day. **RTL Group's German radio portfolio** reached 14 million Germans aged 14 and above every day. Many radio stations increased their reach, including Hitradio RTL Sachsen (with a growth of 29.8 per cent year-on-year among listeners aged 14 to 49) and 89.0 RTL, a station for younger listeners (growth of 10.2 per cent year-on-year among listeners aged 14 and above). 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.

Audio Now, one of Germany's largest audio platforms, expanded its market position in 2021, with up to 7 million monthly users, and a portfolio of over 200 in-house productions developed by the podcast production company, Audio Alliance.

Groupe M6

Financial results

In 2021, the French net TV advertising market was estimated to be up 16.1 per cent compared to 2020, with Groupe M6 performing in line with the market. Groupe M6's total revenue was up significantly by 9.2 per cent to €1,390 million (2020: €1,273 million). The increase in revenue was mainly due to higher advertising revenue. Accordingly, Groupe M6's Adjusted EBITA was up by 23.7 per cent to €329 million (2020: €266 million).

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 a record of 22.8 per cent (2020: 22.7 per cent). The total audience share was 14.3 per cent (2020: 14.6 per cent). On average, 25.1 million viewers watched Groupe M6's free-to-air channels every day in 2021 (2020: 25.5 million).

Flagship channel **M6** retained its status as the second most-watched channel in France in the commercial target group, with an average audience share of 14.7 per cent (2020: 14.4 per cent). Established entertainment 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) continued to attract high audience shares as did the broadcast of the Uefa Euro 2020 matches. The channel also introduced new favourites such as *Appel à Témoins* (Call to Witnesses), in collaboration with the Ministry of the Interior and the Ministry of Justice, *Et si on se rencontrait* (Love IRL) and the drama series *Chernobyl*. M6's news shows *Le 1245* and *Le 1945*, and magazines such as *Enquête exclusive*, *Capital* and *Zone Interdite* remained popular and played a major role during the ongoing Covid-19 crisis by providing reliable information.

The advertising-financed streaming service **6play** continued to grow, with 28.5 million active users in 2021 (2020: 26.9 million active users). Viewing time was up 5.4 per cent to 530 million hours (2020: 503 million), mostly due to non-linear viewing of TV programmes from the M6 family of channels and by programmes exclusively licensed or produced for 6play.

W9 reached an average audience share of 3.8 per cent among women under 50 responsible for purchases (2020: 3.8 per cent), ranking it second among the DTT channels in France in this target group. Reality series, sports, movies, and magazines such as *Enquête d'Action* continued to score high ratings.

Among the new generation of DTT channels, **6ter** remained the leader in the commercial target group for the fifth consecutive year, with an average audience share of 2.6 per cent (2020: 2.8 per cent).

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 12.7 per cent (2020: 14.8 per cent). Every day, nearly 5 million viewers watch their favourite animated heroes, live-action series, games and documentaries, as well as fiction and movies for the whole family.

In 2021, the RTL radio family of stations registered a consolidated audience share of 18.2 per cent among listeners aged 13 and older (2020: 18.8 per cent). Its flagship station, **RTL Radio**, was the leading commercial station in France for the 18th consecutive year with an average audience share of 12.5 per cent (2020: 13.0 per cent). The pop-rock station **RTL 2** recorded a stable average audience share of 3.0 per cent (2020: 2.9 per cent), while **Fun Radio** registered an average audience share of 2.8 per cent (2020: 2.9 per cent).

Fremantle

Financial results

Revenue at RTL Group's content business, Fremantle, was up by 25.3 per cent to €1,926 million in 2021 (2020: €1,537 million), with the delivery of the high-end drama series *American Gods* (season three) and *The Mosquito Coast*. Revenue grew 15.8 per cent organically³⁷ and Adjusted EBITA was up 62.1 per cent to €141 million (2020: €87 million).

Drama and film

In total, Fremantle delivered 81 scripted productions across drama, film and soaps in 13 languages in 2021, representing an increase of 42.1 per cent compared to 2020 (2020: 57). 2021 saw an increase in Fremantle's film production, with seven movie releases (2020: 6).

The Hand of God – a movie directed by Paolo Sorrentino and produced by The Apartment – has been nominated for Best International Feature Film at the 2022 Academy Awards (The Oscars). The film was viewed over 12.7 million times during the first two weeks after its launch on Netflix in December 2021, with a global average audience of around 5.8 million. It was Netflix's number one film in Italy in week 52 of 2021 and entered the weekly top ten in a further ten countries.

In the Nordics, *Exit* finished its second season, scoring record viewing figures of over two million per episode in Norway – a country of 5.4 million inhabitants. Holding the record for NRK's most streamed drama ever, *Exit* has now sold to 119 territories.

The Investigation launched internationally in January 2021 on HBO, and in February 2021 in the UK on BBC2 after a successful domestic premiere on TV2 in Denmark in 2020. In the UK, the series about the investigation of the murder of the Swedish journalist Kim Wall launched with an audience share of 6.9 per cent of total viewers, making it the highest-rated non-English language drama in the UK for the 2020/21 season.

The UFA Fiction show *Faking Hitler* launched in December 2021 on RTL+ and was the second most-watched scripted original on RTL+ that didn't also air on another platform (linear TV or YouTube). A total 87 per cent of *Faking Hitler* views were generated by viewers aged 14 to 49. On 27 December 2021, *Eldorado KaDeWe* launched on ARD and the German public broadcaster's Mediathek with an audience of 3.9 million viewers across both TV and streaming. With the whole series airing in one evening, *KaDeWe* performed 39 per cent higher than ARD's time slot average for women aged 14 to 59 years.

Entertainment

American Idol's 19th season, won an average audience of 7.1 million viewers and a market share of 9.3 per cent of total viewers, making it ABC's number one entertainment series of the 2020/21 season. The 16th season of *America's Got Talent* launched in June 2021 and scored an average audience share of 12.2 per cent for the season.

2021 also saw Fremantle shows reach wider audiences via online entertainment platforms. In October, *China's Got Talent* was licensed to TikTok in China (known locally as Douyin) – the first time Fremantle has licenced a global format anywhere in the world. The show generated over 890 million views across the series.

The Masked Singer continued its success in 2021 with Fremantle responsible for the production of 16 series of the show across 14 territories, including four new markets (Armenia, Denmark, Sweden and Ukraine). In Sweden, *The Masked Singer* launched as the highest-rated entertainment show premiere on TV4 for more than eight years, attracting a total average audience share of 51.4 per cent across the series.

Too Hot to Handle returned for a second season on Netflix in June 2021. The popular format was featured on Netflix's top ten most-watched list in several countries a few days after its launch, and attracted an audience of 29 million within its first four weeks online. Celebrated by Ted Sarandos, Co-CEO and Chief Content Officer at Netflix as a 'standout unscripted title', localised adaptations of the show aired in Brazil in July 2021 and in Mexico in September 2021. After seven days of availability, the Latin American version achieved a top ten rank on Netflix in 27 countries.

For the first time in its 45-year history, *Family Feud* in the US was number one in daytime syndication, in both households and target group. Fremantle game shows dominated summer prime time on ABC with six series on air – *Card Sharks*, *Celebrity Family Feud*, *Press Your Luck*, *To Tell The Truth*, *Supermarket Sweep* and *Holey Moley*. The seventh series of *Celebrity Family Feud* was the highest-rated summer entertainment show on ABC, attracting an average audience of 5.4 million viewers which represents an average total audience share of 7.7 per cent. It was the number one show for the season in both household and the target group of viewers aged 25 to 54 years.

³⁷ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in **Key performance indicators** on page 25

Fremantle (continued)

Factual shows and documentaries

In Germany, UFA produced the documentary series *Expedition Arktis*, which follows the scientific expedition to undertake crucial climate research. The international version, *Arctic Drift*, has been sold to 170 territories.

