



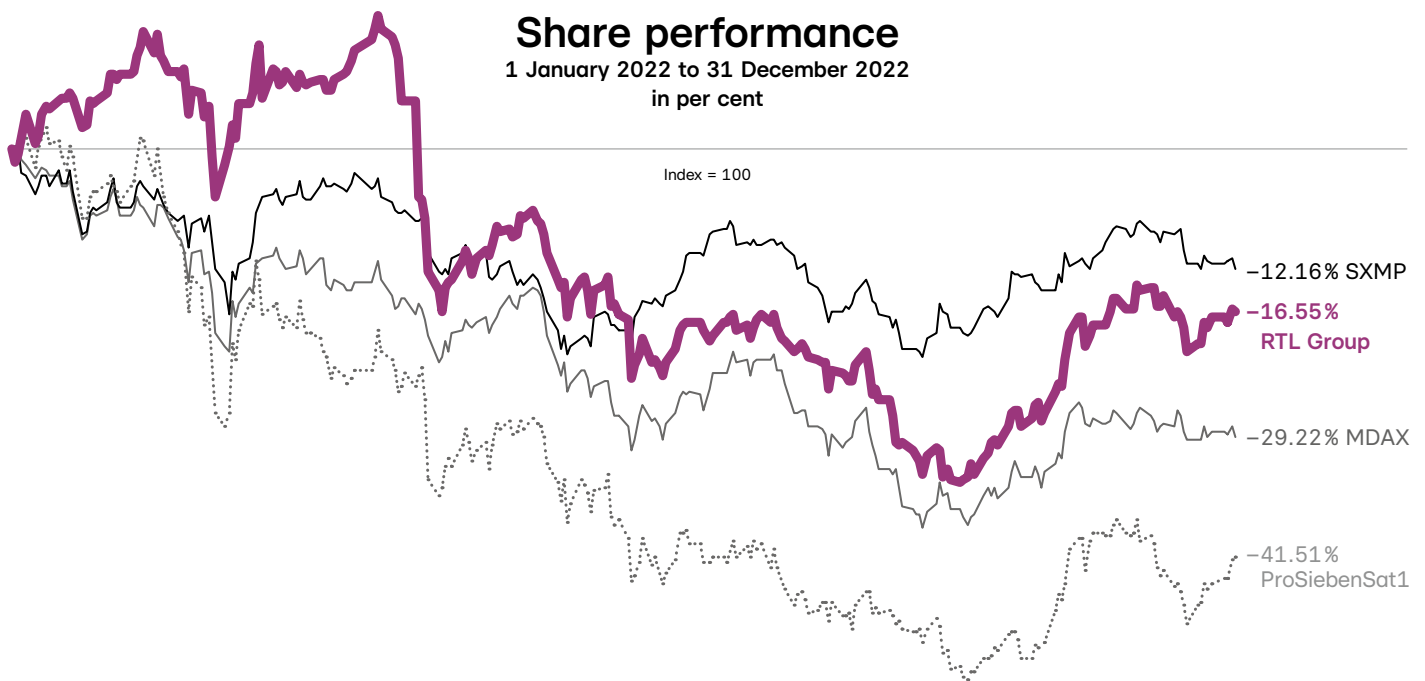
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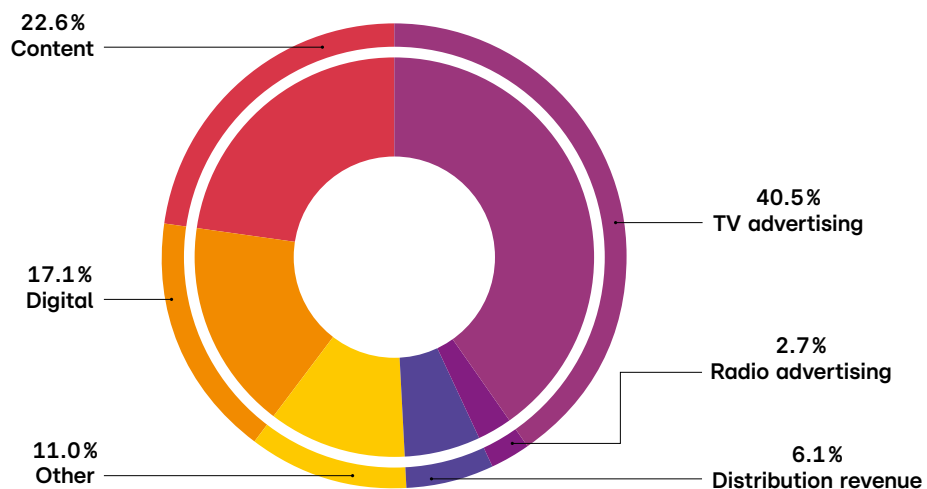
RTL Group
Full year results 2022

Key figures



RTL Group share price development for January to December 2022
based on the Frankfurt Stock Exchange (Xetra) against MDAX,
Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group revenue split



RTL Group's revenue is well diversified, with
40.5 per cent from TV advertising, 22.6 per cent from content,
17.1 per cent from digital activities, 6.1 per cent from distribution revenue,
2.7 per cent from radio advertising, and 11.0 per cent from other revenue.

Revenue	2018–2022 (€million)
22	7,224
21	6,637
20	6,017
19	6,651
18	6,505

Adjusted EBITA*	2018–2022 (€million)
22	1,083
21	1,152
20	853
19	1,156
18	1,171

* See Key performance indicators on pages 25 to 26

Group profit	2018–2022 (€million)
22	766
21	1,454
20	625
19	864
18	785

Equity	2018–2022 (€million)
22	5,213
21	5,304*
20	4,353
19	3,825
18	3,553

* This figure has been adjusted (see note 1.30)

Market capitalisation*	2018–2022 (€billion)
22	6.1
21	7.2
20	6.2
19	6.8
18	7.2

* As of 31 December

Total dividend/ dividend yield per share		2018–2022	(€)	(%)
22	<div></div>		4.00	9.5
21	<div></div>		5.00	10.3
20	<div></div>		3.00	8.9
19			Nil*	–
18	<div></div>		4.00**	6.3

* 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

Operating cash conversion rate*	2018–2022 (%)
22	54
21	114
20	123
19	105
18	90

* Calculated as operating pre-tax free cash flow as a percentage of Adjusted EBITA. See Key performance indicators on page 27 for further information on Adjusted EBITA

Streaming revenue*	2019–2022 (€million)
22	267
21	223
20	170
19	141

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

"2022 was a strong year for RTL Group, although we faced an unprecedented number of external challenges."

Thomas Rabe



"2022 was a strong year for RTL Group, although we faced an unprecedented number of external challenges. Revenue reached €7.2 billion, representing the highest revenue in the company's history. With our families of TV channels in Germany, France and the Netherlands continuing to generate high operating profits, and our global content business Fremantle reporting record results, our Adjusted EBITA before streaming start-up losses remained stable, on the same record level as last year.

RTL Group's growth businesses streaming and content progressed significantly in 2022, with 5.5 million paying subscribers for RTL+ and Videoland, and over 100 drama productions from Fremantle. We are on course to reach our ambitious streaming targets, and Fremantle is on track to becoming a €3 billion company by 2025.

RTL Group demonstrates high earnings, cost discipline and significant investments in content, streaming, tech and data. This enables us to pay a high dividend of €4.00 per share to our shareholders, including €0.50 relating to the disposals of RTL Belgium and RTL Croatia."

Statement from Thomas Rabe,
Chief Executive Officer of RTL Group

RTL Group reports strong revenue growth and 5.5 million paying streaming subscribers

- Full-year Group revenue up 8.8 per cent to a record level of €7.2 billion, up 1.6 per cent organically despite decreasing advertising markets in Germany and France
- Full-year Adjusted EBITA in line with outlook guidance at €1,083 million; Adjusted EBITA margin of 15.0 per cent despite higher streaming start-up losses; Adjusted EBITA before streaming start-up losses stable on prior year's record level
- Fremantle revenue up 21.9 per cent, streaming revenue up 19.7 per cent, TV advertising revenue down 4.4 per cent
- Group profit at €766 million; the record Group profit of €1,454 million in 2021 was driven by significant capital gains on disposals, mainly from SpotX
- Proposed dividend of €4.00 per share, in line with the Group's dividend policy
- Paying subscribers for RTL Group's streaming services in Germany, the Netherlands and Hungary up 44.3 per cent to 5.5 million
- Significant progress on Fremantle growth plan with eight acquisitions and step-ups completed in 2022
- Market consolidation remains strategic priority; RTL Group will focus on alliances, partnerships and smaller consolidation opportunities

Luxembourg, 16 March 2023 – RTL Group announces its audited results for the year ended 31 December 2022.

Financial review

	2022 €m	2021 €m	Per cent change
Revenue	7,224	6,637	+8.8
Adjusted EBITA	1,083	1,152	(6.0)
Adjusted EBITA margin (%)	15.0	17.4	
Adjusted EBITA	1,083	1,152	(6.0)
Significant special items	(44)	(61)	
Impairment and reversals of investments accounted for using the equity method	(5)	2	
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(46)	(19)	
Impairment and reversals on other financial assets at amortised cost	(30)	-	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	107	949	
Fair value measurement of investments and re-measurement of earn-out arrangements	(78)	(115)	
EBIT	987	1,908	(48.3)
Financial result	(55)	(27)	
Income tax expense	(166)	(427)	
Group profit	766	1,454	(47.3)
Attributable to:			
– RTL Group shareholders	673	1,301	(48.3)
– Non-controlling interests	93	153	
Basic and diluted EPS (in €)	4.35	8.41	(48.3)

Strong revenue growth, Adjusted EBITA in line with outlook guidance despite challenging macroeconomic conditions and higher streaming start-up losses

- **Group revenue** increased 8.8 per cent to €7,224 million (2021: €6,637 million), mainly thanks to strong growth of Fremantle, RTL Deutschland (from the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021) and RTL Nederland. Group revenue was up 1.6 per cent organically¹ compared to 2021, driven by Fremantle and RTL Nederland.
- In 2022, RTL Deutschland and RTL Nederland reported higher **audience shares** and increased their audience lead over their main commercial competitors.
- **TV advertising revenue** across the Group was down 4.4 per cent year-on-year, due to the challenging macroeconomic environment.
- **Streaming revenue**² from RTL+ and Videoland grew by 19.7 per cent to €267 million (2021: €223 million), thanks to the rapidly growing number of paying subscribers.
- **Distribution revenue**³ was stable at €438 million (2021: €437 million).
- **Adjusted EBITA**⁴ was down by 6.0 per cent to €1,083 million (2021: €1,152 million), due to RTL Deutschland (with higher streaming start-up losses and lower TV advertising revenue), the scope exit of RTL Belgium, and Groupe M6. These effects were partly offset by record Adjusted EBITA contributions from RTL Nederland and Fremantle. The **Adjusted EBITA margin**⁴ decreased to 15.0 per cent (2021: 17.4 per cent) as **streaming start-up losses**⁴ increased to €233 million (2021: €166 million).
- **Group profit** was €766 million (2021: €1,454 million). 2021 was positively impacted by capital gains of €717 million from the sale of SpotX.
- **Net cash from operating activities** was €463 million. The operating cash conversion rate⁵ was 54 per cent (2021: 114 per cent), impacted by investments in Fremantle and streaming. RTL Group had **net cash**⁶ of €180 million at the end of 2022 (end of 2021: €657 million).
- For RTL Group's Annual General Meeting on 26 April 2023, RTL Group's Board of Directors has proposed a **dividend** of €4.00 per share for 2022, of which €3.50 represents an ordinary dividend, while the remaining €0.50 relates to the disposals of RTL Belgium and RTL Croatia (cash proceeds only). The ex-dividend date of the dividend payment would be 27 April 2023 and the payment date 2 May 2023.
- Based on the average share price in 2022 (€42.04⁷), the proposed dividend of €4.00 per share represents a **dividend yield** of 9.5 per cent.

Strengthening RTL Group's core

On 1 January 2022, **RTL Deutschland** fully acquired **Gruner + Jahr's (G+J) German publishing assets and brands** for the final purchase price of €228 million.⁸ In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*. Other brands will be sold or discontinued. RTL Deutschland will invest €80 million in its publishing business by 2025, €30 million thereof in the expansion of the paid offer Stern+. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €75 million per year, to be fully realised by 2025 (previous guidance before reorganisation: €100 million per year).

On 31 March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel, which resulted in net cash inflows of €154 million. On 1 June 2022, RTL Group completed the sale of **RTL Croatia** to Central European Media Enterprises (CME) for €41 million net of cash disposed.

RTL Group continues to invest significantly in content across all genres. Investments in **rights for live sports events** strengthen its linear TV channels and play an important role in gaining new subscribers for its streaming services by attracting male audiences and enhancing news and magazine formats.

- In May 2022, RTL Deutschland announced an extensive deal with Uefa to broadcast half of all football matches of the **German national team** in the Uefa Nations League until 2028, and the European Qualifiers for both the Fifa World Cup 2026 and Uefa Euro 2028.
- In September 2022, RTL Deutschland acquired the rights to broadcast live the **US National Football League (NFL)** games, including the Super Bowl, starting in September 2023.

¹ Adjusted for portfolio changes and at constant exchange rates. 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+ in Germany, RTL+ in Hungary (including RTL+/RTL+ Active/RTL+ Light) and Videoland/RTL XL in the Netherlands

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

⁴ See **Key performance indicators** on page 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 Net cash/(debt) excludes current and non-current lease liabilities. Including these, net debt as of 31 December 2022 was €-205 million (31 December 2021: net cash of €325 million). See **Key performance indicators** on page 28

⁷ Frankfurt Stock Exchange

⁸ €210 million was already paid in 2021. 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; on 1 April 2022 RTL Deutschland also fully acquired 50 per cent of Deutsche Medien-Manufaktur (DMM)

- In 2022, Groupe M6 acquired for the first time the free-TV rights of the **Uefa Champions League** finals in 2025, 2026 and 2027 and the channel shares free-TV rights for 25 matches of the **Uefa Euro 2024** with TF1. M6 will also exclusively broadcast 18 matches of the **2023 Rugby World Cup** in France.
- In March 2023, RTL Deutschland announced the renewal of the full broadcasting rights of the **Uefa Europa League** and **Uefa Europa Conference League** for the seasons 2024/25 to 2026/27. The matches will be shown on its linear channels RTL and Nitro as well as its streaming service RTL+.

Next to local, exclusive content and sports rights, RTL Group invests in internationally popular TV and film formats:

- In February 2022, RTL Group announced that **RTL Deutschland** 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 receives access to exclusive films and series, including HBO Max originals. RTL Deutschland will also 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.
- In April 2022, RTL Deutschland expanded its licensing agreement with **Paramount Global Content Distribution** to acquire an attractive programme package for the streaming service RTL+ and its free-TV channels, including German premieres and highlights from Paramount's library.

Boosting growth businesses – Streaming

At the end of 2022, RTL Group registered **5.488 million paying subscribers** for its streaming services RTL+ in Germany and Hungary, and Videoland in the Netherlands, up 44.3 per cent year-on-year (31 December 2021: 3.804 million).

- The number of paying subscribers for the German streaming service **RTL+** increased by 48.1 per cent to 4.016 million, compared to 2.712 million at the end of December 2021. The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV, reality TV formats, football matches of the Uefa Europa League and the growing number of original formats such as *Sisi*, *Der König von Palma* and the *Bushido* documentary contributed significantly to this growth, with 62 new originals available in 2022 (2021: 67).

RTL Deutschland is gradually expanding its cross-media offer. In August 2022, it launched the **RTL+ Musik app**. In addition to video content, this gives RTL+ users access to more than 90 million songs and more than 100 radio streams. RTL+ entered an exclusive partnership with Deezer, one of the world's leading music streaming services. In November 2022, podcasts were added to the RTL+ Musik app, followed by a growing selection of audiobooks in December 2022.

- Paying subscriber numbers for the Dutch streaming service **Videoland** grew 11.8 per cent to 1.221 million compared to 1.092 million at the end of December 2021, largely thanks to exclusive content such as the original series *Sleepers* and *Mocro Maffia*, the documentary about the Dutch singer André Hazes, the fifth season of the US series *The Handmaid's Tale* and the Dutch kickboxing live events of the *Glory* series, all of which are exclusive to Videoland in the Netherlands.
- The number of paying subscribers for the **Hungarian streaming service RTL+** (including RTL+ Active) was 0.251 million at the end of December 2022. The successful launch of RTL+ was especially supported by the exclusive series *A Király* (The King), as well as daily series and reality formats such as *ValóVilág powered by Big Brother*.

In November 2022, **RTL Hungary** launched its streaming service RTL+. Offering exclusive local content, the new service – which is based on the technology of **Bedrock**, RTL Group's streaming tech company – is a unique feature in the Hungarian streaming landscape. The previous services, RTL Most and RTL Most+, were integrated into RTL+ under the packages RTL+ Light and RTL+ Active. Therefore, RTL+ has three models: a direct-to-consumer subscription model without advertising, a TV subscription model (for example via an IPTV subscription), and a registration-based advertising-funded model.

Boosting growth businesses – Fremantle

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 is investing significantly in Fremantle in all territories, across all three content pillars – **drama and film**, **entertainment** and **documentaries**.

Within its **entertainment** business, Fremantle scored successes with *America's Got Talent*, the quiz show *Password* and various adaptations of *Farmer Wants a Wife*. Within **drama and film**, the delivery of the second season of *The Mosquito Coast* to Apple TV+ was a huge success while Fremantle's film business continued to grow, with 17 films delivered in 2022 (2021: seven). In March 2022, Fremantle signed a three-year international filmmaking agreement with Oscar-winning actress **Angelina Jolie**. In February 2023, Fremantle signed a two-year partnership with Edward Berger, the director of *All Quiet on the Western Front*. Within its **documentary** business, Fremantle successfully launched the documentary *Planet Sex* with Cara Delevingne.

In 2022, Fremantle completed eight transactions:

In March 2022, **Fremantle** acquired 70 per cent of the shareholding in the leading Italian independent television production company **Lux Vide**. Successful series from the production company include *Medici* for Netflix, *Leonardo* for Amazon Prime, *Devils* for Sky, *The Bible Collection* – sold in 144 countries, *Don Matteo* – now in its 13th season and *DOC* – the medical drama that's rapidly becoming Rai's highest-rated series in 15 years. In the same month,

Fremantle acquired a 25 per cent stake in **Fabel Entertainment**, known for the series *Bosch*.

In April 2022, **Fremantle** increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*.

In May 2022, **Fremantle** acquired 51 per cent of **Element Pictures**, the production company behind Academy Award, Golden Globe and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*.

In June 2022, **Fremantle** increased its ownership in the US/Australian production company **Eureka** to 100 per cent, having already acquired a majority stake in 2021.

In November 2022, **Fremantle** acquired a 55 per cent stake in **72 Films**, the TV production company behind the sports documentary *All or Nothing: Arsenal* and *9/11: One Day in America*. In the same month, Fremantle acquired a 51 per cent stake in **Wildstar Films**, a production company focused on natural history documentaries and responsible for successful films and series such as *America the Beautiful* and *Epic Adventures with Bertie Gregory*. This was followed by the acquisition of a 51 per cent stake in **Silvio Productions**, a production company behind documentary series such as *Shadow of Truth*.

Fostering alliances and partnerships

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 called **RTL Ad Alliance**. RTL Ad Alliance will provide international advertisers with simplified access to a unique portfolio of media brands across TV, digital video, radio/audio, online, mobile and print.

In May 2022, RTL Group's European ad-tech business, **Smartclip**⁹, fully acquired the French ad-tech company **Realtytics**. The acquisition complements RTL Group's ad-tech stack: Realtytics systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decisioning.

In November 2022, **Bedrock** successfully migrated more than one million subscribers of Videoland to a more advanced version of the service with more features, stronger personalisation, better data management and editorial tools. This represented the largest streaming migration in Europe to date.

Outlook

The geopolitical and macroeconomic environment remains volatile and the impact on RTL Group's businesses is hard to predict.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to between €7.3 and €7.4 billion.
- RTL Group expects its **Adjusted EBITA** for 2023 to be between €1.0 and €1.05 billion. Streaming start-up losses are expected at just below €200 million (2022: €233 million).

Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to be between €1.2 and €1.25 billion (2022: €1,316 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, resulting in an ordinary dividend paid in 2024 and 2025 (for the financial years 2023 and 2024) of approximately €3.50 per share, based on current projections.

	2022	2023e
Revenue	€7,224m	€7.3bn to €7.4bn
Adjusted EBITA	€1,083m	€1.0bn to €1.05bn
Streaming start-up losses	€233m	Just below €0.2bn
Adjusted EBITA before streaming start-up losses	€1,316m	€1.2bn to €1.25bn

Strategic targets for RTL Group's streaming services¹⁰

	2022	2026e
Paying subscribers	5.5m	10m
Streaming revenue	€267m	€1bn
Content spend per annum	€304m	~€600m

Profitability is expected by 2026¹¹.

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.

¹⁰ RTL+ in Germany and Hungary and Videoland in the Netherlands

¹¹ Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands includes synergies with TV channels at business unit level. For the definition of Adjusted EBITA please see **Key performance indicators** on pages 25 to 26

Corporate profile

About RTL Group

RTL Group is a leading entertainment company across broadcast, streaming, content and digital, with interests in 56 television channels, nine streaming services and 36 radio stations.

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

Fremantle is one of the world's largest creators, producers and distributors of scripted and unscripted content, and is responsible for around 12,000 hours of programming per year, alongside an international network of teams operating in 27 countries. The streaming tech company, Bedrock, and the ad-tech company, Smartclip, are also owned by RTL Group.

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

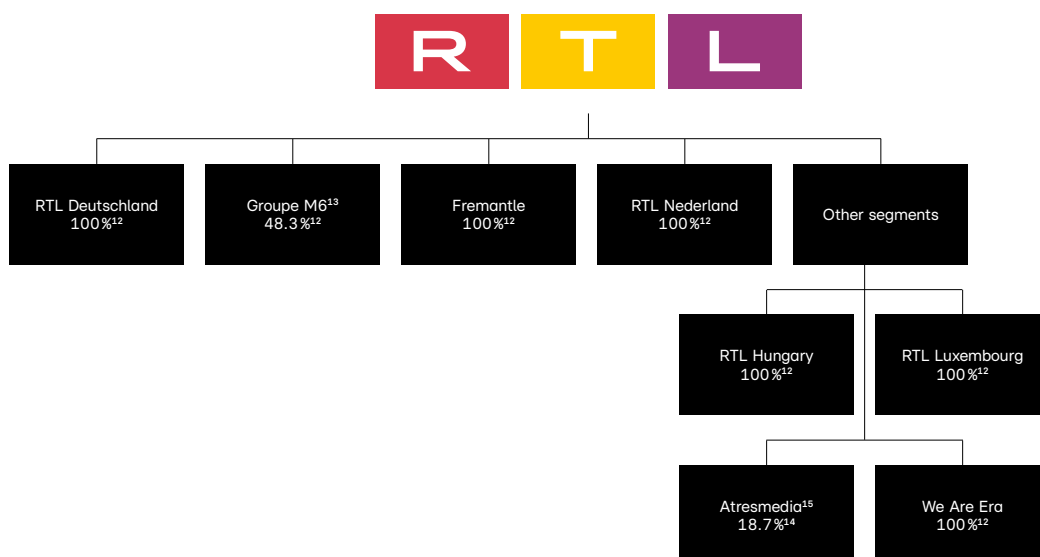
The roots of the company date back to 1924, when Radio Luxembourg first went on air. Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded in 1931. As a European pioneer, the company broadcast a unique programme in several languages using the same wavelength.

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

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

RTL Group corporate structure

as at 31 December 2022 (simplified)



- 12 Fully consolidated
- 13 Net of treasury shares and own shares held by Métropole Télévision SA under liquidity contract
- 14 Investment accounted for using the equity method
- 15 Net of treasury shares

Management approach

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

Responsibility for the day-to-day management of the company rests with the 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 meets with CEOs of the Group's units to share information, discuss opportunities and challenges, and foster cooperation.

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

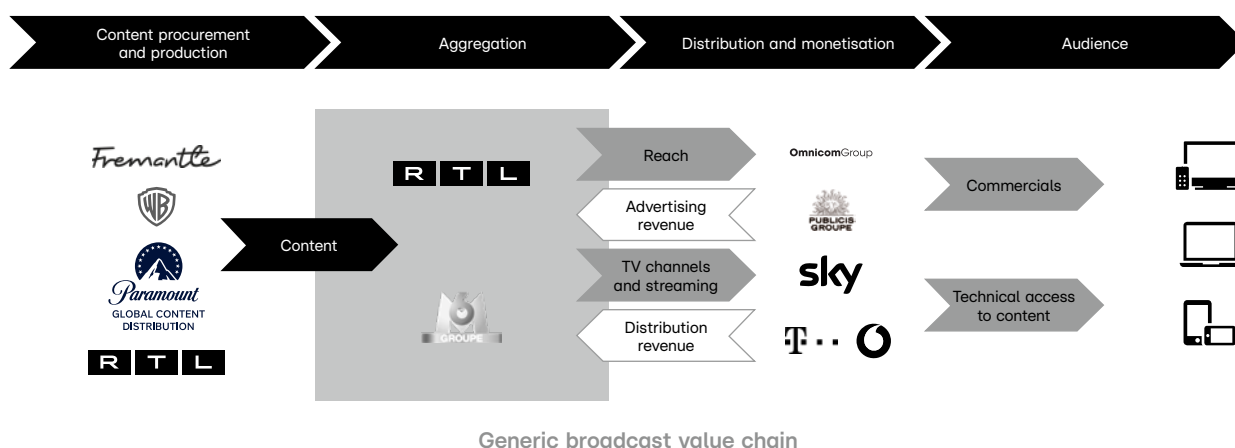
In addition, all units benefit from sharing information, knowledge and experience across the Group through the Group's Synergy Committees (SyCos). These SyCos – which are comprised of executives and experts from each segment and from the Group's Corporate Centre – meet regularly to discuss topics such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

The Corporate Centre provides strategic direction and financial controls, 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 and increasingly sell cross-media. The price advertisers pay generally depends on the reach and demographic structure of the audience they target. Higher audience shares and more sought-after target groups lead to higher spot prices, generally priced at CPM (cost per mille).

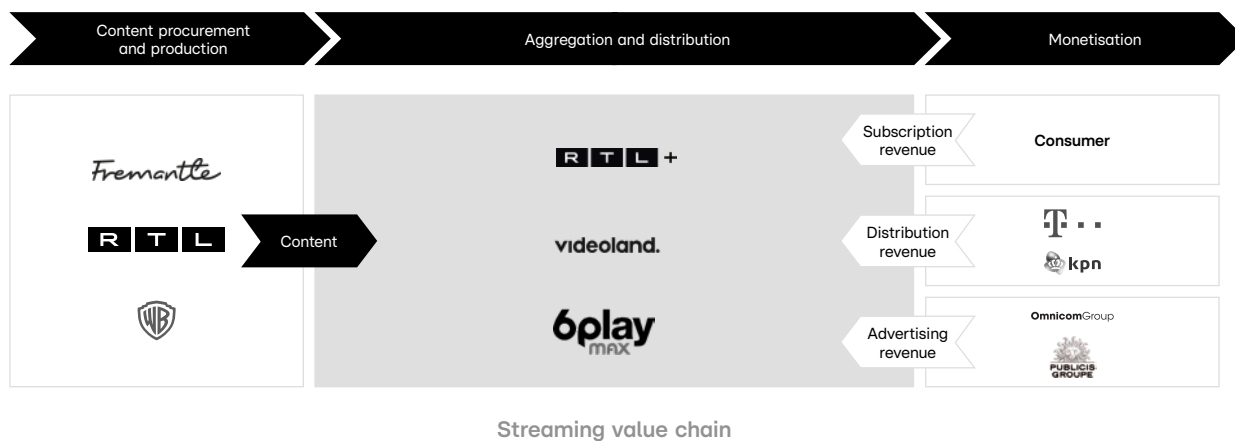
RTL Group broadcasters distribute their content via all platforms, such as cable, satellite, terrestrial broadcasting and internet TV. In exchange for the broadcasting signal in high definition (HDTV) or additional services – such as the RTL Group broadcasters' pay-TV channels or streaming services – they receive fees from the platform operators. RTL Group reports this figure separately as distribution revenue. Between 2012 and 2022, this high-margin revenue rose from €175 million to €438 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 financed by subscription fees, advertising and distribution. These broadcasters continue to increase their production volume of original content for their streaming services.

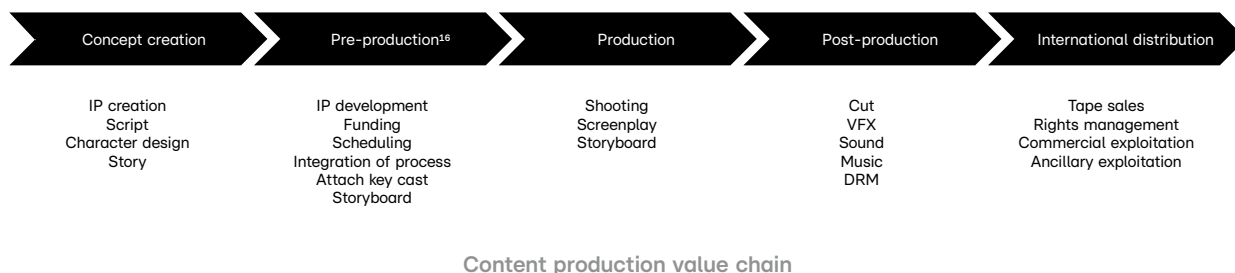
The aim is to combine the different streaming offerings into a hybrid business model, consisting of various price packages. Lower-priced or free packages are predominantly or fully financed by advertising. The various premium price packages include, for example, several

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. RTL Deutschland is gradually expanding RTL+ into a cross-media offer and launched the RTL+ Musik app in August 2022. In addition to video content, RTL+ users have access to more than 90 million songs, more than 100 radio streams, podcasts, and a growing selection of audiobooks.



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.



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 they can use to build their businesses. Fremantle has an international

network of teams across production and distribution, operating in 27 countries.

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

¹⁶ Pre-production only starts once the idea is sold to a commissioning client network

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

Supported by 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, films and documentaries 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.