In Italy, Fremantle launched its original series *Veleno: The Town of Lost Children*, with Amazon Prime Video. Written and directed by award-winning Hugo Berkeley, this factual series chronicles the true events of the Satanic Panic phenomenon, a decades-long saga of families torn apart.

Since May 2021, Fremantle has been in production with award-winning producer Richard Brown, his production company, Passenger, and sports-marketing company Infront, with an original documentary series telling the story of the launch and inaugural season of the Basketball Africa League, and produced documentaries including *Ghislaine, The Prince and The Paedophile* – a documentary about Ghislaine Maxwell for ITV in the UK – and *Phat Tuesdays* for Amazon Prime Video.

Fremantle also distributed several high-end documentaries in 2021, including the water-scarcity documentary, *Day Zero*, the Samuel L. Jackson-fronted seminal series, *Enslaved*, the Hulu docuseries, *Von Dutch*, and *How it Feels to Be Free*, which was executive-produced by Alicia Keys.

RTL Nederland

Financial results

In 2021, the Dutch net TV advertising market was estimated to be up by 21.6 per cent with RTL Nederland clearly outperforming the market. RTL Nederland's total revenue increased by 20.8 per cent to €575 million (2020: €476 million). This resulted in a significantly higher Adjusted EBITA of €107 million (2020: €58 million).

Audience ratings

In 2021, RTL Nederland's family of channels grew its combined prime-time audience share in the target group of viewers aged 25 to 54 to 34.2 per cent (2020: 31.7 per cent), thanks to a strong audience performance of the main channel RTL 4. As a result, RTL Nederland increased its lead over the public broadcasters – which also broadcast the European football championship – to 5.3 percentage points (audience share 2021: 28.9 per cent) and its main commercial competitor, Talpa TV (audience share 2021: 19.8 per cent).

RTL Nederland's flagship channel, **RTL 4**, grew its average prime-time audience share in the target group of shoppers aged 25 to 54 to 21.6 per cent (2020: 18.7 per cent). The channel scored very high audience shares in this target group with the new show *De Verraders* (40.4 per cent), *Make Up Your Mind* (43.6 per cent), *The Masked Singer* (46.6 per cent), *The Voice of Holland* (30.4 per cent), *Expeditie Robinson* (34.4 per cent) and *Lego Masters* (37.5 per cent). The increase in audience share was also thanks to RTL 4's current affairs programmes in early prime time with *Editie NL* (26.3 per cent) and *RTL Boulevard* (28.1 per cent). The main evening news show, *RTL Nieuws*, grew its average audience share in 2021 to 31.5 per cent (2020: 27.2 per cent).

RTL Nederland's streaming service, **Videoland**, recorded subscriber growth of 20.9 per cent to 1.092 million paying subscribers at the end of 2021 (end of 2020: 0.903 million) while viewing time was up by 4.6 per cent year-on-year. Videoland's growth was largely thanks to the third season of the series *Mocro Maffia* and the reality format *Temptation Island*, both of which are exclusive to Videoland in the Netherlands.

RTL 5's prime-time audience share was 4.1 per cent in the target group of viewers aged 25 to 54 (2020: 3.9 per cent).

Men's channel **RTL 7** scored an average prime-time audience share of 5.8 per cent among male viewers aged 25 to 54 (2020: 5.3 per cent).

Women's channel **RTL 8** attracted an average prime-time audience share of 3.8 per cent among female viewers aged 35 to 59 (2020: 3.7 per cent).

RTL Z's audience share in the demographic of the upper social status aged 25 to 59 decreased to 1.1 per cent (2020: 1.3 per cent).

Other segments

This segment mainly comprises the fully consolidated businesses RTL Belgium, RTL Hungary, RTL Croatia, RTL Group's Luxembourgish activities, RTL Group's digital video company, We Are Era, and the global ad-tech company SpotX until 30 April 2021. It also includes its investment accounted for using the equity method, Atresmedia in Spain.

Revenue split – Other segments	2021 €m	2020 €m	Per cent change
Total revenue of other segments	604	873	(30.8)
Thereof			
– SpotX (until 30 April 2021)	56	164	(65.9)
– RTL Belgium	176	159	+10.7
– RTL Hungary	116	105	+10.5
– RTL Croatia	46	40	+15.0
– Other including elimination	210	405	(48.1)

The net TV advertising market in French-speaking Belgium was estimated to be up 11.9 per cent in 2021. Accordingly, **RTL Belgium's** revenue was up to €176 million (2020: €159 million). Adjusted EBITA more than doubled to €33 million (2020: €16 million), reflecting higher TV and radio advertising revenue.

RTL Belgium's family of TV channels attracted a combined audience share among shoppers aged 18 to 54 of 34.1 per cent (2020: 36.1 per cent), maintaining its position as the clear market leader in French-speaking Belgium. RTL Belgium's lead over the public channels decreased to 11.1 percentage points (2020: 15.5 percentage points), mainly since the public broadcaster aired the European football championship matches.

The flagship channel, **RTL-TVI**, had an audience share among shoppers aged 18 to 54 of 25.1 per cent (2020: 27.1 per cent) – 8.6 percentage points ahead of the Belgian public broadcaster La Une, and 12.6 percentage points ahead of the French broadcaster TF1. The broadcast of the Uefa Nations League game between Belgium and France was a great success, attracting an audience share of 71.3 per cent in the target group of shoppers aged between 18 and 54. Popular formats included *Face au Juge* with an average audience share of 46.0 per cent and *L'amour est dans le Pré*, which attracted an average audience share of 41.6 per cent in the commercial target group. The evening news show *RTL Info 19h* attracted an average audience share in the commercial target group of 40.3 per cent (2021: 43.3 per cent), continuing to reflect the strong interest in reliable news during the Covid-19 crisis and the flooding in Belgium in summer 2021.

RTL Belgium's streaming service, **RTL Play**, performed strongly in 2021, with an average of 281,900 active users per month (2020: 200,400) and 37.7 million video views (2020: 18.6 million).

Club RTL's audience share among male viewers aged 18 to 54 increased to 5.8 per cent (2020: 5.3 per cent), while **Plug RTL** reported a prime-time audience share of 4.3 per cent among 15 to 34-year-old viewers (2020: 4.4 per cent).

According to the CIM audience surveys for 2021 (January to September), **Bel RTL** and **Radio Contact** achieved audience shares of 12.7 and 12.9 per cent respectively, among listeners aged 12 years and over. In 2020 (January to December), audience shares reached 11.5 and 11.9 per cent respectively.

Other segments (continued)

The Hungarian net TV advertising market was estimated to be up by 18.0 per cent in 2021 with **RTL Hungary** outperforming the market. Total revenue of RTL Hungary was up 10.5 per cent to €116 million (2020: €105 million) mainly due to higher TV advertising revenue. Accordingly, the business unit's Adjusted EBITA increased to €13 million (2020: €8 million).

With a combined prime-time audience share of 25.1 per cent in the key demographic of 18 to 49-year-old viewers (2020: 26.6 per cent), the eight channels of RTL Hungary were 1.6 percentage points ahead of the main commercial competitor TV2 Group with 14 channels. Flagship channel **RTL Klub** reached a prime-time audience share of 13.9 per cent among viewers aged 18 to 49 (2020: 13.6 per cent) and remained the clear market leader, 2.8 percentage points ahead of TV2 (2020: 2.0 percentage points). The market-leading news programme, *RTL Híradó*, attracted 16.2 per cent of viewers aged 18 to 49 (2020: 18.1 per cent), and an average total audience share of 20.4 per cent (2020: 21.4 per cent) while Hungary's strongest TV infotainment brand, *Fókusz* (Focus), achieved an average audience share of 14.2 per cent in the commercial target group. In 2021, political formats such as opposition primary debates of potential Prime Minister candidates attained successful ratings: the first debate attracted 16.4 per cent and the second debate 17.2 per cent in the commercial target group. This format also created a high level of interest on RTL Most.

The streaming service **RTL Most** is the leading local brand for professionally produced online video content. The service generated an increase of 17.9 per cent of registered users in 2021 compared to 2020.

In Croatia, the net TV advertising market was estimated to be up 20.1 per cent with **RTL Croatia** performing better than the market. Total revenue of RTL Croatia was up to €46 million (2020: €40 million), while Adjusted EBITA was up to €2 million (2020: €-2 million).

RTL Croatia's channels achieved a combined prime-time audience share of 23.8 per cent in the target audience aged 18 to 49 (2020: 27.0 per cent). The flagship channel, **RTL Televizija**, recorded a prime-time audience share of 16.9 per cent of 18 to 49-year-olds (2020: 17.9 per cent).

Local content production remained a cornerstone of the channel's programming. The year started with the European Men's Handball Championship, which attracted an average audience share of 25.7 per cent across 21 live matches, while the match between Argentina and Croatia was watched by 55.7 per cent of 18 to 49-year-old viewers. Successful formats include *Ljubav je na selu* (The Farmer Wants a Wife), the second season of *Brak na prvu* (Married at First Sight) and *Večera za pet na selu* (Come Dine With Me – Village Edition). The late-night news format, *RTL Direkt*, scored an average audience share of 20.8 per cent in the target audience (2020: 21.4 per cent) while the main news format, *RTL Danas*, scored an average of 19.8 per cent (2020: 20.4 per cent).

RTL 2's prime-time audience share was 5.3 per cent (2020: 6.6 per cent). The children's channel, **RTL Kockica**, recorded an average audience share of 8.4 per cent (2020: 16.4 per cent) among children aged four to 14 between the hours of 7:00 and 20:00.

RTL Croatia's streaming service **RTL Play** – the largest free streaming platform in Croatia – registered 14.4 million video views (2020: 16.3 million) from 1.2 million registered users (2020: 1.0 million).

In 2021, **RTL Luxembourg** confirmed its position as the leading media brand in the Grand Duchy of Luxembourg. Combining its TV, radio and digital activities (all three of which appear in the top-five media ranking in Luxembourg), the RTL Luxembourg media family achieved a daily reach of 82.1 per cent (2020: 82.1 per cent) of all Luxembourgers aged 15 and over.

Remaining the number-one station listeners turn to for news and entertainment, **RTL Radio Lëtzebuerg** reached 164,600 listeners each weekday (2020: 151,800). **RTL Télé Lëtzebuerg** – the only general-interest TV channel broadcast in Luxembourgish – attracted 138,700 viewers each day (2020: 153,000) and achieved a prime-time audience share of 48.0 per cent in the target group of Luxembourgish viewers aged 15 and over (2020: 50.3 per cent). *rtl.lu*, Luxembourg's most visited website, has a daily reach of 52.4 per cent (2020: 46.7 per cent) of all Luxembourgers aged 15 and over.

In February 2021, RTL Luxembourg secured the rights to broadcast the world championships of FIA Formula 1 and MotoGP over a period of three seasons in Luxembourg. RTL Sport Live Arena – the digital platform for major team sports (football, basketball, volleyball, and handball) in Luxembourg – was launched in March 2021. RTL Luxembourg also started RTL Gold, the first Luxembourgish web radio station dedicated to the greatest hits of the 50s, 60s, 70s and 80s and RTL LX, a web radio station entirely dedicated to local talent. Launched in December 2020, **RTL Play** – the streaming service for audio and video content in Luxembourgish, French and English – recorded a total of 3.6 million plays during 2021.

In 2021, **Broadcasting Center Europe (BCE)** strengthened its position with remote production services, enhancing the video content of the French magazine *l'Equipe* with cloud-based solutions, as well as advanced global streaming services for sports federations. With the Start and Play broadcast solution, BCE maximised the playout footprint of the broadcasting family SECOM, among others. BCE also installed new studios for Radio Vinci in France and enabled the studio automation for RSI (Radiotelevisione Svizzera) and RTS (Radio Télévision Suisse) with its software, StudioTalk. BCE continued to operate its online video platform for Luxembourgish and European institutions, as well as major fashion brands.

After the combination of RTL Group's digital video companies Divimove, United Screens, UFA X and RTL MCN – and the acquisition of Tube One Networks – Divimove was repositioned and rebranded as **We Are Era**. In 2021, We Are Era strengthened its leading positions in talent management, digital content production and influencer marketing, launched projects on TikTok for *ZDF Sportstudio*, started market-entry influencer campaigns for About You in Italy and Spain, and initiated successful branded-content campaigns for brands such as Coca-Cola. We Are Era also launched a dedicated Social Intelligence Hub providing unique audience and topic insights for productions, clients and talent. We Are Era's revenue was up 10.7 per cent in 2021.

The Spanish net TV advertising market increased by an estimated 8.3 per cent in 2021. On a 100 per cent basis, consolidated revenue of **Atresmedia** was up 11.2 per cent to €963 million (2020: €866 million), operating profit (EBITDA) more than doubled to €173 million (2020: €74 million), and net profit was €118 million (2020: €24 million). The profit share of RTL Group was €22 million (2020: €4 million).

The Atresmedia family of channels achieved a combined audience share of 27.4 per cent in the commercial target group of viewers aged 25 to 59 (2020: 27.8 per cent). The main channel, **Antena 3**, recorded an audience share of 13.8 per cent (2020: 11.4 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 2021.

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. With the recent portfolio changes and the announced consolidation moves in France, the Netherlands, Belgium, Germany and Croatia, the time had come to reposition the core RTL brand with a new identity, a clear set of brand principles and a new design reflecting the diversity at RTL. With this, RTL will be strengthened as Europe's leading entertainment brand that stands for positive entertainment and independent journalism, as well as inspiration, energy and attitude. 'We act responsibly' is one of eight newly 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 redefined its CR organisation in 2020. As part of this re-evaluation the Group decided to stop publishing its own Non-Financial Statement. The information of the Combined Non-Financial Statement (which complies with the 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](https://www.bertelsmann.com).

The RTL CR Board unites executives from RTL Group and RTL Deutschland and will be enlarged in 2022 following the combination of RTL Deutschland and Gruner + Jahr. The Board meets monthly to coordinate projects in key areas such as diversity, editorial independence and climate protection, to develop new ideas and to ensure efficient use of the expertise in both the Corporate Centre and, RTL Deutschland.