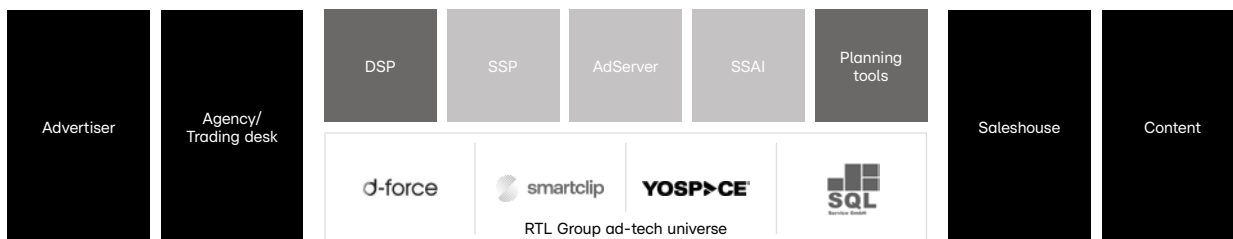
The fact that both the timing of the delivery of a finished programme and the initial transmission date are often decided by the broadcaster or streaming service can ultimately affect revenue recognition at Group level. Phasing or timing effects can swing significantly from one quarter to another but 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 deliver their message to an engaged audience, which can be enhanced using technology and data. This is done using a sophisticated method that automates the advertising sales process: within milliseconds an ad space on a website or streaming service can be sold to advertisers looking for a particular demographic and willing to pay a price within a given range. In brief,

advertising technology fulfils two main goals: a) to find the 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.



Market

Market environment

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

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

The video market comprises:

- Linear TV (commercial free-to-air channels, pay-TV channels, public broadcasters and linear TV channels delivered 'over-the-top')
- Streaming services financed by subscriptions, advertising, distribution revenue or pay-per-view (especially long-form)
- YouTube, Facebook, TikTok 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 or streaming 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
- Linear viewing time in young target groups significantly decreased after 2020 (Covid-19-effect)
- Streaming services have begun to attract older target groups
- Watching video content on mobile devices increases the demand for short-form video (short clips that last just a few minutes)
- There is a high demand for high-end drama series, films and documentaries on streaming platforms
- Films are increasingly produced for streaming services and broadcasters, cinemas decrease in relevance

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, Warner Bros. Discovery, Paramount Global (formerly ViacomCBS) and Comcast/NBCUniversal all launched new streaming services. Subscriptions for libraries of films and shows, along with other services, cost up to €18 a month in Germany, for example. In addition to the subscription fees, streaming services such as Netflix, Disney+ and Amazon (via Freevee) introduced ad-supported price tiers to their services in 2022. Streaming services also offer more and more free ad-supported streaming TV (FAST) channels. In contrast to ad-supported video-on-demand (AVOD), FAST channels offer live TV – like a linear TV channel – digitally via IPTV which increases competition, however, also offers opportunities for content production companies such as Fremantle.

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

- According to data from research firm, Ampere Analysis, media companies spent \$238 billion on video content in 2022 – twice as much as ten years ago. However, this trend is expected to slow down according to an Ampere Analysis report published in January 2023. Overall spending growth on original content is expected to decrease from 6 per cent in 2022 to 2 per cent in 2023 and there is a shift in content commissioning to incorporate a greater volume of cheaper, unscripted formats.
- Content production prices increased rapidly. According to *The Economist*, the final season of Warner Bros. Discovery *Game of Thrones* cost \$15 million per episode in 2019, while the first season of the new series *Lord of the Rings* for Amazon Prime, which launched in 2022, is estimated to have cost \$465 million for eight episodes.
- More and more key players – such as Disney, Paramount Global and Warner Bros. Discovery – are holding back valuable IP and content to boost the growth of their own streaming services. However, first trends show that those players are beginning to licence more content again.

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 split off WarnerMedia and combined it with Discovery in April 2022 – now called Warner Bros. Discovery. US media companies, CBS Corporation and Viacom, formed ViacomCBS (called Paramount Global since February 2022). This period of consolidation 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, which acquired Endemol Shine from Disney and Apollo Global Management, creating a global production giant that represents the largest TV producer outside the US. Fremantle has invested heavily in a high number of smaller production companies to accelerate its growth in scripted series, films and documentaries – including Miso Film, This is Nice Group, Wildside, Lux Vide, Kwai, Abot Hameiri, Dancing Ledge Productions, Fabel, 72 Films, Wildstar Films, Passenger, Silvio Productions, Eureka and Element Pictures.

Strategy

The international media 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

Wherever attractive opportunities arise, the Group **aims to consolidate** across its existing European broadcasting footprint – including through mergers and acquisitions – to create strong families of channels. The strategic rationale is about scale, pooling resources and creativity to compete with global tech platforms in the respective national markets. Instead of larger consolidation moves it requires higher investments in exclusive, local content to boost the growth of RTL Group's streaming services. It requires strengthening the Group's national and international ad sales businesses with its multi-client business as well as fostering distribution partnerships. And it requires investments in tech and data, streaming technology and addressable TV advertising.

In France, Groupe Bouygues, RTL Group, Groupe TF1, and Groupe M6 decided to abandon their plan to merge **Groupe TF1** and **Groupe M6** in September 2022, due to far-reaching demands from the French competition authority. In the Netherlands, the merger process of **RTL Nederland** and **Talpa Network** was stopped in January 2023, since the Dutch competition authority informed both parties that it will not approve the proposed merger. The parties regret that the authorities did not take into account the speed and extent of the changes in the French and Dutch media landscapes and the impact of these changes on local media companies.

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 Bertelsmann¹⁷. As of 1 January 2022, G+J contributes popular and trusted brands such as *Stern* and *Geo* 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, positive entertainment and independent journalism, as well as technology and data. In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*. Other brands will be sold or discontinued. RTL Deutschland will invest €80 million in its publishing business by 2025, €30 million thereof in the expansion of the paid offer Stern+ with complementary content from *Stern*, *Geo*, *Capital* and *Stern Crime*. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €75 million per year, to be fully realised by 2025.

At the end of March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel. In June 2022, RTL Group confirmed the close of the transaction to sell **RTL Croatia** to Central European Media Enterprises (CME).

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 maintaining or growing RTL Group's audience shares and net TV advertising market shares in the various countries. In past 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 (distribution revenue) and intensifying distribution partnerships**. RTL Group aims to receive a fair remuneration 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.

¹⁷ €210 million was already paid in 2021. The following Gruner + Jahr assets are not part of the transaction and will remain with Bertelsmann: DDV Mediengruppe (Sächsische Zeitung), Territory, ApplLike Group and G+J's 25 per cent shareholding in Spiegel Gruppe; on 1 April 2022 RTL Deutschland also fully acquired 50 per cent of Deutsche Medien-Manufaktur (DMM)

Investing in content

In 2022, RTL Group spent around €4 billion on 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 is 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, streaming services and its news and magazine formats. The following deals strengthen the Group's linear channels, helping to attract male audiences, and playing an important part in gaining new paying subscribers for RTL+ in Germany and Videoland in the Netherlands.

RTL Deutschland is home of the **Uefa Europa League and Europa Conference League**. In March 2023, it announced the renewal of the broadcasting rights for the seasons 2024/25 to 2026/27 and it additionally sub-licences the exclusive rights to 17 **Uefa Euro 2024 matches** from Deutsche Telekom. In addition, RTL Deutschland broadcasts half of all football matches of the **German national team** in the Uefa Nations League until 2028, and the **European Qualifiers** for both the Fifa World Cup 2026 and Uefa Euro 2028. In 2022, RTL Deutschland acquired the rights to broadcast all **National Football League (NFL)** matches including the Super Bowl until 2028 – starting from the 2023/24 season.

RTL Nederland acquired the rights to broadcast certain **Uefa Champions League** matches, starting with the 2021/22 season, for a period of three years. This is complemented by other sports rights such as the **Dakar motor sports series** until 2027 and the **Glory kickboxing fights** until 2024. Groupe M6 holds the rights to the **Uefa Europa League and Europa Conference League** for the 2022/23 and 2023/24 seasons, and is the official broadcaster of the **French national team**. In 2022, Groupe M6 acquired for the first time the free-TV rights of the **Uefa Champions League finals** in 2025, 2026 and 2027. The channel shares free-TV rights for 25 matches of the **Uefa Euro 2024** with TF1 and will also exclusively broadcast 18 matches of the 2023 **Rugby World Cup** in France.

Managing the portfolio

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

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

Growth

Building national streaming champions

RTL Group is building national streaming champions in the European countries where it has leading families of TV channels. 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 through services such as RTL+ in Germany and Hungary, Videoland in the Netherlands and 6play in France.

RTL Group's services have gradually introduced a **hybrid business model** – consisting of various price packages. Lower-priced or free packages are predominantly or fully 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.

At the end of December 2022, RTL Group registered **5.488 million paying subscribers** for its streaming services RTL+ in Germany and Hungary and Videoland in the Netherlands, up 44.3 per cent year on year (end of December 2021: 3.804 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+ was expanded to a cross-media entertainment service, comprising video, music and podcasts, which is 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+ in Germany and Hungary and Videoland in the Netherlands to around €600 million by 2026
- the number of **paying subscribers** for RTL+ in Germany and Hungary and Videoland in the Netherlands to 10 million by the end of 2026
- its **streaming revenue** to €1 billion by 2026
- with the aim of reaching **profitability** by 2026. The peak of the investment (streaming start-up losses) is expected in 2022, with €233 million.

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

In 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. In August 2021, RTL Deutschland also expanded its partnership with **Vodafone** in the areas of programme offerings, streaming and addressable TV advertising.

Groupe M6's streaming service **6play** is the ad-funded streaming service in France with 24.5 million active users. In October 2022, Groupe M6 launched 6play Max, a paid subscription video-on-demand version of 6play, developed by Bedrock. Within this subscription users can watch the available content without advertising, in full HD and including download features.

In November 2022, **RTL Hungary** launched its streaming service **RTL+**. The new service offers exclusive local content, which is a unique feature on the streaming landscape in Hungary, and is also based on the technology of Bedrock, RTL Group's streaming tech company. The previous services, RTL Most and RTL Most+, were integrated into RTL+ under the subscription packages RTL+ Light and RTL+ Active. Therefore, RTL+ has three models: a paid model without advertising, a TV subscription model, and a registration-based advertising-funded model.

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 27 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 is investing significantly in Fremantle – both organically and via acquisitions – in all territories across **drama and film, entertainment and documentaries**.

Fremantle pursues three strategic goals:

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

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.

Fremantle continues to invest in high-end productions to **accelerate its growth in drama series, films and documentaries**. With a number of acquisitions – including Miso Film in Scandinavia, This is Nice Group in the Nordics, Wildside and Lux Vide in Italy, Kwaï in France, Abot Hameiri and Silvio Productions in Israel, Dancing Ledge Productions, 72 Films and Wildstar Films in the UK, Passenger and Fabel in the US, Eureka in the US and Australia, and Element Pictures in Ireland – Fremantle has created a global network that now comprises 21 production sites.

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 over 100 scripted productions including high-end-series, daily dramas and films in 2022.

As a result of this strategy, Fremantle generated 35 per cent of its total revenue in 2022 from drama and film productions.

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.

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 May 2022, RTL Group's European ad-tech business, Smartclip, fully acquired the French ad-tech company **Realytics** – an acquisition that complements RTL Group's ad-tech stack. Realytics systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decisioning.

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, Videoland in the Netherlands, and RTL+ in Hungary.

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

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

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 advertising sales** 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.

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 called **RTL Ad Alliance**. RTL Ad Alliance 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

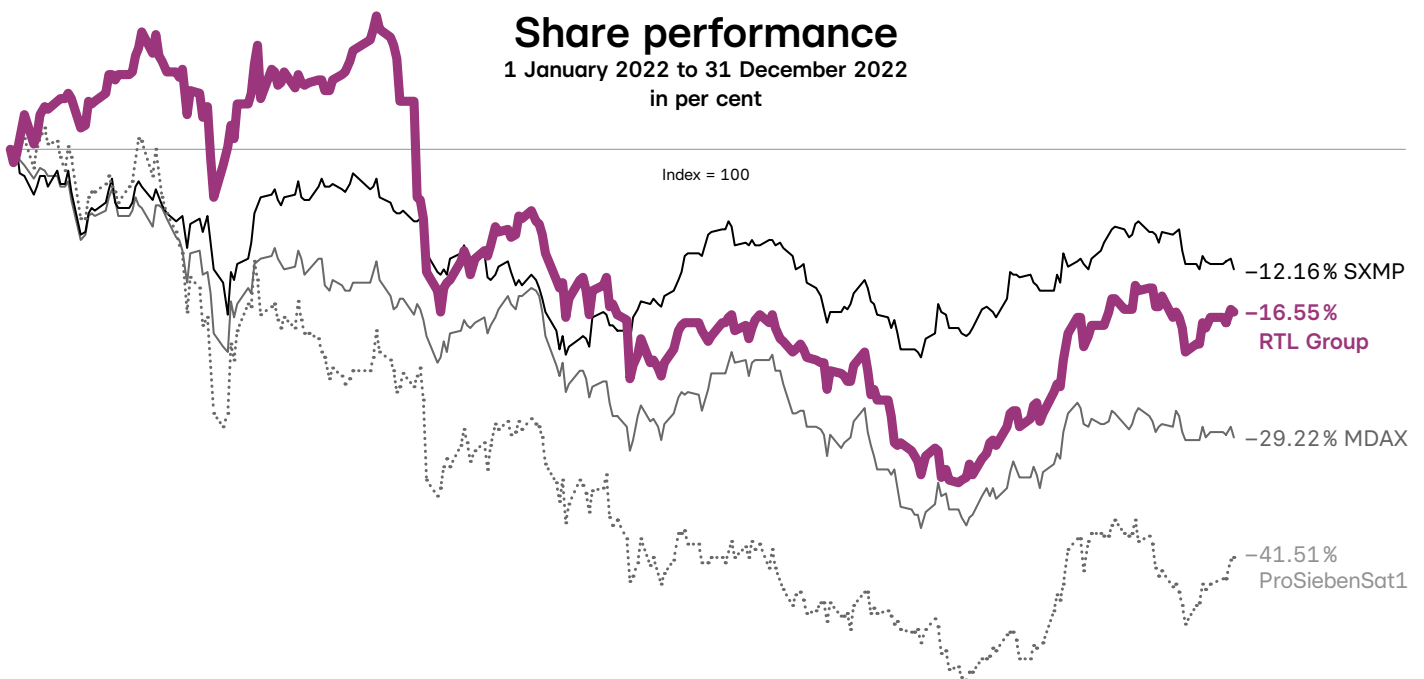
Ad Alliance, launched in Germany in 2016, offers high reach to advertisers and agencies, and is a one-stop-shop for the development of cross-media solutions and innovative advertising products. Its portfolio spans television, radio/audio, print, and digital. Ad Alliance is the only sales house in Germany 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. RTL Group is listed in the MDAX stock index.



RTL Group share price development for January to December 2022
based on the Frankfurt Stock Exchange (Xetra) against MDAX,
Euro Stoxx 600 Media (SXMP) and ProSiebenSat1

RTL Group's share price started 2022 at €47.26 and finished the year down 16.6 per cent, at €39.44, thereby outperforming the German index MDAX. The share price highs and lows were €53.75 (21 April) and €31.28 (10 October).

Quarterly, the average share price evolved as follows:

Q1: €49.80
Q2: €44.90
Q3: €37.03
Q4: €36.66

The Group declared a dividend in April 2022 that was paid on 5 May 2022. The payment of €5.00 (gross) per share related to the 2021 full-year dividend. The total dividend paid amounted to €774 million. Based on the average share price in 2021 (€48.60), this represented a dividend yield of 10.3 per cent (2021: 8.9 per cent) and a dividend payout ratio of around 80 per cent, in line with the Group's dividend policy.

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

RTL Group rating

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

RTL Group dividend policy

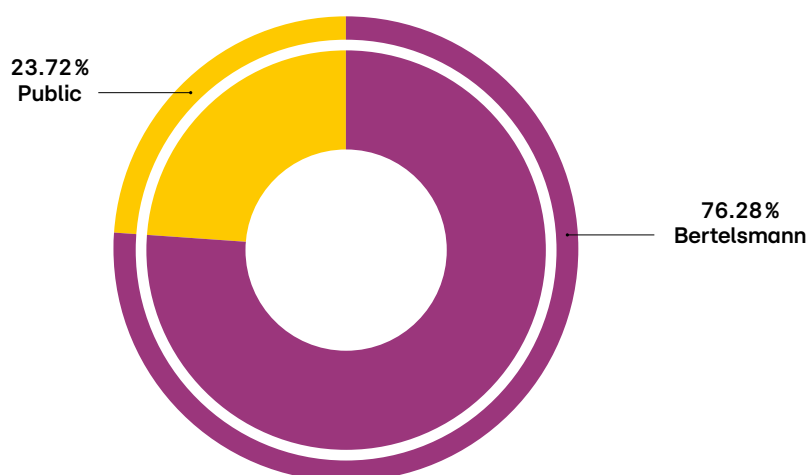
RTL Group's dividend policy offers a payout ratio of at least 80 per cent of the Group's adjusted net result.

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

RTL Group shareholding structure

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

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

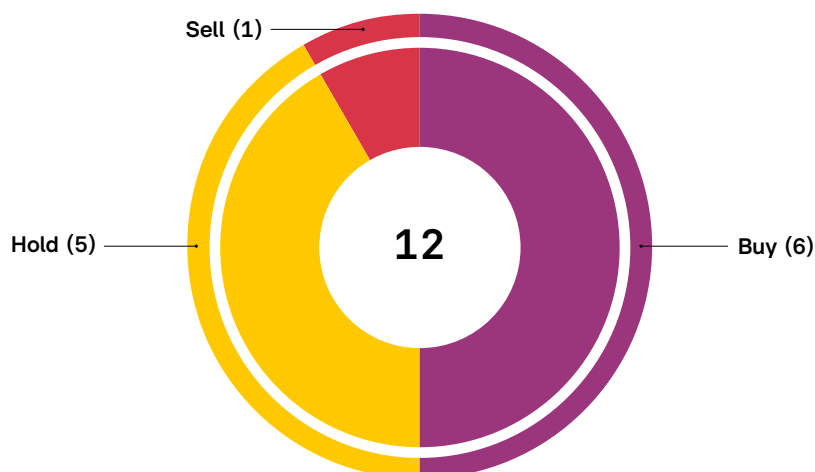


Bertelsmann has been the majority shareholder of RTL Group since July 2001. As at 31 December 2022, Bertelsmann held 76.28 per cent of RTL Group shares, and 23.72 per cent were free float.

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 coverage¹⁸

as at 31 December 2022



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 2021)	€5.00
Number of shares	154,742,806
Market capitalisation ¹⁹	€6,103,056,269
52 week high	€53.75 (21 April 2022)
52 week low	€31.28 (10 October 2022)

Indices

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

Index	Weight in per cent	Date
MDAX	0.9970	30/12/2022
MDAX Kursindex	0.9972	30/12/2022
Prime All Share	0.0971	30/12/2022
HDAX	0.1038	30/12/2022
HDAX Kursindex	0.1039	30/12/2022

¹⁸ Based on analyst coverage as at 31 December 2022

¹⁹ As of 31 December 2022

Key performance indicators

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

Organic growth is calculated by adjusting the reported revenue growth mainly for the impact of exchange rate effects, corporate acquisitions and disposals. It should be seen as a component of the reported revenue shown in the income statement. Its main objective is for the reader

to isolate the impacts of portfolio changes and exchange rates on the reported revenue. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. Potential other effects may include changes in methods and reporting.

Adjusted EBITA

EBIT, Adjusted EBITA and EBITDA are indicators of operating profitability. With significant investments in the Group's streaming activities, RTL Group additionally use Adjusted EBITA before streaming start-up losses. 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 continually assess opportunities to reduce costs in the Group's traditional broadcasting activities – for example, reallocating resources from its traditional businesses to its growing digital businesses – and this may lead to restructuring expenses that are neutralised in the Adjusted EBITA.

Adjusted EBITA is determined as earnings before interest and taxes (EBIT) as disclosed in the income statement excluding the following elements:

- Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries
- Impairment and reversals of investments accounted for using the equity method
- Impairment and reversals on other financial assets at amortised cost presented in 'Other operating expenses' or 'Other operating income'
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'
- (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
- Significant special items

Significant special items exceeding the cumulative threshold of €5 million need to be approved by management, and primarily consist of restructuring expenses or reversal of restructuring provisions and other special factors or distortions. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions. In 2022, 'Significant special items' reflects restructuring and integration costs in Germany (€–33 million) following the Gruner + Jahr transaction as

well as the impact of expenses in connection with strategic portfolio management (€–11 million). In 2021 'Significant special items' reflected 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).

	2022 €m	2021 €m
Earnings before interest and taxes (EBIT)	987	1,908
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	46	19
Impairment and reversals of investments accounted for using the equity method	5	(2)
Impairment and reversals on other financial assets at amortised cost	30	–
Re-measurement of earn-out arrangements	–	–
Fair value measurement of investments	78	115
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(107)	(949)
EBITA	1,039	1,091
Significant special items	44	61
Adjusted EBITA	1,083	1,152

Adjusted EBITA before streaming start-up losses

In accordance with RTL Group's strategy, the company continued to invest heavily in its streaming services, RTL+ in Germany and Hungary and Videoland in the Netherlands, all of which have seen a rapid increase in the number of paying subscribers (for further details please refer to **Building national streaming champions** on page 19).

The Adjusted EBITA of RTL Group is impacted by effects relating to the growth of its streaming services. These are operational in nature, and are not included in 'Significant special items'. RTL Group believes the disclosure of 'streaming start-up losses' and 'Adjusted EBITA before

streaming start-up losses' provide important context for its business performance, hence it discloses information relating to both KPIs in addition to its leading alternative performance measure, 'Adjusted EBITA'. Streaming start-up losses are defined as a total of Adjusted EBITA from RTL+ in Germany and Hungary, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. For the year 2022, the total of streaming start-up losses amounted to €233 million (2021: €166 million). Adjusted EBITA before streaming start-up losses was €1,316 million (2021: €1,318 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
- Impairment and reversals on other financial assets at amortised cost presented in 'Other operating expenses' or 'Other operating income'
- Re-measurement of earn-out arrangements presented in 'Other operating income' or 'Other operating expenses'
- Fair value measurement of investments presented in 'Other operating income' or 'Other operating expenses'
- (Gain)/loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

	2022 €m	2021 €m
Earnings before interest and taxes (EBIT)	987	1,908
Depreciation, amortisation and impairment	240	209
Impairment of goodwill of subsidiaries	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	46	19
Impairment and reversals of investments accounted for using the equity method	5	(2)
Impairment and reversals on other financial assets at amortised cost	30	–
Re-measurement of earn-out arrangements	–	–
Fair value measurement of investments	78	115
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(107)	(949)
EBITDA	1,279	1,300

Operating cash conversion rate

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

OCC means operating free cash flow divided by EBITA – operating free cash flow being net cash from operating activities adjusted by the following elements:

- Income tax paid
- 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

	2022 €m	2021 €m
Net cash from operating activities	463	932
Adjusted by:		
Income tax paid	293	437
Transaction-related costs	9	72
Acquisitions of:		
– Programme and other rights	(68)	(88)
– Other intangible and tangible assets	(133)	(107)
Proceeds from the sale of intangible and tangible assets	1	2
Operating free cash flow	565	1,248
EBITA	1,039	1,091
Operating cash conversion rate	54%	114%

Net cash/(debt)

The net cash/(debt) is the gross balance sheet financial debt adjusted for:

- Cash and cash equivalents
- Current deposit with shareholder and its subsidiaries reported in 'Accounts receivable and other financial assets'

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

	31 December 2022 €m	31 December 2021 €m
Current loans and bank overdrafts	(547)	(49)
Non-current loans	(138)	(635)
	(685)	(684)
Deduction of:		
– Cash and cash equivalents	589	547
– Current deposits with shareholder and its subsidiaries	276	794
Net cash/(debt)	180	657
EBITDA	1,279	1,300
Net cash/(debt) to EBITDA ratio	n.a.	n.a.

The net debt excludes current and non-current lease liabilities of €385 million (31 December 2021: €332 million).

Operating cost base

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

	2022 €m	2021 €m
Consumption of current programme rights	2,894	2,512
Depreciation, amortisation and impairment	240	209
Other operating expenses	3,257	3,055
Operating cost base	6,391	5,776

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.

	2022 €m
Profit attributable to RTL Group shareholders	673
Dividend policy adjustments	13
Adjusted profit for the year attributable to RTL Group shareholders	660
from ordinary activities	552
from cash capital gains (from RTL Belgium and RTL Croatia transactions)	109
Dividend in € per share	4.00
from ordinary activities	3.50
from cash capital gains (from RTL Belgium and RTL Croatia transactions)	0.50
Dividend, absolute amount	619
Dividend payout ratio²¹	94%

²¹ Dividend, absolute amount/adjusted profit attributable to RTL Group shareholders

Financial review

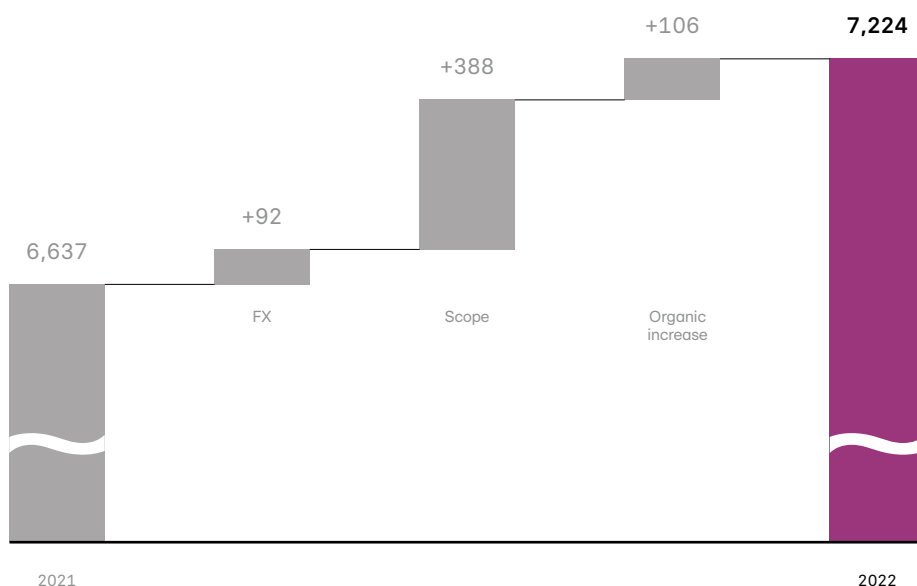
Revenue

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

	Estimated net TV advertising market growth rate 2022 (in per cent)	RTL Group audience share in the main target group 2022 (in per cent)	RTL Group audience share in the main target group 2021 (in per cent)
Germany	-8.0 to -9.0 ²¹	26.8 ²²	26.3 ²²
France	-2 ²³	22.3 ²⁴	22.8 ²⁴
The Netherlands	+8.7 ²¹	34.7 ²⁵	34.2 ²⁵
Hungary	+3.6 ²¹	28.9 ²⁶	30.5 ²⁶

Group revenue increased 8.8 per cent to €7,224 million (2021: €6,637 million), mainly thanks to strong growth of Fremantle, RTL Deutschland (from the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021) and RTL Nederland. Group revenue was up 1.6 per cent organically²⁷ compared to 2021, driven by Fremantle and RTL Nederland.

RTL Group revenue bridge in 2022 (in €million)



²¹ Industry and RTL Group estimates

²² Source: GfK. Target group: 14-59, including pay TV channels

²³ Source: Groupe M6 estimate

²⁴ Source: Médiamétrie. Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9, 6ter and Gulli)

²⁵ Source: SKO. Target group: 25-54, 18-24h

²⁶ Source: AGB Hungary. Target group: 18-49, prime time; RTL Hungary has changed the publication of its audience figures as of 2022 and is now using 'Linear SHR' audience share data calculated without the category 'Other' of Nielsen

²⁷ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 25

Streaming revenue – which includes SVOD, TVOD, in-stream and distribution revenue from RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands – was up by 19.7 per cent, to €267 million (2021: €223 million), thanks to the rapidly growing number of paying subscribers.

RTL Group's **advertising revenue** was €3,722 million (2021: €3,774 million), of which €2,923 million represented **TV advertising revenue** (2021: €3,057 million), €385 million represented **digital advertising revenue** (2021: €348 million) and €192 million represented **radio advertising revenue** (2021: €219 million).

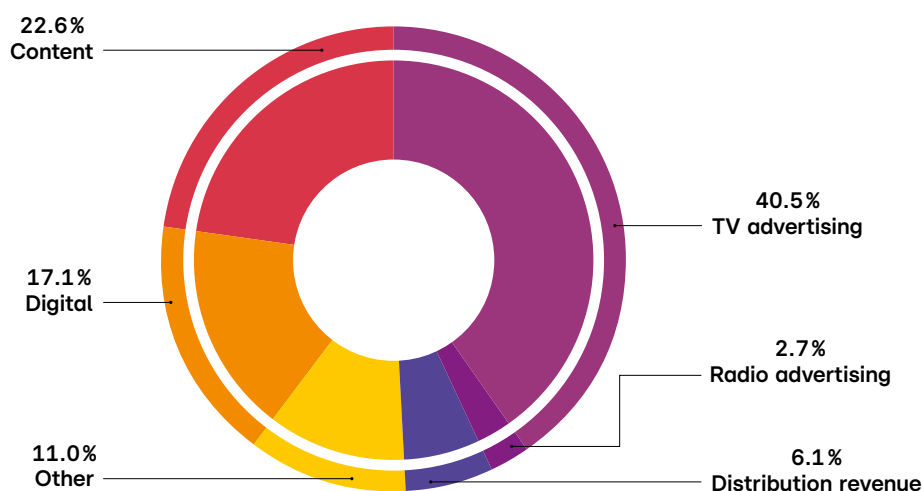
RTL Group's **digital revenue** was up by 13.9 per cent to €1,234 million (2021: €1,083 million), mainly thanks to RTL Deutschland and Fremantle.

Distribution revenue²⁸ – generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees – was stable at €438 million (2021: €437 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 and home shopping 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 40.5 per cent from TV advertising, 22.6 per cent from content, 17.1 per cent from digital activities, 6.1 per cent from distribution revenue, 2.7 per cent from radio advertising, and 11.0 per cent from other revenue.

RTL Group revenue split



Geographical revenue overview

	2022 €m	2022 %	2021 €m	2021 %
Germany	2,606	36.1	2,241	33.8
France	1,367	18.9	1,392	21.0
United States	1,003	13.9	901	13.6
The Netherlands	628	8.7	610	9.2
UK	319	4.4	233	3.5
Belgium	72	1.0	203	3.1
Other regions	1,229	17.0	1,057	15.9

²⁸ Revenue generated across all distribution platforms (cable, satellite, internet TV) including subscription and re-transmission fees

Adjusted EBITA

Adjusted EBITA²⁹ was down by 6.0 per cent to €1,083 million (2021: €1,152 million), due to RTL Deutschland (with higher streaming start-up losses and lower TV advertising revenue), the scope exit of RTL Belgium, and Groupe M6. These effects were partly offset by record Adjusted EBITA contributions from RTL Nederland and Fremantle.