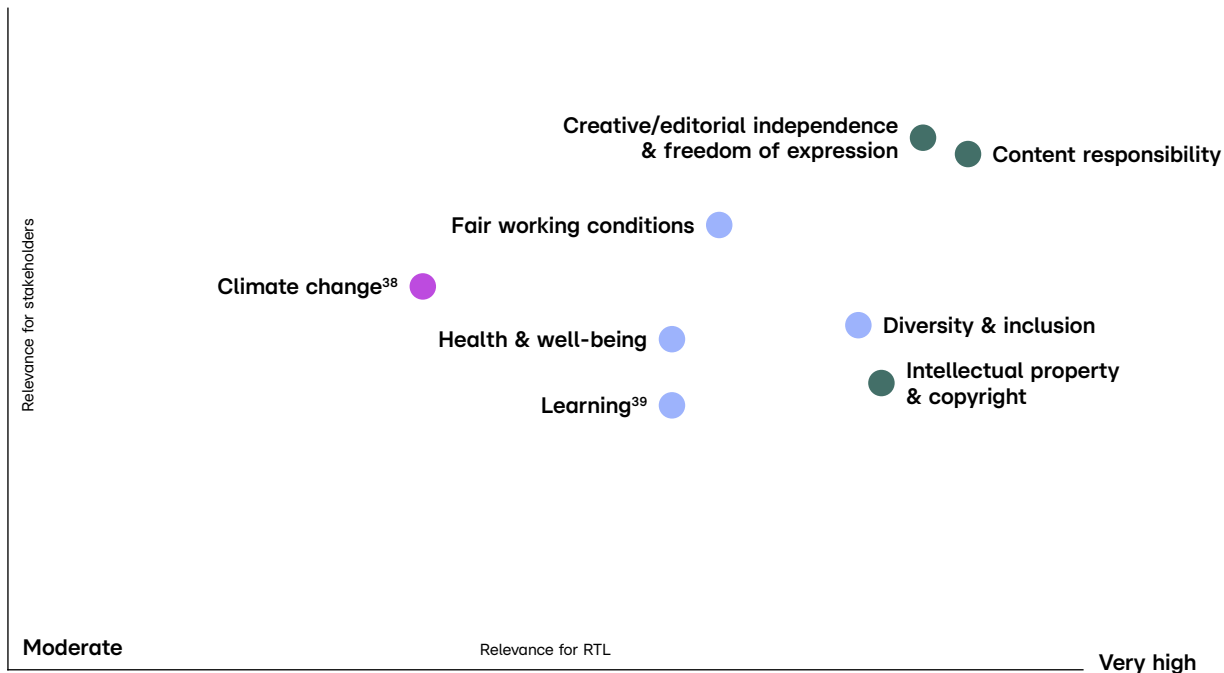
The CR Board also meets annually with participants from specialist departments within RTL Deutschland, such as Youth Protection, the association Stiftung RTL, Communications, Facility Management and RTL Group (HR, Investor Relations, Compliance). The RTL Group CR Network – created in March 2014 and consisting of CR representatives from the Group's profit centres – meets annually to share best-practices and knowledge. In addition, RTL Group established a Climate Task Force, consisting of members from all business units, who meet to discuss and collaborate to define actions to reduce CO₂ emissions, with the target of becoming climate-neutral by 2030.

The summary covers key information on the following subjects: editorial independence, employees, diversity, society, intellectual property and copyright, information security, anti-corruption and anti-bribery, human rights and the environment.

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, diversity and inclusion, health and well-being, 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.

Relevance matrix

Very high



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.

Employees

RTL Group has a diverse audience and a business based on creativity, and the Group therefore needs to be a diverse organisation. In 2021, the Group had an average of 10,861 full-time employees (total headcount: 17,650 including permanent and temporary staff) in more than 30 countries worldwide. They 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, and equips 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 and well-being. It reviews and, if necessary, adjusts its training offers on an ongoing basis.

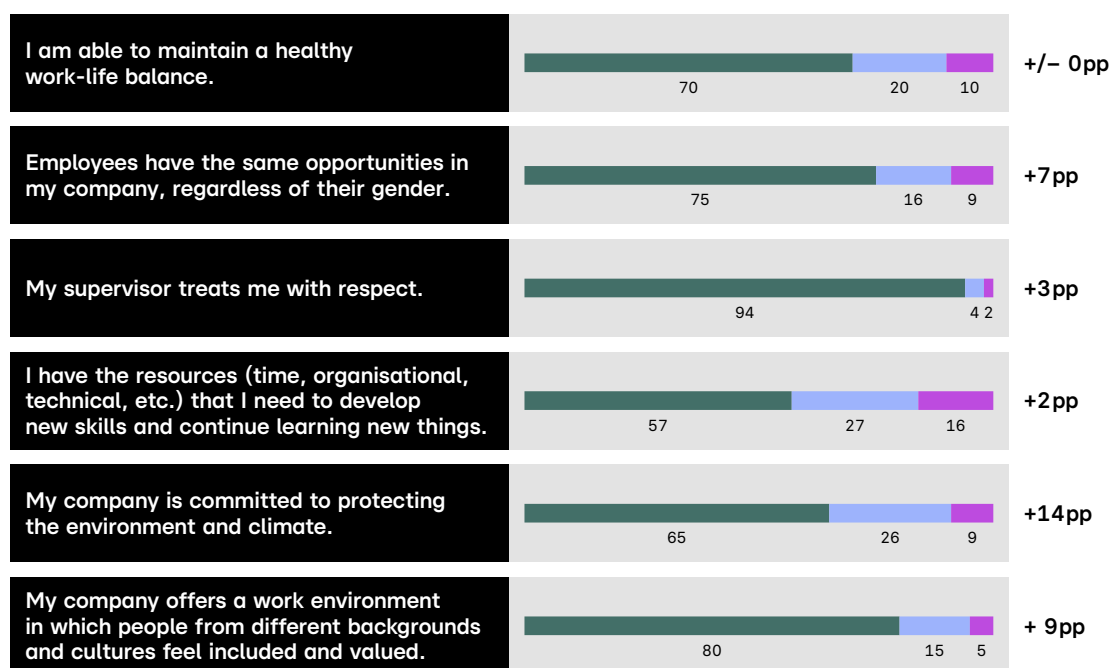
³⁸ The different environmental topics have been pooled
³⁹ Including digital media literacy

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.

The Covid-19 crisis and various lockdown measures have deeply changed the world of work. In 2021, RTL Group continued to offer flexible work from home options to all employees who could work from home and whose function did not require their presence at the office. It also introduced hybrid work solutions.

In 2021, RTL Group conducted its bi-annual employee survey with a response rate of 81 per cent. This corresponds to 7,795 respondents from 74 companies across 23 countries and in 11 languages (excluding temporary workers and Groupe M6). Compared to the 2019 survey, RTL Group achieved higher scores and only positive deviations, particularly for CR-related topics, communication from senior management, engagement, and supporting the company's strategy. Since 2021, the employee survey includes a new CR Index, to help track the progress of RTL Group-wide CR initiatives.

Employee survey 2021⁴⁰: CR Index at 73.5% – Target: 80%



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 that reinforces the company's commitment to promoting diversity and ensuring equal opportunity. 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 with regard to nationality, gender, age, ethnicity, religion and socio-economic background. The Group places a special emphasis on gender diversity. RTL Group's workforce overall is balanced by gender (with 50 per cent men and 50 per cent women as at 31 December 2021) while women account for 28 per cent at top management positions (31 December 2020: 24 per cent), and 24 per cent of senior management positions (31 December 2020: 24 per cent).

⁴⁰ Calculation based on the average of positive responses to six questions of the 2021 Employee Survey in the following categories: Health & well-being; Diversity, Equity & Inclusion; Fair working conditions; Learning; Climate change

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 of 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 2019, RTL Group's Executive Committee reviewed the Group's objectives and set the following quantitative target for 2021: to increase the ratio of women in top and senior management positions to at least one third. At the end of 2021, the ratio of women in top and senior management positions was 25 per cent, up 5 percentage points compared to 2016 when RTL Group reported those measures for the first time (2016: 20 per cent). The Group did not achieve the gender diversity goal it set for 2021. Among the reasons for this were changes to the Group's portfolio of companies. In January 2021, RTL Group's Executive Committee reviewed the Group's objectives and set the following quantitative targets: to increase the share of women in top and senior management positions to at least one third by the end of 2022 and 40 per cent by the end of 2025. The Group reports on its progress towards these diversity targets each year.

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. Content needs to be as representative as possible of the diversity of society, so that many different segments of society can identify with it.

In 2021, Fremantle continued to make progress towards building an equitable and inclusive culture across its business and content, and appointed a Group Head of Diversity, Equity and Inclusion to accelerate these issues.

In the US, Fremantle is working with the Hollywood Bridge Fund, a scheme that trains and connects below-the-line, under-represented workers to job opportunities in Hollywood and helps broaden the diversity of the hiring pool. In the UK, Fremantle partnered with the TV collective to help create a mentoring initiative called *Breakthrough Leaders* to develop a mentoring programme designed to support 50 black, Asian and minority-ethnic future leaders. In Germany, UFA made a commitment to becoming more diverse both in front of and behind the camera. UFA's full-year programming portfolio aims to reflect the diversity found in society by the end of 2024.