The **Adjusted EBITA margin²⁹** decreased to 15.0 per cent (2021: 17.4 per cent) as streaming start-up losses²⁹ increased to €233 million (2021: €166 million).

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

Financial development over time

	2022 €m	2021 €m	2020 €m	2019 €m	2018 €m
Revenue	7,224	6,637	6,017	6,651	6,505
Adjusted EBITA	1,083	1,152	853	1,156	1,171
Net cash/(debt)	180	657	236	(384)	(470)
Operating cash conversion rate (in per cent)	54	114	123	105	90

Operating cost base

Group operating cost base increased to €6,391 million in 2022 (2021: €5,776 million), mainly due to increased programme costs at the Group's broadcasting businesses, production costs at Fremantle and scope effects mainly relating to the acquisition of Gruner + Jahr.

Investments accounted for using the equity method

The total share of results of these investments decreased to €14 million (2021: €27 million), mainly due to declined results of underlying companies and changes in the consolidation method of Super RTL and Stéphane Plaza Immobilier. Furthermore, the Group experienced a negative impact from its share of net losses from Salto in 2022, which amounted to €-18 million. Cumulative losses of Salto since inception in excess of the value of the Group's investment were recognised as an impairment amount of €-28 million to the provided loan and an excess of €-15 million as a provision.

Fair value measurement of investments

Fair value measurement of investments of €-78 million (2021: €-115 million) is mostly attributable to the negative valuation effects of the Magnite shares held by RTL Group.

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

In 2022, the Group recorded a gain of €107 million (2021: €949 million), mainly thanks to the disposals of RTL Belgium and RTL Croatia. In 2021, the gain was mainly thanks to the disposals of SpotX and Ludia and positive effects in re-measurement of pre-existing interests in Super RTL and Stéphane Plaza Immobilier.

Financial result

Financial result amounted to the expense of €-55 million (2021: €-27 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 €-46 million (2021: €-19 million), relates to the amortisation of fair value adjustments on acquisitions of subsidiaries.

Income tax expense

In 2022, the income tax expense was €-166 million (2021: €-427 million), due to lower profit before tax mainly resulting from a decrease of taxable capital gains compared to 2021.

Profit attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €673 million (2021: €1,301 million). The profit in 2021 was extraordinarily high 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 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 €4.35 (2021: €8.41 per share based on 154,742,806 shares).

Own shares

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

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

Profit appropriation (RTL Group SA)

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

Main portfolio changes

In January 2022, RTL Deutschland GmbH acquired 100 per cent of the share capital of **Gruner + Jahr Deutschland GmbH** and, on 1 April 2022, 50 per cent of Deutsche Medien Manufaktur (DMM). These acquisitions were preceded by RTL Group's decision in August 2021 to acquire 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 final purchase price amounted to €228 million, of which €210 million was pre-paid in 2021.

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 March 2022, Fremantle acquired 70 per cent of the shareholding in the leading Italian scripted production company, **Lux Vide**, for €43 million.

In March 2022, RTL Group closed the sale of **RTL Belgium** to the Belgian media companies DPG Media and Groupe Rossel, resulting in net cash inflows of €154 million.

In April 2022, Fremantle increased its stake in **Dancing Ledge Productions** from 25 per cent to 61 per cent for €6 million. The UK-based production company is behind drama series such as *The Responder* and *The Salisbury Poisonings*.

In May 2022, Fremantle acquired 51 per cent of **Element Pictures**, the production company behind Academy Award, Golden Globe and BAFTA-winning films *The Favourite* and *Room*, the global drama *Normal People*, and the mini-series *Conversations With Friends*. The consideration transferred amounted to €56 million and comprises a purchase price payment already made in the amount of €46 million and a contingent consideration in the amount of €10 million.

In May 2022, RTL Group's European ad-tech business, Smartclip, fully acquired the French ad-tech company **Realytics** for €7 million.

In June 2022, RTL Group sold **RTL Croatia** to Central European Media Enterprises (CME). The total consideration amounts to €41 million net of cash disposed and is subject to customary adjustments. In addition, RTL Group has agreed to a long-term trademark licensing agreement with the buyer.

In June 2022, Fremantle fully acquired **Eureka** for an additional US-\$55 million (€55 million) after taking a majority stake of 51 per cent in 2021.

In November 2022, **Fremantle** acquired a 55 per cent stake in **72 Films** for €51 million, of which €44 million was paid in cash. In the same month, Fremantle also acquired a 51 per cent stake in **Wildstar Films** for €19 million, of which €13 million was paid in cash.

Major related party transactions

At 31 December 2022, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH (BCH) (76.28 per cent). The remainder of the Group's shares are publicly listed on the Frankfurt and Luxembourg Stock Exchanges. The ultimate parent company of RTL Group SA, Bertelsmann SE & Co KGaA, includes in its consolidated financial statements those of RTL Group SA.

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

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

General management statement on the fiscal year 2022 performance

Linear TV continues to dominate the 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, and with it, online video advertising.

RTL Group estimates that the net TV advertising markets showed a mixed picture in 2022. The advertising markets in Germany and France were down, mainly in the second half of the year, while advertising markets in the Netherlands and Hungary were up. The advertising markets were up in the first quarter of 2022 but deteriorated due to an increasingly challenging macroeconomic environment, in particular due to the war in Ukraine, inflation, energy supply and supply chain issues. These negative external factors also particularly impacted the publishing business that was acquired by RTL Deutschland at the beginning of 2022.

Across Europe, RTL Group's flagship channels remained number one or two in their respective markets and target groups. RTL Deutschland and RTL Nederland reported higher audience shares and increased their lead over their commercial competitors, while the audience share of Groupe M6 and RTL Hungary decreased. Groupe M6's audience share was impacted by the strong performance of TF1 in France, which aired the Fifa Football World Cup.

In 2022, RTL Group also made other significant portfolio changes, acquiring Gruner + Jahr's German publishing assets and brands and successfully selling VideoAmp, RTL Belgium and RTL Croatia and thereby creating capital gains. The Group also made eight strategic acquisitions and step-ups on the level of Fremantle across all genres to strengthen its content businesses.

RTL Group's growth businesses of streaming and content performed particularly well. RTL+ in Germany and Hungary and Videoland in the Netherlands registered 5.5 million paying streaming subscribers, and Fremantle delivered over 100 drama productions. In 2022, RTL Deutschland gradually expanded its cross-media offer with the launch of the RTL+ Musik app, which gives RTL+ users access to more than 90 million songs and more than 100 radio streams. RTL+ entered an exclusive partnership with Deezer, one of the world's leading music streaming services. Podcasts were also added within the RTL+ Musik app during the year followed by a growing selection of audiobooks.

RTL Group's streaming revenue increased by 19.7 per cent to €267 million during 2022 as a result of subscriber growth.

In addition, RTL Group continued to 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 *America's Got Talent*, the quiz show *Password* and film and series productions such as *The Mosquito Coast* and documentaries such as *Planet Sex* with Cara Delevingne. 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. One example is its three-year international filmmaking agreement with Oscar-winning actress Angelina Jolie that was signed in March 2022. Fremantle and Angelina Jolie will jointly develop a variety of feature films, documentaries and original series that she will produce, direct, or star in.

For the full year 2022, RTL Group generated an Adjusted EBITA of €1,083 million with an Adjusted EBITA margin of 15.0 per cent. The Group's Adjusted EBITA before streaming start-up losses was €1,316 million. RTL Group ended the year 2022 with a very strong set of financial results, including a Group profit of €766 million and net cash of €180 million.

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

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

- It has a highly profitable, well-established, cash-generating core business in TV broadcasting.
- The company is heavily investing in its streaming services, RTL+ in Germany and Hungary and Videoland in the Netherlands, with a rapidly increasing number of paying subscribers.
- The company's content production company, Fremantle, has successfully branched out into scripted drama, high-end factual and documentary programming.
- The company is among the European leaders in ad-tech.

Review by segments

Full year 2022

Revenue	2022 €m	2021 €m	Per cent change
RTL Deutschland	2,766	2,425	+14.1
Groupe M6	1,357	1,390	(2.4)
Fremantle	2,347	1,926	+21.9
RTL Nederland	636	575	+10.6
Other segments	411	604	(32.0)
Eliminations	(293)	(283)	
Total revenue	7,224	6,637	+8.8

Adjusted EBITA	2022 €m	2021 €m	Per cent change
RTL Deutschland	459	541	(15.2)
Groupe M6	304	329	(7.6)
Fremantle	162	141	+14.9
RTL Nederland	161	107	+50.5
Other segments	(12)	33	<100.0
Eliminations	9	1	
Adjusted EBITA	1,083	1,152	(6.0)

Adjusted EBITA margin	2022 per cent	2021 per cent	Percentage point change
RTL Deutschland	16.6	22.3	(5.7)
Groupe M6	22.4	23.7	(1.3)
Fremantle	6.9	7.3	(0.4)
RTL Nederland	25.3	18.6	+6.7
RTL Group	15.0	17.4	(2.4)

RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be down between 8.0 and 9.0 per cent with RTL Deutschland performing in line with the market. Total revenue of RTL Deutschland was up 14.1 per cent to €2,766 million (2021: €2,425 million), driven by the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021, as well as the German streaming service RTL+, partly offset by lower TV advertising revenue. Adjusted EBITA was down 15.2 per cent to €459 million (2021: €541 million), mainly due to higher streaming start-up losses and lower TV advertising revenue. This was partly offset by the reversal of provisions of €35 million relating to the legal proceeding with RTL 2 Fernsehen GmbH & Co KG and its sales house El Cartel Media GmbH & Co KG.

With a decreasing print advertising market and increased prices for energy and paper, the acquired publishing business from Gruner + Jahr did not contribute notably to RTL Deutschland's Adjusted EBITA.

Audience ratings

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

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

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

Ich bin ein Star – Holt mich hier raus! (I'm a Celebrity – Get Me Out of Here!) was the channel's most successful show in 2022. On average, 4.37 million total viewers (19.5 per cent) watched the 15th season, representing an average audience share of 26.0 per cent in the commercial target group of viewers aged 14 to 59. *Let's Dance* generated the best audience share since 2016, scoring an average of 17.8 per cent in the commercial target group (2021: 17.5 per cent). The most-watched programme on RTL was the Europa League final of Eintracht Frankfurt vs. Glasgow Rangers on 18 May, which attracted an average of 9.1 million total viewers and a total audience share of 38.9 per cent. Three Uefa Nations League matches with the German National team also scored high audience shares. The late-night news show *RTL Direkt* scored an average audience share of 8.4 per cent in the commercial target group of viewers aged 14 to 59, putting it on par with the established news shows from the public broadcasters, *Heute Journal* and *Tagesthemen*. The extension of print brands to TV started well with the new TV magazine *Gala* (average audience share of 8.5 per cent) and the new weekly format *Stern TV am Sonntag* (7.2 per cent). In access primetime the daily series *Gute Zeiten, schlechte Zeiten* continued to generate a high audience share and attracted 13.7 per cent of viewers aged 14 to 59 (2021: 13.7 per cent).

RTL Deutschland (continued)

The streaming service **RTL+** continued its rapid growth in 2022 reaching 4.016 million paying subscribers – an increase of 48.1 per cent (2021: 2.712 million). Viewing time increased by 28 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 reality TV shows such as *Temptation Island VIP*, *Das Sommerhaus der Stars* and *Der Bachelor*, and fictional series such as *Sisi*, *Der König von Palma* and *Der Schiffsarzt*. The football matches Eintracht Frankfurt vs. Glasgow Rangers, OGC Nizza vs. 1. FC Köln and Borussia Dortmund vs. Glasgow Rangers also attracted large audiences. The most-watched original documentary was *Bushido*.

In 2022, **Vox** ranked third among the commercial channels with an average audience share of 6.2 per cent in the target group of viewers aged 14 to 59 (2021: 6.1 per cent) and 6.7 per cent in the target group of viewers aged 14 to 49 (2021: 6.7 per cent). The primetime show *Die Höhle der Löwen* (Dragons' Den) remained popular, generating the best spring season ever with an average audience share of 12.0 per cent in the commercial target group of viewers aged 14 to 59, while *Kitchen Impossible* was watched by 10.3 per cent. *Mälzer und Henssler liefern ab* (8.2 per cent), *Sing meinen Song* (6.8 per cent), *Goodbye Deutschland* (6.6 per cent) and *First Dates Hotel* (6.6 per cent) were also successes for Vox in the target group. The documentary *Zum Schwarzwälder Hirsch – Eine außergewöhnliche Küchencrew* was the best format launch in 2022, attracting an audience share of 6.9 per cent in the same target group.

Nitro attracted 2.2 per cent of the 14 to 59 target group (2021: 2.2 per cent) and 3.0 per cent of its main target demographic of men aged 30 to 49 (2021: 2.9 per cent).

The news channel **NTV** scored a total audience share of 1.2 per cent and attracted 1.4 per cent of viewers aged 14 to 59 (2021: 1.1 per cent and 1.2 per cent). RTL and NTV have kept the public continuously informed about the war in Ukraine since the first Russian attack. Between 24 February and 25 March 2022 alone, the channels provided around 377 hours of information in 140 RTL and NTV specials, reaching more than 36 million people in Germany.

RTL Up, previously RTL Plus, attained a 1.9 per cent audience share in the target group aged 14 to 59 (2021: 1.8 per cent).

Vox Up generated an audience share of 0.6 per cent in the target group of viewers aged 14 to 59, up 0.2 percentage points compared to 2021.

Super RTL retained its leading position in the children's segment in 2022, attracting an average audience share of 17.4 per cent in the target group of three to 13-year-olds between 06:00 and 20:15, including Toggo Plus (2021: 21.0 per cent), ahead of the public service broadcaster KiKA (15.9 per cent) and Disney (11.2 per cent).

In 2022, **RTL Zwei's** market share remained stable at 3.7 per cent among 14 to 59-year-old viewers (2021: 3.7 per cent).

RTL Deutschland's publishing business was impacted by the challenging market environment, mainly due to increased prices for paper and energy, increasing inflation and supply chain issues. Thanks to strong stories and cover motifs, **Stern** kept its market share³⁰ in retail sales almost stable at 26.4 per cent (IVW2021: 27.0 per cent). Nevertheless, and as expected, **Stern** lost 6.5 per cent in total circulation in 2022 compared to 2021. **Stern** was able to reduce the decline in total sales by 1.2 percentage points compared to the previous year (IVW 2021: –7.7 per cent). The circulation of celebrity magazine, **Gala**, was down 3.3 per cent compared to 2021 and the circulation of business magazine, **Capital**, was down 2.6 per cent.

Following the combination of RTL Deutschland and Gruner + Jahr, RTL Deutschland continued to expand its brands cross-media. RTL Television successfully launched **Stern TV am Sonntag** and **Gala**, while Super RTL started a new edutainment magazine for children, **Geolino TV**. RTL Deutschland continued to invest in paid content and the digital expansion of its brands. With **Chefkoch Plus**, Europe's biggest food platform now offers its users a paid premium subscription that includes smart cooking features and no advertising.

Radio consumption in Germany remained strong in 2022, reaching 74.5 per cent of Germans aged 14+ daily – with an average listening time of 249 minutes per day.