Inclusive casting and storylines across Fremantle shows continued to provide a platform for different voices and perspectives that reflect and celebrate the world we live in, influence authentic storytelling, and promote empathy and understanding. In Italy, *X Factor* went gender neutral for its 15th season. The four teams of performers formed with no distinctions based on gender, age or even whether they were a solo artist or band. In the UK, Fremantle's format *Five Guys A Week* expanded with a brand new six-part series, *Five Dates A Week* (working title), which will involve single people of any gender and sexual orientation trying out the UK's most unique matchmaking set-up.

Society

As a leading media organisation and broadcaster, RTL Group has social responsibilities to the communities and audiences it serves. These responsibilities are particularly serious 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 viewing. 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 euros to charities and non-profit organisations to help them raise awareness of their cause, as well as donating significant amounts of money to numerous charitable initiatives and foundations. Finally, RTL Group's flagship fundraising events (*Télévie* in Belgium and Luxembourg, and *RTL-Spendenmarathon* in Germany) raised €34,175,495 for charity in 2021 (2020: €27,129,150).

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 was updated and adapted to the latest developments in 2021 and now includes a new, user-friendly speak-up system, and an Information Security Policy that sets 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.

Anti-corruption and anti-bribery

The foundation for lasting 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 55.

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 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.

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. 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 in dialogue with various 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 first 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.

At the start of 2020, RTL Group decided to become carbon neutral by 2030. It will reach this goal in two steps. By 2025, the Group will be carbon neutral with regards to company-related CO₂ emissions. Here, the focus will be on switching to green electricity, reducing business travel and offsetting the remaining emissions. By 2030, the Group will reach full carbon neutrality with regards to the emissions from the production of its programmes and products.

As part of its aims to reduce carbon emissions, Fremantle collaborated with Bafta's Albert to launch a carbon calculator and certification toolkit for the TV industry in January 2021. The toolkit is an authority on environmental sustainability, allowing carbon emissions caused by content productions to be calculated and, above all, provides a controlled way of reducing them.

In April 2021, the German advertising sales house, Ad Alliance, joined the Green GRP initiative, which aims to offset the carbon dioxide emissions produced by campaigns with certified climate protection projects.

In November 2021, BCE inaugurated the largest ground-based solar panel park in Luxembourg, in partnership with energy supplier Enovos. The panels will produce around 10.5 gigawatt hours of electricity per year – enough to power more than 2,800 households.

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

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 addressing target groups.

In 2021, RTL Group launched a new identity and design for its core brand, RTL. The comprehensive redesign and repositioning of RTL was started to strengthen RTL as Europe's leading entertainment brand. Within this project, the German streaming service was rebranded to RTL+ (formerly TV Now). RTL Group also announced the expansion of RTL+ into a cross-media entertainment service, comprising video, music, podcasts, audio books and e-magazines, which will be a unique selling proposition in the German-speaking market, starting in

2022. The cross-media extension is the first example of the synergies to be realised following the combination of RTL Deutschland and Gruner + Jahr. The service's innovative recommendation algorithm based on smart text, audio and video analysis will ensure users are offered personalised content suggestions across all types of media.

Another innovative focus point is addressable TV advertising, which combines the broad reach of linear TV with targeted digital advertising. In October 2021, RTL Group and Amobee – a global leader of advertising technologies – announced the formation of TechAlliance. This comprehensive cooperation will be a joint sales and services company for the ad-tech solutions of Amobee and Smartclip, which is part of RTL Deutschland. TechAlliance will be the first European-wide offering for programmatic access to addressable TV advertising.

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 2021).

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 district court of Düsseldorf decided to order an expert report. The expert concluded in February 2018 that the likelihood of damages cannot be proven with certainty. In July 2018, RTL 2 Fernsehen GmbH & 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. The court has yet to decide on the appointment of a new expert. The court case will continue. Similar proceedings from other small broadcasters, initiated in different courts, were unsuccessful or have been withdrawn.

In June 2016, the main competitors of Fun Radio alleged that a host of the morning show had influenced Fun Radio's results by encouraging his listeners to give 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, 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 29 January 2021, the Court has determined dates for the submission of writs by the parties. A decision is expected in spring 2022.

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 Investor Relations 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 2021, 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. Due to the Covid-19 pandemic, and in accordance with the Grand Ducal Regulation, RTL Group held its Annual General Meeting of Shareholders on 28 April 2021 remotely, via a live webcast. 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

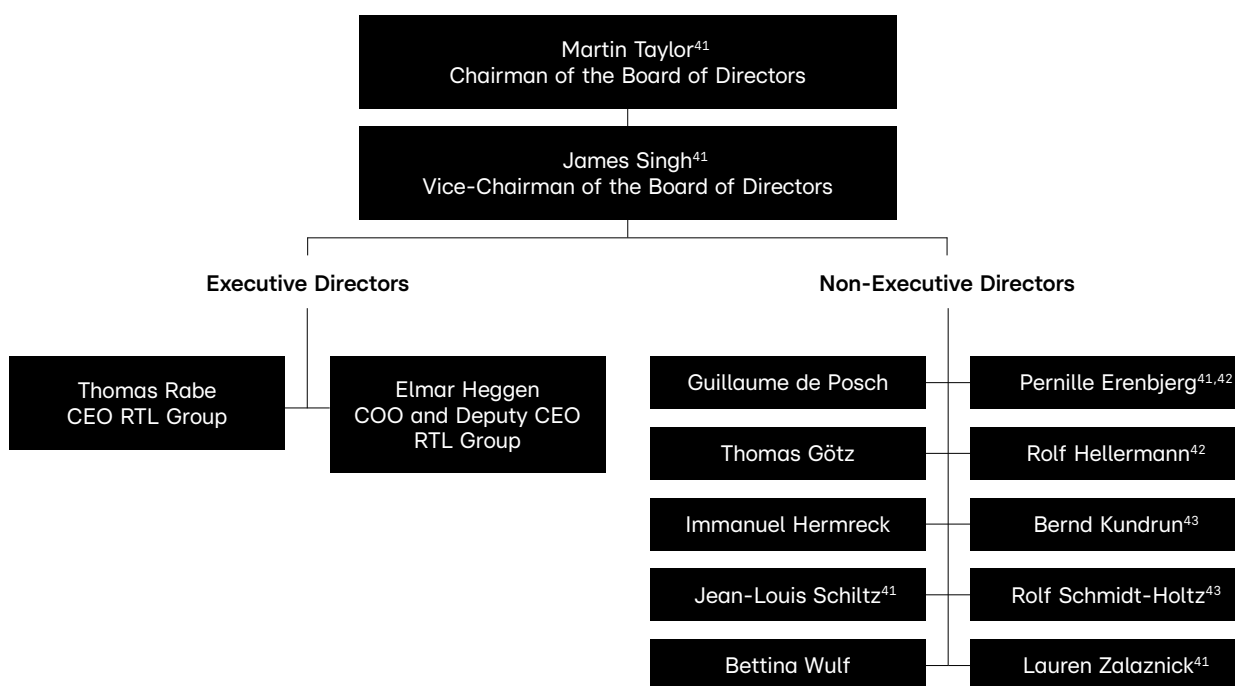
The Board of Directors has the most extensive powers to take, in the interests of the company, all acts of administration and of disposal, that are not reserved by law or the Article of Incorporation to the General Meeting of Shareholders.

On 31 December 2021 the Board of RTL Group had 12 members: two executive directors and ten non-executive directors. At the Annual General Meeting (AGM) on 28 April 2021 Pernille Erenbjerg was appointed for

a term of three years and James Singh was re-elected for one year. The other executive and non-executive directors were re-elected for three years.