RTL Group's German radio portfolio reached 14 million Germans aged 14+ each day. 104.6 RTL maintained its market-leading position in the highly competitive Berlin/ Brandenburg radio market in the target group of listeners aged 14 to 49. Many radio stations increased their reach year on year, including Radio Brocken (of 41.9 per cent among listeners aged 14 to 49), Antenne Niedersachsen (up 14.4 per cent among listeners aged 14+) and RTL Radio Deutschland's Hitradio (up 22.7 per cent among listeners aged 14+).

³⁰ Competitive environment defined as *Der Spiegel*, *Die Zeit*, *Focus* and *Stern*

Groupe M6

Financial results

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

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 22.3 per cent (2021: 22.8 per cent). The total audience share was 13.5 per cent (2021: 14.3 per cent). On average, 23.0 million viewers watched Groupe M6's free-to-air channels every day in 2022 (2021: 25.1 million).

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 14.1 per cent (2021: 14.7 per cent). Established entertainment brands such as *L'Amour est dans le pré* (Farmer Wants a Wife), *Top Chef* and *La France a Un Incroyable Talent* (Got Talent) continued to attract high audience shares. The channel also introduced new favourites such as *Les Traîtres* (The Traitors). M6's news shows *Le 1245* and *Le 1945*, and magazine formats such as *Capital* and *Zone Interdite* scored audience records in the commercial target group.

The advertising-financed streaming service **6play** recorded 24.5 million active users in 2022 (2021: 28.5 million). The viewing time was 470 million hours (2021: 530 million).

W9 reached an average audience share of 3.6 per cent among women under 50 responsible for purchases (2021: 3.8 per cent), ranking second among the DTT channels in France in this target group. Reality series, sports, films, and magazines continued to score high ratings.

Among the new generation of DTT channels, **6ter** remained the leader in the commercial target group for the fifth consecutive year, with an average audience share of 2.7 per cent (2020: 2.6 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 12.6 per cent (2021: 12.7 per cent). Every day, nearly 5 million viewers watch their favourite animated heroes, live-action series, games and documentaries, as well as fiction and films for the whole family.

In 2022, the RTL radio family of stations registered a consolidated audience share of 18.4 per cent among listeners aged 13 and older (2021: 18.2 per cent). Its flagship station **RTL Radio** was the leading commercial station in France and increased its average audience share to 12.8 per cent (2021: 12.5 per cent). The pop-rock station **RTL 2** recorded an average audience share of 3.1 per cent (2021: 3.0 per cent), while **Fun Radio** registered an average audience share of 2.5 per cent (2021: 2.8 per cent).

Fremantle

Financial results

Revenue at RTL Group's content business, Fremantle, was up by 21.9 per cent to €2,347 million in 2022 (2021: €1,926 million), thanks to scope effects from acquisitions in 2021 and 2022, organic growth³¹ (up 7.8 per cent) and positive foreign exchange rate effects. Accordingly, Adjusted EBITA was up 14.9 per cent to €162 million (2021: €141 million).

Drama and film

2022 saw several successful global drama launches, including *The King* (Il Re), from The Apartment Pictures and Wildside which premiered in Italy on Sky Atlantic and became the highest-rated Sky original scripted launch of 2022. A second season has already been recommissioned. Lux Vide's *Don Matteo* was the number three fiction show on Rai1 in 2022, with each episode ranking as Italy's number one show of the day.

The crime drama series from Dancing Ledge Productions, *The Responder*, achieved an average total audience share of 21.2 per cent on BBC One in the UK, peaking with an audience of 7.5 million viewers, making it the BBC's second most popular new drama in the first half of 2022. It has since been sold internationally to Disney+ and Canal+, and the second season has already been commissioned. The series *This England*, produced by Passenger, was 2022's number one Sky Atlantic Original drama launch based on seven-day and 28-day viewing. The series has also sold to over 90 countries around the world.

Heartbreak High from Fremantle in Australia was a global hit for Netflix, spending three weeks in its global top ten TV shows and generating over 43 million hours of viewing while it was in the top ten. It charted in Netflix's top ten TV shows in 46 territories, with highest rankings at number two in Australia and number three in New Zealand. The show has already been renewed for a second season.

Fremantle continued to boost its film business in 2022, with Miso Film's *Blasted* achieving the number one spot in the global Netflix top ten list for most-watched non-English-language films. Over 8 million hours were viewed in its first week on Netflix, and it entered Netflix's weekly top ten films in 41 territories. The Wildside film *7 Women and a Murder* was the number one non-English language film globally over the Christmas period, generating 13 million hours of viewing and charting in 49 territories on Netflix. *The Wonder* from Element Pictures peaked as Netflix's number three English-language film globally, charting in the top ten in 83 territories and generating 43 million hours of viewing while in the top ten.

Entertainment

American Idol returned for its fifth season on ABC and Hulu, and the 20th season overall. The season won an average total audience of 7.2 million viewers and an average total audience share of 10.4 per cent, making it ABC's number one series of the 2021/22 season. *Indian Idol* launched its 11th series in September 2022, winning an average audience share of 2.4 per cent and performing 82 per cent above Sony TV's primetime average audience share. In Sweden, season 18 of the local version of *Idols* on TV4 registered an average audience share of 27.2 per cent, consistently ranking as the number one show of the day in the commercial target group of viewers aged 15 to 64.

Fremantle's hit format *Got Talent* was the number three entertainment show on M6 in France for 2022, with an average audience share of 27.3 per cent in the commercial target group. In the US, season 17 of *America's Got Talent* was the highest-rated summer show of 2022 and NBC's number two entertainment show of the 2021/22 season, averaging 7.7 million viewers representing an audience share of 12.5 per cent. After an on-screen break of ten years, *Canada's Got Talent* launched on CityTV and scored an average total audience share of 7.1 per cent, while the 15th season of *Britain's Got Talent* returned to UK screens on ITV. The Thames-produced show attracted an average total audience share of 34.0 per cent and a peak audience of 8.2 million viewers, making it the UK's number one entertainment show in the first half of 2022.

Established formats continued to perform well with *Farmer Wants a Wife* in the Netherlands – produced by Blue Circle – attracting an average total audience share of 48.6 per cent. In France, the show scored its highest ratings in five years, with an average audience share of 32.2 per cent in the commercial target group, up 66 per cent on the broadcaster's primetime average. The Belgian show, *Farmer Wants a Wife: Love is Blind*, consistently ranked as the number one non-news show of the day on VTM, with an average total audience share of 20.1 per cent. In Germany, the 18th season of *Farmer Wants a Wife* scored an average audience share of 14 per cent in the commercial target group of viewers aged 14 to 59, consistently ranking as the non-news show of the day on RTL.

Naked's new show *Snowflake Mountain* – which premiered on Netflix in June 2022 – entered the daily top three in the US, Canada and Iceland and the daily top ten in 29 countries in its first ten days on Netflix.

³¹ Adjusted for portfolio changes and at constant exchange rates. Further details can be found in Key performance indicators on page 25

Fremantle (continued)

Poland's first season of the hit format *The Masked Singer* launched as TVN's best overnight entertainment launch for four years. In the Netherlands, the fourth series of the format was consistently RTL 4's number one show of the week and scored an average audience share of 35.8 per cent. In Norway, the third series finale achieved a staggering 81 per cent total audience share, nearly double NRK1's primetime average.

Fremantle continued to grow its entertainment business with streaming services. In 2022, it delivered two series of the English-language version of *Too Hot to Handle*. The third season was Netflix's global number one unscripted show for two weeks with 73 million hours viewed, and season 4 was a top ten show in 71 territories. The second season of the format in Brazil remained in Brazil's daily top ten shows for two weeks, while the second season of the Spanish original format *Love Never Lies* reached Netflix's Spanish top ten, with over 5 million hours watched in its first week.

Password made a comeback to US primetime in summer 2022, averaging 4.9 million viewers across its broadcast on NBC, up 58 per cent on NBC's summer primetime average audience share. *Password* was also number one in the timeslot for every episode, and ranked as NBC's number one game show of the season. Ufa's *Wer weiß denn sowas?* (Who knows such things?) remained the best performing non-scripted format in German access primetime, with an average total audience share of 18.0 per cent. For the first time in Germany, *Wer weiß denn sowas?* delivered a 24-hour non-stop live quiz marathon – broadcast mainly on the Mediathek of the German public broadcaster ARD.

Documentaries

Original Production's *Phat Tuesdays* three-part documentary launched on Amazon Prime in February 2022, reaching 2.1 million unique viewers and ranking in Amazon Prime's top ten TV shows in the US for three weeks. *Lola Indigo, La niña*, Fremantle Spain's original documentary co-produced with Universal Music, launched in May 2022 and ranked in the top ten on Amazon Prime in Spain for 21 days, peaking at number two.

In the UK, Naked's documentary *Ghislaine, Prince Andrew and the Paedophile*, which was broadcast on ITV, reached an average audience share of 20.6 per cent, exceeding ITV's primetime average share for total viewers and ranking number one in its timeslot.

Planet Sex with Cara Delevingne launched on BBC Three as a boxset, with all episodes available on demand at the launch in December 2022. The series, produced by Naked and Cara Delevingne's company Milkshake Productions, explores the unique human stories and ground-breaking research behind today's biggest questions around human sexuality. In October 2022, the documentary series *Kingdom of Dreams*, made in collaboration with Misfits Entertainment, launched on Sky.

RTL Nederland

Financial results

In 2022, the Dutch net TV advertising market was estimated to be up by 8.7 per cent. RTL Nederland's total revenue increased by 10.6 per cent to €636 million (2021: €575 million), mainly due to significantly higher TV advertising revenue. This resulted in an Adjusted EBITA of €161 million, up 50.5 per cent year on year (2021: €107 million).

Audience ratings

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

RTL Nederland's flagship channel, **RTL 4**, grew its average primetime audience share in the target group of shoppers aged 25 to 54 to 22.7 per cent (2021: 21.6 per cent). The channel continued to score very high audience shares in this target group with *The Masked Singer* (43.3 per cent), *De Verraders* (The Traitors) (37.2 per cent) and *Kopen Zonder Kijken* (Buying Blind) (34.0 per cent). *De Verraders* was developed by IDTV and RTL Creative Unit and has already been sold internationally to NBC in the US, BBC in the UK and M6 in France. Two other RTL Creative Unit productions, *Ik Weet Er Alles Van* (Ask me Anything) (27.5 per cent) and *B&B Vol Liefde* (B&B Full of Love) (24.4 per cent), scored even better ratings than the previous summer. The increase in audience share was also thanks to RTL 4's current affairs programmes in early prime time with *RTL Boulevard* (32.0 per cent) and *Editie NL* (28.6 per cent). The main evening news show *RTL Nieuws* grew its average audience share in 2022 to 34.5 per cent (2021: 31.5 per cent).

RTL Nederland's streaming service, **Videoland**, recorded subscriber growth of 11.8 per cent to 1.221 million paying subscribers at the end of 2022 (end of 2021: 1.092 million). Videoland's growth was largely thanks to the original series *Sleepers* and *Mocro Maffia*, the documentary about the Dutch singer André Hazes, the fifth season of *The Handmaid's Tale* and the Dutch kickboxing live events of the Glory series, all of which are exclusive to Videoland in the Netherlands. In 2022, all users of Videoland were successfully migrated to the technical streaming platform provided by RTL Group's streaming technology company, Bedrock.

RTL 5's primetime audience share was 4.7 per cent in the target group of viewers aged 25 to 54 (2021: 4.1 per cent).

Men's channel **RTL 7** scored an average primetime audience share of 5.2 per cent among male viewers aged 25 to 54 (2021: 5.8 per cent).

Women's channel **RTL 8** attracted an average primetime audience share of 3.8 per cent among female viewers aged 35 to 59 (2021: 3.8 per cent).

RTL Z's audience share in the demographic of the upper social status aged 25 to 59 decreased to 0.9 per cent (2021: 1.1 per cent).

Other segments

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

Revenue split – Other segments	2022 €m	2021 €m	Per cent change
Total revenue of other segments	411	604	(32.0)
Thereof			
– RTL Belgium (until 31 March 2022)	40	176	(77.3)
– RTL Hungary	113	116	(2.6)
– RTL Croatia (until 1 June 2022)	19	46	(58.7)
– Other including elimination	239	266	(10.2)

The Hungarian net TV advertising market was estimated to be up by 3.6 per cent in 2022 with RTL Hungary performing in line with the market. Total revenue of **RTL Hungary** was slightly down by 2.6 per cent to €113 million (2021: €116 million), mainly due to foreign exchange rate effects partly offset by organic growth. Accordingly, the business unit's Adjusted EBITA was stable at €13 million (2021: €13 million).

With a combined primetime audience share of 28.9³² per cent in the key demographic of 18 to 49-year-old viewers (2021: 30.5 per cent), the eight channels of the newly rebranded RTL Hungary were 0.3 percentage points behind the main commercial competitor TV2 Group with 14 channels. The Hungarian flagship channel **RTL** reached a primetime audience share of 15.0 per cent among viewers aged 18 to 49 (2021: 16.9 per cent) and remained the clear market leader, 1.1 percentage points ahead of TV2 (2021: 3.4 percentage points). The market-leading news programme, *RTL Híradó*, attracted 19.6 per cent of viewers aged 18 to 49 (2021: 20.0 per cent) while Hungary's strongest TV infotainment brand, *Fókusz* (Focus), achieved an average audience share of 17.6 per cent in the commercial target group. The 11th season of *The X Factor* reached an average audience share of 32.0 per cent in the commercial target group. Even after 11 years, *The X Factor* is still the most-watched programme on RTL, with an exceptionally young audience: the average audience share among 15 to 29-year-old viewers was 48.4 per cent.

In November 2022, RTL Hungary launched **RTL+**, a subscription-based, advertising-free streaming service. RTL Hungary's previous advertising-funded streaming service, RTL Most, and the advertising and distribution-funded streaming service, RTL Most+, were integrated under the packages RTL+ Light and RTL+ Active. RTL+ and RTL+ Active had 0.251 million paying subscribers at the end of December 2022. The most-watched programmes were the exclusive RTL-produced series *A Király* (The King), daily series, and reality formats such as *ValóVilág powered by Big Brother*.

In 2022, **RTL Luxembourg** confirmed its position as the leading media brand in 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 79.2 per cent (2021: 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 152,600 listeners each weekday (2021: 164,600). **RTL Télé Lëtzebuerg** – the only general-interest TV channel broadcast in Luxembourgish – attracted 137,800 viewers each day (2021: 138,700) and achieved a primetime audience share of 48.1 per cent in the target group of Luxembourgish viewers aged 15 and over (2021: 48.0 per cent). Luxembourg's most visited website, **rtl.lu**, had a daily reach of 48.0 per cent (2021: 52.4 per cent) of all Luxembourgers aged 15 and over.

³² RTL Hungary changed the publication of its audience figures from 2022 and is now using 'Linear SHR' audience share data, which is calculated without the 'Other' category of Nielsen

Other segments (continued)

In February 2022, RTL Télé Lëtzebuerg broadcast the second season of the Luxembourgish hit crime series *Capitani*, which was watched by 44 per cent³³ of all residents above the age of 16 either on RTL Télé Lëtzebuerg or on the streaming service RTL Play.

RTL Play – the streaming service for audio and video content in Luxembourgish, French and English – recorded a total of 4.6 million plays during 2022. In July 2022, Luxair, the Luxembourgish Airline, launched its inflight entertainment platform in partnership with RTL Luxembourg, which allows passengers to access RTL Play and other content on their planes. In March 2022, RTL Luxembourg launched the web radio **RTL Today Radio**, Luxembourg's only 24-hour English radio station. In July 2022, RTL Luxembourg created Luxembourg's first podcast awards.

In 2022, **Broadcasting Center Europe (BCE)** strengthened its position in broadcasting via its online video platform (OVP), with services for the European Capital of Culture, Esch 22, the French fashion weeks, sports federations, and other institutions. For France Televisions, BCE built a state-of-the-art broadcast van for live productions and enhanced Fedcom's Euroleague and Eurocup basketball matches with decentralised production services. Thanks to key agreements, BCE further developed its cloud services such as cloud storage, remote voice-over and editing while increasing its datacenter portfolio. Following the development of the new cloud-based platform for Enx, BCE extended its customer portfolio with the European Broadcast Union, which manages the news distribution of European public broadcasters.

In 2022, **We Are Era** further strengthened its leading positions in talent management and content production and expanded its direct sales and media solutions business. Successful productions included the RTL+ documentary *Bolzplatzkönige – Mein Weg zum Profi* (Kings of the Football Field – My Way to becoming a Pro), and content productions for the Google Brandcast and YouTube Works events. New clients included *Der Spiegel* and the Royal Belgian Football Association. In 2022, We Are Era successfully relaunched the VideoDays Festival for creators, brands and platforms. We Are Era's revenue was up 3.2 per cent in 2022.

The Spanish net TV advertising market decreased by an estimated 4.6 per cent in 2022. On a 100 per cent basis, consolidated revenue of **Atresmedia** was slightly down by 1.2 per cent to €951 million (2021: €963 million), while operating profit (EBITDA) remained stable at €173 million (2021: €173 million), and net profit was €113 million (2021: €118 million). The profit share of RTL Group was €21 million (2021: €22 million).

The Atresmedia family of channels achieved a combined audience share of 26.4 per cent in the commercial target group of viewers aged 25 to 59 (2021: 27.4 per cent). The main channel, **Antena 3**, recorded an audience share of 11.5 per cent (2021: 12.2 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 2022.

Non-financial information

Corporate responsibility (CR)

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

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

In November 2022, the Corporate Sustainability Reporting Directive (CSRD) was adopted by the European Parliament. The new directive aims to significantly expand existing requirements for non-financial reporting. The reporting requirements of the CSRD will apply to RTL Group starting from the financial year 2024. This means RTL Group will again publish its own sustainability report from 2025 for the financial year 2024.

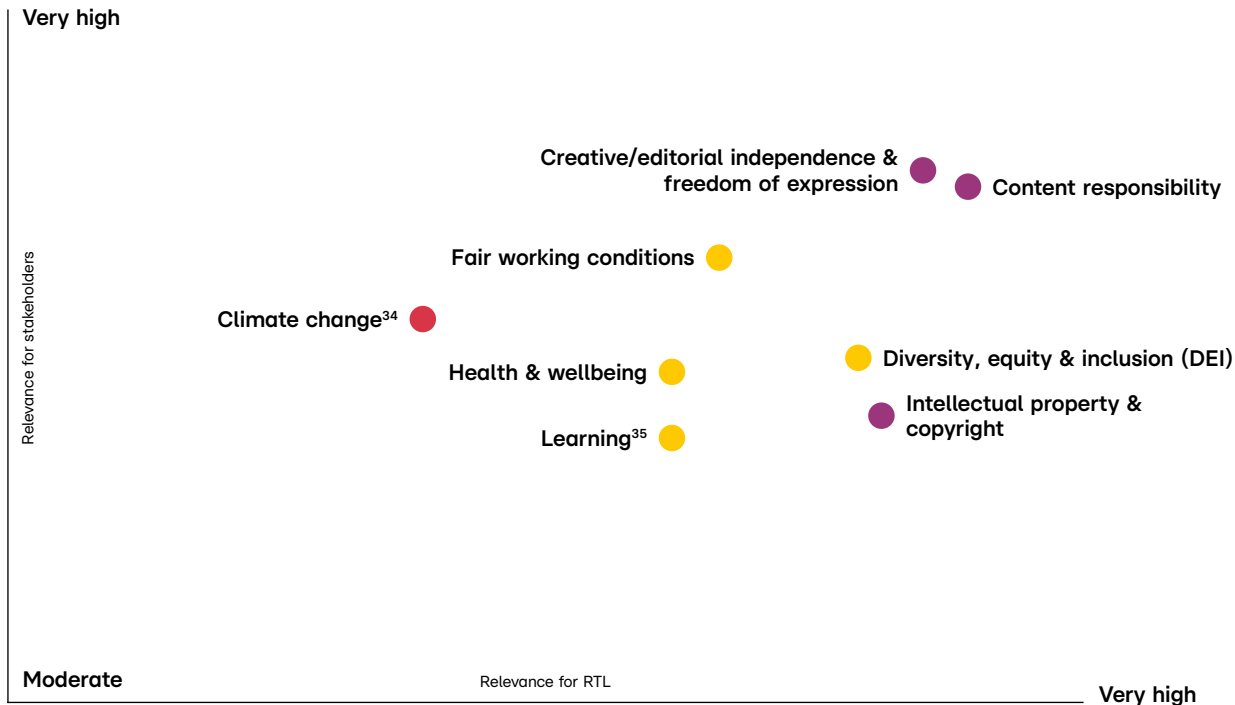
The information of the Combined Non-Financial Statement (which complies with the current European Directive 2014/95/EU and provisions by the law of 23 July 2016 regarding the publication of non-financial and diversity information in Luxembourg) can be found in the annual report of RTL Group's majority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

The RTL CR Board unites executives from RTL Group and RTL Deutschland and was 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, creative/editorial independence and climate protection, to develop new ideas and to ensure efficient use of 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 – Wir helfen Kindern*, Communications, and RTL Group's Human Resources, Investor Relations and Compliance departments. The RTL Group CR Network – created in March 2014 and consisting of CR representatives from the Group and its business units – meets annually to share best-practices and knowledge. In addition, RTL Group established a Climate Task Force, consisting of members from all business units who meet to discuss, collaborate and define actions to reduce carbon dioxide emissions, with the target of becoming climate-neutral by 2030. In May 2022, RTL Group's largest business unit, RTL Deutschland, established a department for sustainability and diversity, equity & inclusion (DEI), with a direct reporting line to the unit's Chief Executive Officer.

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, equity and inclusion (DEI), health, safety and wellbeing, learning (including digital media literacy) and climate change. These issues were identified in a materiality analysis in consultation with internal and external stakeholders. The core of the survey was the assessment of 19 CR topics – internally, according to their relevance for the business, and externally, according to their relevance for stakeholders. The survey was conducted in 2020 in close consultation with the Group's majority shareholder Bertelsmann.

Relevance matrix



Creative/editorial independence

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

For RTL Group, independence means being able to provide news and information without compromising its journalistic principles and balanced position. Local CEOs act as publishers and are not involved in producing content. In each news organisation, editors-in-chief apply rigorous ethical standards and ensure compliance with local guidelines, which gives the Group's journalists the freedom to express a range of opinions, reflecting society's diversity and supporting democracy.

Employees

RTL Group has a diverse audience and a business based on creativity, and the Group therefore needs to be a diverse organisation. In 2022, the Group had an average of 12,975 full-time employees (total headcount: 18,623 including permanent and temporary staff) in more than 26 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, safety and wellbeing. It reviews and, if necessary, adjusts its training offers on an ongoing basis.

³⁴ The different environmental topics have been pooled

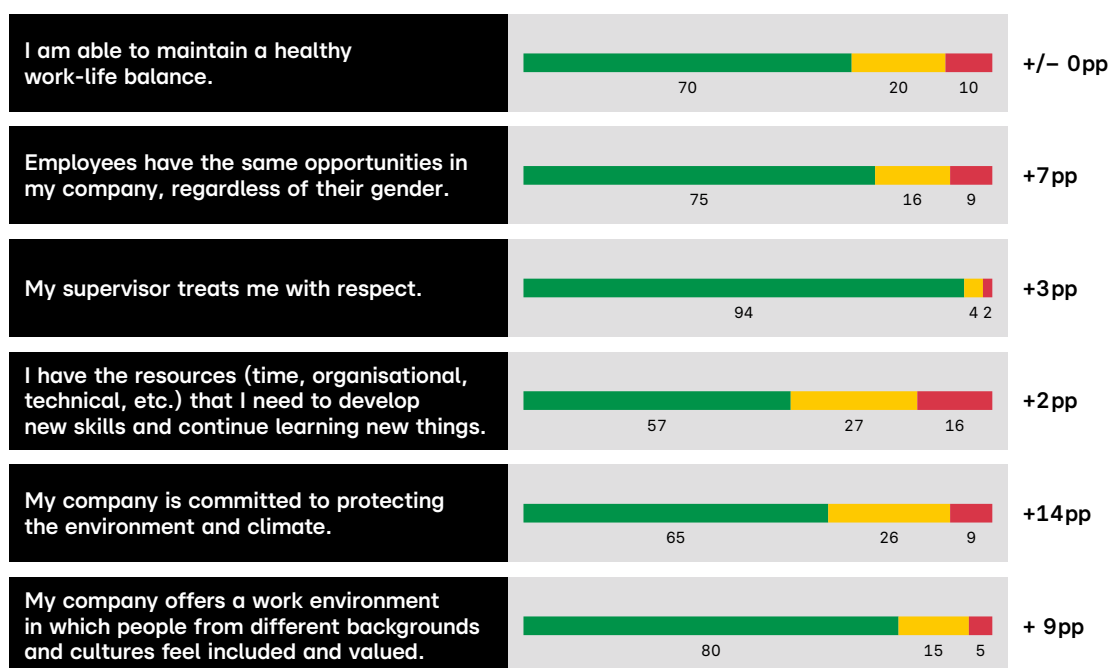
³⁵ Including digital media literacy

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

Every two years, RTL conducts its employee survey. In 2021, RTL Group received a response rate of 81 per cent, corresponding 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. The next employee survey will be conducted in 2023.

Employee survey 2021³⁶: 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 47 per cent men and 53 per cent women as at 31 December 2022) while women account for 36 per cent of top management positions (31 December 2021: 28 per cent), and 33 per cent of senior management positions (31 December 2021: 24 per cent).

³⁶ Calculation based on the average of positive responses to six questions of the 2021 Employee Survey in the following categories: Health & wellbeing; 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 2022, 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 at least 40 per cent by the end of 2025. The Group reports on its progress towards these diversity targets each year. At the end of 2022, the ratio of women in top and senior management positions was 34 per cent, up 14 percentage points compared to 2016 when RTL Group reported those measures for the first time (2016: 20 per cent; 2021: 28 per cent). By achieving its 2022 target, RTL Group reached an important milestone on the way to ensuring at least 40 per cent of top and senior management positions are held by women by the end of 2025.

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 should represent the diversity of society, so many different segments of society can identify with it.

In 2022, Fremantle continued to make progress towards building an equitable and inclusive culture across its business and content. During Pride month, for example, Ryan J Brown, writer and creator of *Wreck*, a six-part comedy horror series for the BBC, highlighted the importance of queer representation in TV with predominately LGBTIQ+ lead characters.

Fremantle also continued its partnership with The TV Collective on the Breakthrough Leaders programme in the UK, supporting 150 black, Asian and minority-ethnic future leaders. In Sweden, Fremantle's leadership team is participating in an external mentoring programme, All of Us, for young people of colour in the creative industries and supporting the WomenUp programme – which consists of 40 women and their mentors – to address the female leadership gap. In the US, a partnership with *Fresh Films* supports 400 young people from under-represented backgrounds based in 27 national locations nationwide.

Inclusive casting and storylines across Fremantle show – two things continued to provide a platform for different voices and perspectives, influence authentic storytelling, and promote empathy and understanding. *Heartbreak High* was recognised for its diverse casting and nuanced storytelling, featuring young Australians who are from First Nations communities, queer, disabled and/or neurodivergent. The series *Planet Sex*, fronted by Cara Delevingne, had a predominantly female and non-binary crew, and was filmed across the world incorporating intersectional LGBTIQ+ communities with a global reach and outlook.

In Germany, RTL Deutschland initiated its first diversity week to place LGBTIQ+ people at the centre of its content. RTL Deutschland's diversity week created awareness on different platforms, including a marketing campaign with RTL testimonials from the queer community and special formats such as the RTL primetime show *Viva la Diva – Wer ist die Queen?* or a LGBTIQ+ print special in the educational magazine *Geo Wissen*. Furthermore, the German RTL+ original film *Weil wir Champions sind* (Because we are champions) – which tells the story of an inclusive basketball team – featured nine actors with disabilities.

RTL Nederland focuses on diversity, equity and inclusion both on its linear channels and its streaming service Videoland. In 2022, RTL Nederland launched the first season of the drag entertainment show *Make Up Your Mind* and released the second and third seasons of the gay dating show *Prince Charming* on Videoland. Videoland original documentaries such as *Nikki*, *De Wereld Van Eva* and *Tussen De Lakens Met Geraldine* also focus on societal issues.

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 Euro 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 Luxembourg, and *RTL-Spendenmarathon* in Germany) raised €45,434,477 for charity in 2022 (2021: €34,307,869³⁷ still including *Télévie* in Belgium).

³⁷ The total amount of donations for 2021 was restated

Intellectual property and copyright

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

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

Anti-corruption and anti-bribery

The foundation for 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 54.

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

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

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

Human rights

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

Environment

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

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

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 carbon dioxide 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 carbon neutrality, including both company-related emissions (scope 1 and 2) and emissions from the production of its programmes and products (scope 3).

As part of its aim 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 those emissions. Examples from 2022 include the Wildside films *Siccià* and *L'immensità*, both of which were Albert certified.

In 2022, seven shows from RTL Nederland were certified sustainable or carbon neutral by Albert for the first time. Those formats include *Love Island* and *Beat the Champions*. In addition, more than 20 other shows were monitored by Albert. This is an essential step towards the decarbonisation of productions in the Netherlands. In November 2022, the channels and platforms of RTL Nederland raised awareness of plastic pollution during the campaign week RTL Samen Groener (RTL Greener Together).

To reduce carbon emissions, RTL Deutschland has been striving for more sustainable TV productions since 2020. Since mid-2022, minimum ecological standards adopted throughout the industry by broadcasters and production companies in Germany have been applied to selected productions. RTL Deutschland aims to produce 50 per cent of its fictional content according to those standards. These standards are used to strive for environmentally and resource-friendly production methods. If the standards are met, the official 'green motion' label is awarded by the Green Shooting³⁸ working group. In 2022, RTL Deutschland produced 13 productions in compliance with the standards, of which more than 30 per cent have been awarded the 'green motion' label. The German Fremantle production company, Ufa, was awarded the 'green motion' label for its series *Irgendwas mit Medien* (Something with media) for the German public broadcaster MDR. *Irgendwas mit Medien* was produced using sustainable electricity, with minimal reliance on generators powered by diesel, and used sustainable transportation.

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 the addressing of target groups.

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

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

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

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

³⁸ The 'Green Shooting' working group, founded and led by MFG Filmförderung in 2017, is working on the transformation towards a more ecologically sustainable production method. The working group includes the production companies Bavaria Fiction, Constantin, Ufa, We Are Era and Ziegler Film, the broadcasters ARD, RTL Deutschland, ProSiebenSat1, Sky, SWR and ZDF, the streaming services Disney+ and Netflix and further industry associations

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 2022).

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 announced that it would take a decision on the issue of impartiality in the upcoming weeks. 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 23 January 2023, the Court decided to award damages for unfair competition. Fun Radio appealed the Court's decision on 26 January 2023 and is confident to achieve a favourable decision before the Court of appeal.