Among the non-executive directors, Pernille Erenbjerg, Jean-Louis Schiltz, James Singh, 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, James Singh, 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 eight times by telephone conference in 2021 – with an average attendance rate of 96.6 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities, and the activities of its committees, will be launched in 2022.

⁴¹ Independent Director

⁴² As from 28 April 2021

⁴³ Until 28 April 2021

Individual attendance of the members of the RTL Group Board of Directors	Participation in meetings	Attendance
Martin Taylor (Chairman)	8/8	100%
Guillaume de Posch	8/8	100%
Pernille Erenbjerg	6/7	85.7%
Thomas Götz	8/8	100%
Elmar Heggen	8/8	100%
Rolf Hellermann	8/8	100%
Immanuel Hermreck	8/8	100%
Bernd Kundrun	1/1	100%
Thomas Rabe	8/8	100%
Jean-Louis Schiltz	8/8	100%
Rolf Schmidt-Holtz	0/1	0%
James Singh	7/8	87.5%
Bettina Wulf	8/8	100%
Lauren Zalaznick	8/8	100%

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. Lauren Zalaznick replaced Rolf Schmidt-Holtz from 28 April 2021. 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 Chairman 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 five times in 2021, by telephone/video conference, with an average attendance rate of 100 per cent.

Individual attendance of the members of the Nomination and Compensation Committee	Participation in meetings	Attendance
Martin Taylor (Chairman)	5/5	100%
Thomas Götz	5/5	100%
Immanuel Hermreck	5/5	100%
Rolf Schmidt-Holtz (until April 2021)	2/2	100%
Lauren Zalaznick (as of April 2021)	3/3	100%

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 2021, a total of €1.4 million (2020: €1.4 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 2021).

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.

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. Rolf Hellermann replaced Bernd Hirsch from 1 January 2021, and Pernille Erenbjerg joined the Audit Committee on 28 April 2021.

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 2021, by telephone conference, with an average attendance rate of 96.55 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
James Singh (Chairman)	5/5	100%
Rolf Hellermann	5/5	100%
Martin Taylor	5/5	100%
Jean-Louis Schiltz	5/5	100%
Thomas Götz	5/5	100%
Pernille Erenbjerg (as of April 2021)	3/4	75%

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 2021, a total of €8.6 million (2020: €5.0 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 2021).

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 28 April 2021, the shareholders appointed KPMG Luxembourg, Société anonyme as statutory auditor for a term of one year, expiring at the end of the Ordinary General Meeting of Shareholders ruling on the 2021 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 Group updated its Code of Conduct and adapted it to developments in 2021, including a new, user-friendly

speak-up system available in multiple languages, both online and via phone. 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 at rtl.com/compliance.

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-Euro currencies 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 monitored 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 section** on pages 58 to 62).

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 SOC1 ISAE3402 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

Type of risk	Description and areas of impact	Mitigation activities
External and market risk		
Change in market environment	<p>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 affect RTL Group's position.</p> <p>In the past ten years, many international media groups have been folded into vertically integrated conglomerates that control both the production and distribution of content. This period of consolidation created a handful of content giants with significant back catalogues.</p> <p>The classic TV advertising market may be affected by higher competition for audience attention on linear TV and by lower total viewing figures such as reach. As a result, advertising budgets may partly shift to alternative digital channels.</p> <p>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.</p>	<p>In Europe, RTL Group has initiated an in-country consolidation strategy to scale up its broadcasting businesses and to form national cross-media champions to compete with the global tech platforms.</p> <p>This can take many forms: for example the planned merger of Groupe M6 and Groupe TF1, after which RTL Group would be in a minority position; the planned merger of RTL Nederland and Talpa Networks, after which RTL Group remains in the majority position; and RTL Deutschland's acquisition of Gruner + Jahr. These consolidation moves would create significant synergies, which RTL Group could use for more investment in local content, streaming and ad tech.</p> <p>Within this strategy, 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 Ad Alliances in Germany and the Netherlands and the new European sales house that will combine RTL AdConnect, G+J iMS and the media division of Smartclip.</p> <p>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.</p> <p>Within its global content business, Fremantle, RTL Group established a buy-and-build strategy to expand its global content business and to gain market share.</p>
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.	Continuous monitoring of market conditions, scenario planning and strict cost control allow RTL Group to react to economic downturns. RTL Group tries to 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, opening of markets, deregulation of markets, cancellation of restrictions, limitation of advertising minutes, data protection).	RTL Group aims to anticipate any changes in legislation and to act accordingly by developing and exploiting new revenue sources.

Type of risk	Description and areas of impact	Mitigation activities
Risks in key business		
Poor 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 and conservative 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 market share performance	A decrease in audience and/or market share may have a negative impact on RTL Group's revenue.	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 – to create national cross-media champions.
Customers	Bad debts or loss of customers may negatively affect RTL Group's profits.	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.
Suppliers	The supply of certain types of content is limited and may lead to cost increases.	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. RTL Group selects high-quality and solid suppliers for key services or equipment, to reduce the risk of bankruptcy of its business partners.
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-up 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 that are possible due to alliances and the company's unique network position.
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 operation systems, if necessary, in line with the Group's IT policies.
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.

By their nature, media businesses are exposed to risk. Television, radio channels and streaming services can lose audiences as new competitive threats emerge, with consequent loss of revenue. Broadcasters and producers are exposed to legal risks, such as litigation by aggrieved individuals or organisations, and advertising businesses are more exposed than most to economic cycles. RTL Group's international presence exposes it to further risks, such as adverse currency movements.

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 has been designed to align fully with international risk management standards (such as the COSO framework).

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), and reporting is reviewed by Internal Audit.

RTL Group's risk management process is designed to meet the following three 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.

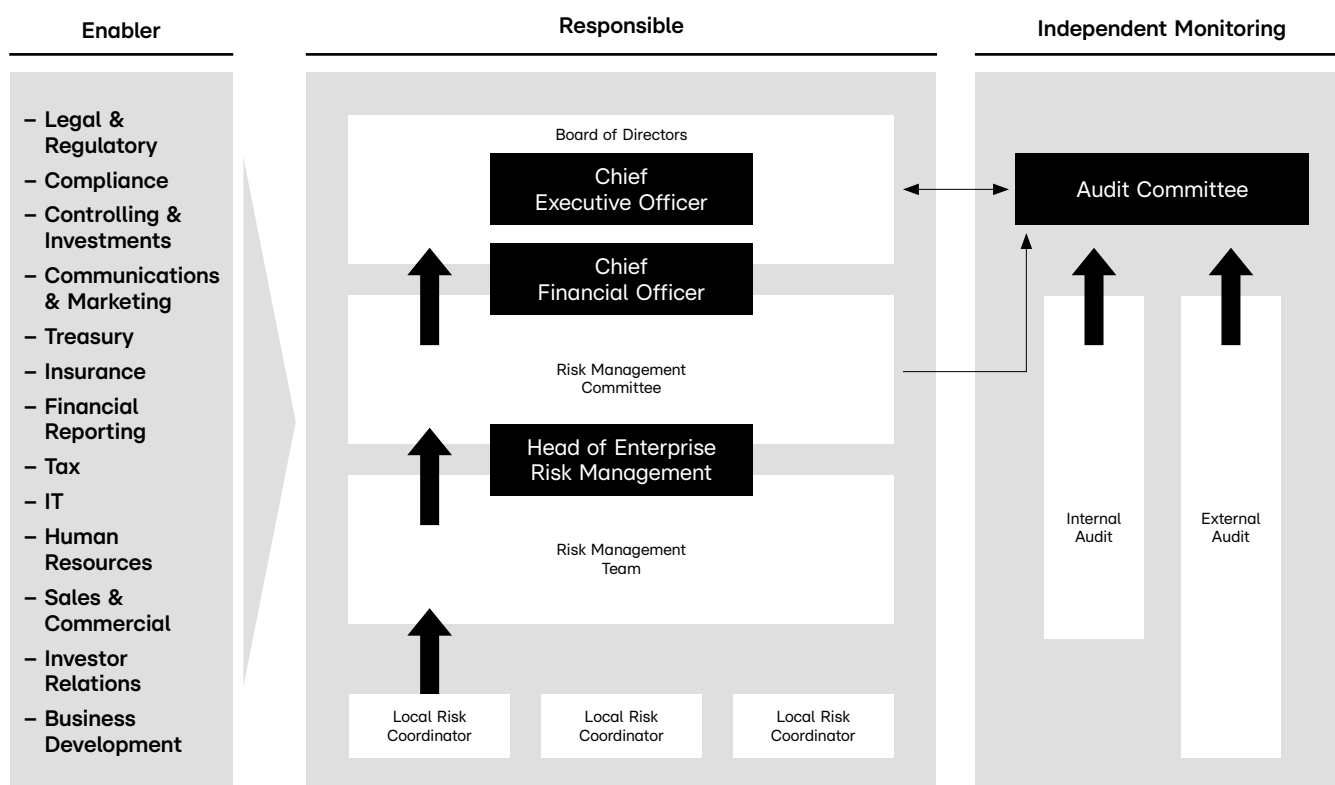
The risk management organisation is the combination of structures and relationships (see the diagram below) which enables a proper risk governance environment. RTL Group's risk management governance model has a strong vertical component – from the Board of Directors and Executive Committee to the Audit 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, 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 internal control system 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.



The Risk Management Committee 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.

Definition of risk

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.

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

Risk reporting framework

RTL Group has developed a framework for reporting risks, in line with good corporate practice.

This framework is based on several key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments include a description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Head of Enterprise Risk Management and ultimately summarised in a dedicated risk management report. Results are presented to the Audit Committee.
- Regular and consistent reporting: RTL Group's system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk-reporting framework and reported to RTL Group management twice a year. This ensures that necessary actions are undertaken to manage, mitigate or offset risks within the Group. The risks are reported using a common reporting tool to ensure consistency in scope and approach.
- Bottom-up approach: RTL Group assesses risks where they arise in its operations. All business units assess themselves according to the three parts of the risk management report:
 - Risk management system: risk assessment and quantification of residual risks if applicable
 - Internal Control System: self-assessment on internal controls in place
 - Information Security Management System: risk assessment and quantification of IT-related risks

- Consolidated Group matrix: Group Risk Management and the Internal Control team aggregate a comprehensive view of significant risks for the Group by consolidating local risk assessments. A Risk Management Committee prepares and reviews this consolidated Group risk matrix. The committee also:
 - 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
- Audit approach: both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by Internal Audit.

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 the economic development remains highly uncertain with the continuation of the Covid-19 pandemic and the geopolitical risks resulting from the war in Ukraine. 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 the planned mergers of Groupe M6 and Groupe TF1, RTL Nederland and Talpa Networks as well as the synergy potential of the combination of RTL Deutschland and Gruner + Jahr. The Covid-19 crisis continues to allow RTL Group to rethink its operational processes and to set the path for more open and agile collaboration across countries, departments and functions.

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 2021 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 2021 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 General Meeting held on 26 April 2019 renewed the authorisation granted at the Company General Meeting of 16 April 2014 to the Board of Directors, to acquire a total number of shares of the company not exceeding 150,000. This renewal of authorisation is valid for five years and the purchase price is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group 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 S.A. is a public limited liability company under Luxembourg law. The German Corporate Governance Code (GCGC) does therefore not apply to RTL Group S.A. and RTL Group S.A. 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 S.A. declares that it does not deviate from recommendations C.10 (with sole reference to its applicability to the Chair 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, 16 March 2022
The Board of Directors
RTL Group S.A.

Subsequent events

In January 2022, RTL Deutschland GmbH acquired 100 per cent of the share capital of **Gruner + Jahr Deutschland GmbH**. The acquisition was preceded by the decision of RTL Group in August 2021 to acquire the Gruner + Jahr's German publishing assets and brands from Bertelsmann to create a German cross-media champion across TV, streaming, print radio and digital. The preliminary purchase price amounted to €213 million on a cash-free and debt-free basis and is subject to a usual working capital adjustment clause.

In January 2022, RTL Group sold its entire investment in **VideoAmp**, a US software and data company for media measurement, for US-\$104 million (€92 million) in cash. The transaction was carried out as a share buyback by VideoAmp.

In February 2022, RTL Group announced that it has signed a definitive agreement for the sale of **RTL Croatia** to Central European Media Enterprises (CME). The transaction is subject to regulatory approvals and is expected to close in the second quarter of 2022. The expected total consideration amounts to €50 million. In addition, RTL Group has agreed to a long-term trademark licensing agreement with the buyer. RTL Group's shareholders will benefit from the cash proceeds in line with the stated dividend policy.

In March 2022, Fremantle acquired 70 per cent of the shareholding in the leading Italian scripted production company, **Lux Vide**.

Outlook

The following outlook assumes that the economic recovery continues – mainly driven by private consumption – and that there is no significant impact from Covid-19 and the war in Ukraine. It is too early to quantify the potential impact of the war in Ukraine on consumer sentiment, inflation and economic growth – and thus on RTL Group's results in 2022.

The outlook does not reflect the announced consolidation moves in France, the Netherlands and Croatia as they are still subject to regulatory approvals, but reflects the acquisition of Lux Vide by Fremantle (as of 3 March 2022) and the sale of RTL Belgium (as of end of March 2022)⁴⁴.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to approximately €7.4 billion. This includes organic growth of approximately 5 to 6 per cent.
- RTL Group expects its **Adjusted EBITA** for 2022 to be stable at approximately €1.15 billion, despite significantly higher streaming start-up losses of approximately €250 million (2021: €166 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to increase to approximately €1.4 billion (2021: €1,318 million).
- 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.

	2021	2022e
Revenue	€6,637m	~€7.4bn
Adjusted EBITA	€1,152m	~€1.15bn
Streaming start-up losses	€166m	~€0.25bn
'Adjusted EBITA before streaming start-up losses'	€1,318m	~€1.4bn

RTL Group: strategic targets for the streaming services RTL+ and Videoland

	2021	2026e
Paying subscribers	3.804m	10m
Streaming revenue	€223m	€1bn
Content spend per annum	€209m	~€600m

Profitability is expected by 2026⁴⁵.

Fremantle: revenue target

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

To reach this goal and keep up with the increasing demand for content, RTL Group will invest significantly in Fremantle – both organically and via acquisitions – in all territories across drama and film, entertainment and factual shows and documentaries.

⁴⁴ In addition, the outlook includes, among other scope effects, the deconsolidation of SpotX (as of 30 April 2021) and Ludia (as of 8 September 2021) as well as the full consolidation of Eureka (as of 17 May 2021), Super RTL (as of 1 July 2021), This is Nice Group (as of 30 September 2021) and Gruner + Jahr (as of 1 January 2022).

⁴⁵ Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ and Videoland/RTL XL includes synergies with TV channels on business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 25 to 26

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 2021 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, 16 March 2022



Thomas Rabe
Chief Executive Officer



Elmar Heggen
Chief Operating Officer
Deputy Chief Executive
Officer



Björn Bauer
Chief Financial Officer

Consolidated income statement

	Notes	2021 €m	2020 ⁴⁶ €m
Revenue	5.1.	6,637	6,017
Other operating income	5.2.	88	37
Consumption of current programme rights		(2,512)	(2,070)
Depreciation, amortisation and impairment		(209)	(238)
Other operating expenses	5.3.	(3,055)	(2,960)
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(19)	(25)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	4.3.	949	172
Profit from operating activities		1,879	933
Share of results of investments accounted for using the equity method	6.5.	27	32
Impairment and reversals of investments accounted for using the equity method	6.5.	2	(62)
Earnings before interest and taxes (EBIT)		1,908	903
Interest income	5.4.	5	4
Interest expense	5.4.	(18)	(22)
Other financial income	5.5.	19	12
Other financial expense	5.5.	(33)	(22)
Financial result		(27)	(28)
Profit before tax		1,881	875
Income tax expense	5.6.	(427)	(250)
Group profit		1,454	625
Attributable to:			
RTL Group shareholders		1,301	492
Non-controlling interests		153	133
Earnings per share (in €)			
– Basic	5.7.	8.41	3.20
– Diluted	5.7.	8.41	3.20

⁴⁶ The figures from the previous year have been adjusted (see note 1.30.)

Consolidated statement of comprehensive income

	Notes	2021 €m	2020 €m
Group profit		1,454	625
Other comprehensive income (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	6.15.	18	8
Income tax	6.7.	(2)	–
		16	8
Equity investments at FVOCI – change in fair value	6.6.	1	2
Income tax	6.7.	–	(1)
		1	1
		17	9
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		33	(52)
Effective portion of changes in fair value of cash flow hedges	6.16.4.	14	(20)
Income tax	6.7.	(5)	6
		9	(14)
Recycling of cash flow hedge reserve	6.16.4.	–	–
Income tax	6.7.	–	–
		–	–
		42	(66)
Other comprehensive income/(loss), net of income tax		59	(57)
Total comprehensive income		1,513	568
Attributable to:			
RTL Group shareholders		1,358	434
Non-controlling interests		155	134

Consolidated statement of financial position

	Notes	31 December 2021 €m	31 December 2020 €m
Non-current assets			
Programme and other rights	6.1.	74	54
Goodwill	6.1., 6.2.	3,043	2,871
Other intangible assets	6.1.	437	313
Property, plant and equipment	6.3.	264	291
Right-of-use assets	6.4.	283	329
Investments accounted for using the equity method	6.5.	366	384
Loans and other financial assets	6.6.	117	139
Deferred tax assets	6.7.	322	333
		4,906	4,714
Current assets			
Programme rights	6.8.	1,298	1,211
Other inventories		15	8
Income tax receivable		24	24
Accounts receivable and other financial assets	6.9.	3,502	2,248
Cash and cash equivalents	6.10.	547	436
		5,386	3,927
Assets held for sale	6.11.	196	429
Current liabilities			
Loans and bank overdrafts	6.12.	49	124
Lease liabilities	6.12.	59	60
Income tax payable		41	24
Accounts payable	6.13.	2,762	2,201
Contract liabilities	5.1.	449	328
Provisions	6.14.	131	144
		3,491	2,881
Liabilities related to assets held for sale	6.11.	113	234
Net current assets		1,978	1,241
Non-current liabilities			
Loans	6.12.	635	641
Lease liabilities	6.12.	273	324
Accounts payable	6.13.	372	347
Contract liabilities	5.1.	2	4
Provisions	6.14.	276	238
Deferred tax liabilities	6.7.	54	48
		1,612	1,602
Net assets		5,272	4,353
Equity attributable to RTL Group shareholders		4,538	3,706
Equity attributable to non-controlling interests	6.16.8.	734	647
Equity	6.16.	5,272	4,353

Consolidated statement of changes in equity

	Share capital €m	Treasury shares €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 2020	192	(41)	(129)	7	66	3,197	3,292	533	3,825
Total comprehensive income:									
Group profit	–	–	–	–	–	492	492	133	625
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	7	7	1	8
Equity investments at FVOCI – change in fair value, net of tax	–	–	–	–	1	–	1	–	1
Foreign currency translation differences	–	–	(52)	–	–	–	(52)	–	(52)
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	(14)	–	–	(14)	–	(14)
Recycling of cash flow hedge reserve, net of tax	–	–	–	–	–	–	–	–	–
	–	–	(52)	(14)	1	499	434	134	568
Capital transactions with owners:									
Dividends	–	–	–	–	–	–	–	(5)	(5)
Equity-settled transactions, net of tax	–	–	–	–	–	2	2	3	5
Transactions on non-controlling interests without a change in control	–	41	–	–	–	(64)	(23)	(35)	(58)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	16	16
Other changes	–	–	–	–	–	1	1	1	2
	–	41	–	–	–	(61)	(20)	(20)	(40)
Balance at 31 December 2020	192	–	(181)	(7)	67	3,635	3,706	647	4,353
Balance at 1 January 2021	192	–	(181)	(7)	67	3,635	3,706	647	4,353
Total comprehensive income:									
Group profit	–	–	–	–	–	1,301	1,301	153	1,454
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	15	15	1	16
Equity investments at FVOCI – change in fair value, net of tax	–	–	–	–	1	–	1	–	1
Foreign currency translation differences	–	–	32	–	–	–	32	1	33
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	9	–	–	9	–	9
Recycling of cash flow hedge reserve, net of tax	–	–	–	–	–	–	–	–	–
	–	–	32	9	1	1,316	1,358	155	1,513
Capital transactions with owners:									
Dividends	–	–	–	–	–	(464)	(464)	(100)	(564)
Equity-settled transactions, net of tax	–	–	–	–	–	3	3	3	6
Transactions on non-controlling interests without a change in control	–	–	–	–	–	(60)	(60)	10	(50)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	–	19	19
Other changes	–	–	–	3	–	(8)	(5)	–	(5)
	–	–	–	3	–	(529)	(526)	(68)	(594)
Balance at 31 December 2021	192	–	(149)	5	68	4,422	4,538	734	5,272

Consolidated cash flow statement

	Notes	2021 €m	2021 €m
Cash flows from operating activities			
Profit before tax		1,881	875
Adjustments for:			
– Depreciation, amortisation and impairment		228	263
– Share-based payments expenses		6	5
– Re-measurement of earn-out arrangements		–	1
– Fair value measurement of investments		115	–
– Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		(949)	(172)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		40	93
Change of provisions	6.14.	46	38
Working capital changes		2	78
Income tax paid		(437)	(248)
Net cash from operating activities		932	933
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		(88)	(60)
– Subsidiaries, net of cash acquired	4.2.	(353)	(10)
– Other intangible and tangible assets		(107)	(118)
– Other investments and financial assets		(48)	(22)
Proceeds from the sale of intangible and tangible assets	6.1. 6.3.	2	2
Disposal of other subsidiaries, net of cash disposed of	4.3.	665	113
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets		29	9
Interest received		4	3
Current deposits with shareholder and its subsidiaries	10.1.	(218)	(536)
Net cash used in investing activities		(114)	(619)
Cash flows from financing activities			
Interest paid		(26)	(28)
Transactions on non-controlling interests	6.16.8.	(37)	(63)
Proceeds from loans	6.12.	56	251
Repayment of loans	6.12.	(113)	(271)
Payment of lease liabilities	6.12.	(63)	(59)
Dividends paid		(569)	(4)
Other changes from financing activities		(7)	–
Net cash used in financing activities		(759)	(174)
Net increase/(decrease) in cash and cash equivalents		59	140
Exchange rate effects and other changes in cash and cash equivalents		4	(16)
Cash and cash equivalents and bank overdrafts at the beginning of the year	6.10.	507	383
Cash and cash equivalents and bank overdrafts at the end of the year		570	507
Less cash and cash equivalents included within assets held for sale	6.11.	(23)	(72)
Cash and cash equivalents and bank overdrafts at the end of the year (without assets held for sale)	6.10.	547	435

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Financial calendar

27 April 2022	Annual Report 2021
27 April 2022	Annual General Meeting 2022
6 May 2022	Quarterly Statement: January to March 2022
5 August 2022	Interim Results 2022
4 November 2022	Quarterly Statement: January to September 2022

Credits

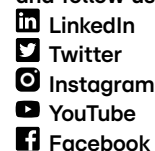
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