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

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

Corporate governance

Principal risks and uncertainties

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

Corporate governance statement

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

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

Shareholders

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

As at 31 December 2022, 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 27 April 2022 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

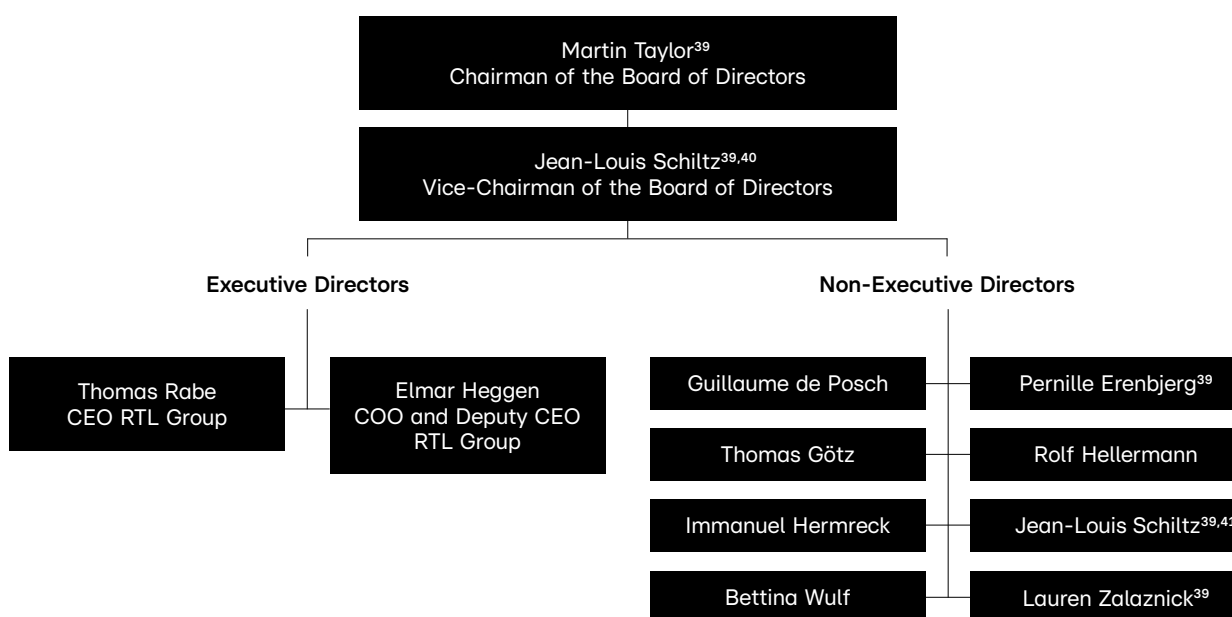
The Board of Directors has the most extensive powers to take, in the interests of the company, all acts of administration and of disposal, that are not reserved by law or the Article of Incorporation to the General Meeting of Shareholders.

On 31 December 2022 the Board of RTL Group had 11 members: two executive directors and nine non-executive directors. At the term of James Singh's mandate, at the Annual General Meeting (AGM) on 27 April 2022,

Jean-Louis Schiltz succeeded James Singh as Vice-Chair of the Board of Directors.

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

RTL Group's Board of Directors



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

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

The responsibility for day-to-day management of the company is delegated to the Chief Executive Officer (CEO). The Board of Directors has a number of responsibilities, which include approving the Group's annual budget, overseeing significant acquisitions and disposals, and managing the Group's financial statements. The Board of Directors met five times in person or online in 2022 – with an average attendance rate of 100 per cent – and adopted some decisions by circular resolution. An evaluation process of the Board of Directors' activities, and the activities of its committees, was performed in 2022.

³⁹ Independent Director

⁴⁰ With effect from 27 April 2022

⁴¹ Until 27 April 2022

Individual attendance of the members of the RTL Group Board of Directors	Participation in meetings	Attendance
Martin Taylor (Chairman)	5/5	100%
Guillaume de Posch	5/5	100%
Pernille Erenbjerg	5/5	100%
Thomas Götz	5/5	100%
Elmar Heggen	5/5	100%
Rolf Hellermann	5/5	100%
Immanuel Hermreck	5/5	100%
Thomas Rabe	5/5	100%
Jean-Louis Schiltz	5/5	100%
James Singh	1/1	100%
Bettina Wulf	5/5	100%
Lauren Zalaznick	5/5	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. The committee's plenary meetings are attended by the CEO, the COO/Deputy CEO and the Executive Vice President Human Resources. The Nomination and Compensation Committee may involve other persons to help the committee fulfil its tasks. The Chair of the Nomination and Compensation Committee reports on the discussions held and conclusions made by the committee to the subsequent Board of Directors meeting. The Nomination and Compensation Committee met four times in 2022, 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 (Chair)	4/4	100%
Thomas Götz	4/4	100%
Immanuel Hermreck	4/4	100%
Lauren Zalaznick	4/4	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 2022, a total of €1.3 million (2021: €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 2022).

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. Pernille Erenbjerg replaced James Singh as chairman from 27 April 2022.

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 2022 in person or online, with an average attendance rate of 96.2 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 until 27 April 2022)	1/1	100%
Pernille Erenbjerg (Chairman as of 27 April 2022)	4/5	80%
Rolf Hellermann	5/5	100%
Martin Taylor	5/5	100%
Jean-Louis Schiltz	5/5	100%
Thomas Götz	5/5	100%

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

CEO

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

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

Executive Committee

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

In 2022, a total of €7.8 million (2021: €8.6 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 2022).

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 27 April 2022, 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 2022 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 under the Compliance section on rtl.com.

Internal controls over financial reporting

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

Standards and rules

The rules governing the Group's financial reporting environment and critical accounting policies are set out in the Group's internal rules for accounting and the preparation of financial statements (such as IFRS manuals, guidelines and circulars), which are immediately available to all employees involved in the accounting process. Standards of a minimum control framework for key accounting processes at the level of RTL Group's fully consolidated subsidiaries are formalised in a set of expected key controls. RTL Group's centralised treasury and corporate finance activities are governed by dedicated policies and procedures. Hedging of exposure in non-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 on pages 57 to 61).

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

Risk matrix

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>The advertising landscape for streaming services has evolved. To drive growth and revenue as households become more cost-conscious, platforms such as Disney and Netflix introduced ad-funded programming in exchange for cheaper subscriptions and increased costs of content licensing and production to offer exclusives.</p> <p>This could increase competition within the advertising markets, especially for RTL Group's hybrid streaming services.</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>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.</p> <p>By forming alliances and partnerships, RTL Group aims to counteract the dominance of global tech platforms. Examples include RTL Ad Alliance (combining RTL AdConnect, G+J iMS and the media division of Smartclip). RTL Group's European ad-tech business, Smartclip, fully acquired the French ad-tech company Realytics, complementing the Group's ad-tech stack.</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 – next to organic growth – to expand its global content business and to gain market share.</p>
Cyclical development of economy	<p>The cyclical development of the economy is highly correlated with the development of the advertising markets and therefore impacts RTL Group's revenue.</p> <p>2022 has seen a significant deterioration of macroeconomic conditions, mainly due to growing economic uncertainties from the war in Ukraine, increasing inflation and supply chain issues.</p>	<p>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.</p>
Legal	<p>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).</p>	<p>RTL Group aims to anticipate any changes in legislation and to act accordingly by developing and exploiting new revenue sources.</p>
Integrity and compliance risks	<p>These are risks arising due to non-compliance with regulations. Unethical acts, illegal or non-compliant behaviour (such as violations of applicable local, national, and international laws and regulations, corporate policies and contract requirements) may cause legal consequences and result in financial or reputational damage.</p>	<p>RTL Group has established a compliance organisation and a compliance programme that highlights the importance RTL Group attaches to issues of compliance with the law and social responsibility. RTL Group provides support in complying with laws, regulations and corporate policies, promotes an ethical culture and strengthens trusting relationships with its business partners.</p>

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 prudent 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. Budget processes on subscriber revenue undergo ongoing maturation.
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 and materials (such as paper) is limited and may lead to further cost increases. There may also be a strong reliance on key suppliers. Strong competition may lead to increased costs and/or the loss of profitable programmes.	The Group aims to diversify its sources of supply wherever possible, partly by producing content in-house. RTL Group benchmarks purchasing terms and conditions to identify best practices with the aim of reducing costs by, for example, joint purchasing.
Inventories	There is a risk of over-accumulation of stock that could become obsolete. This may lead to write-offs or impairments.	RTL Group has strict commercial policies, very close follow-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 as well as the evolution of the business model.
IT infrastructure	Potential vulnerabilities within RTL Group operation systems and infrastructure may compromise business activities.	RTL Group entities use approved processes to continually monitor IT infrastructure and to update 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, streaming services 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 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.

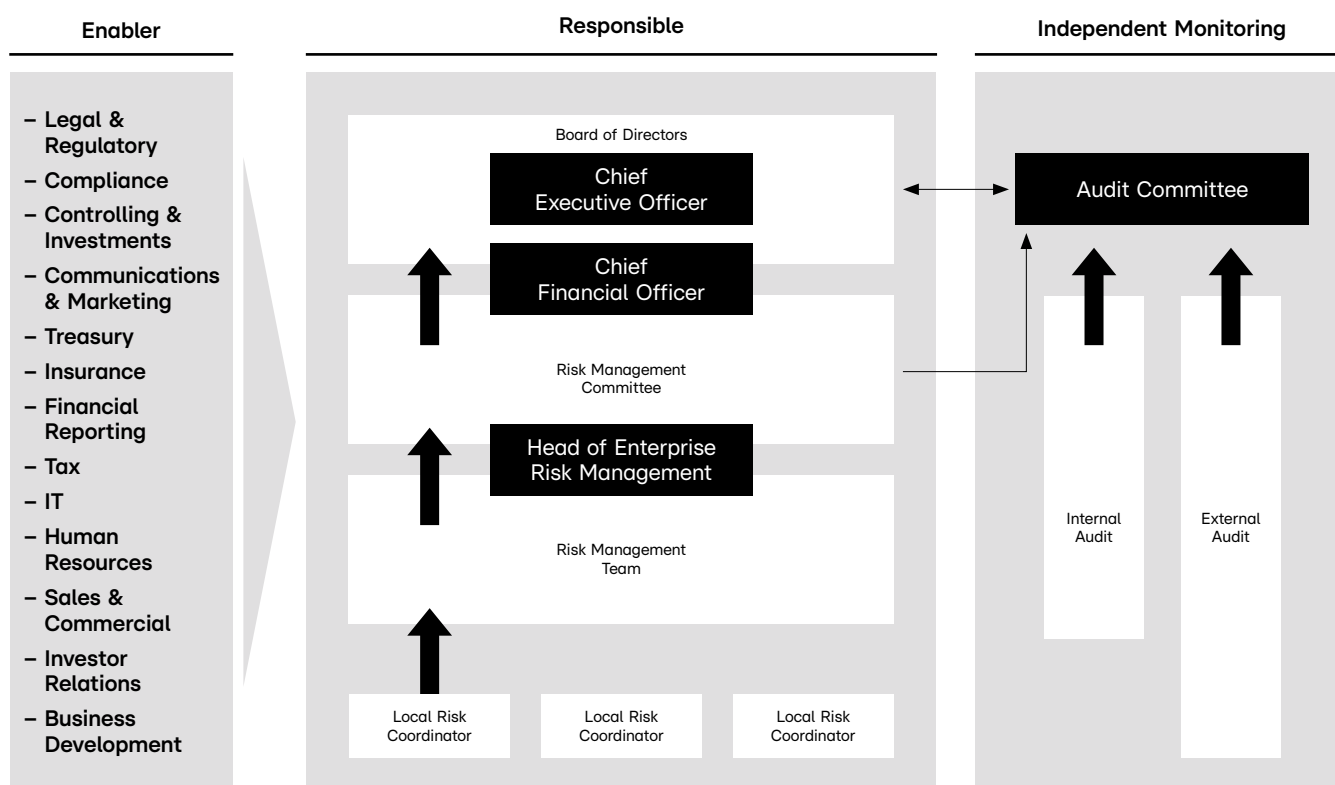
The risk management organisation is the combination of structures and relationships (see diagram below) which enables a proper risk governance environment. RTL Group's risk management governance model has a strong vertical component – from the Board of Directors and Executive Committee to the Audit and 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, the Legal and Regulatory, Compliance, Business Development, Controlling and Investments, Communications and Investor Relations, Treasury, Insurance, Group Financial Reporting, Tax, IT, Human

Resources and Sales and Commercial departments. Independent monitoring is also carried out by Internal Audit and External Audit.

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

The 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.

Risk classification

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

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 there has been significant deterioration in macroeconomic conditions, reflected in lower economic sentiment and growth expectations, due to the war in Ukraine, inflation, energy supply and supply chain issues. Changes in the industry – in particular due to new technologies and increasing competition with US platforms – will continue to affect the Group.

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

Opportunity management

Opportunity-management system

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

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

Opportunities

The Group has strategic, financial and regulatory opportunities. These could result from a better-than-expected performance of streaming services and advertising technology; from higher demand for content; from a better-than-expected macro-economic development, leading to higher advertising market growth; from higher market shares resulting from programme successes; and from changes in the laws regulating the Group's businesses, such as advertising. In addition, RTL Group's strategy to form cross-media champions could create significant value through the synergy potential of RTL Deutschland and Gruner + Jahr, the international cross-media sales house, RTL Ad Alliance, and RTL Group's Smartclip fully acquiring Realytics. RTL Group continues to develop its business model, to rethink its operational processes and to set the path for more open and agile collaboration across countries, departments and functions.

Luxembourg Law on Takeover Bids

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

a) Share capital structure

RTL Group SA has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2022 amounts to €191,845,074 represented by 154,742,806 shares with no par value, each fully paid-up.

b) Transfer restrictions

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

c) Major shareholding

The shareholding structure of RTL Group SA as at 31 December 2022 is as follows: Bertelsmann Capital Holding GmbH held 76.28 per cent, 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 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 SA is a public limited liability company under Luxembourg law. The German Corporate Governance Code (GCGC) does therefore not apply to RTL Group SA and RTL Group SA does not have to issue a Declaration of Conformity with the GCGC under section 161 of the German Stock Corporation Act (Aktiengesetz).

Solely for purposes of section 4.1.1.1 of the Guide to the DAX Equity Indices of STOXX Ltd., RTL Group SA declares that it does not deviate from recommendations C.10 (with sole reference to its applicability to the 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, 15 March 2023
The Board of Directors
RTL Group SA

Subsequent events

In January 2023, Global Savings Group (GSG), an at equity investment held by Groupe M6, completed the acquisition of *Pepper.com*. This transaction resulted in a dilution of RTL Group's investment in GSG from 41.49 per cent at 31 December 2022 to 31.16 per cent. The preliminary impact on profit or loss in 2023 is currently under estimation and will be recognised under 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree' of the consolidated income statement for the year 2023.

In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*. Other brands will be sold or discontinued. During the reorganisation, costs will be reduced in all areas – especially in corporate functions, corporate IT, office space, publishing and editorial teams. Around 500 jobs will be reduced in Hamburg, while an additional 200 jobs will be transferred to new owners through the planned sale of titles. RTL Deutschland will invest €80 million in its publishing business by 2025, €30 million thereof in the expansion of the paid offer Stern+ with complementary content from *Stern*, *Geo*, *Capital* and *Stern Crime*. The potential synergies of the transaction (Adjusted EBITA run-rate impact) are estimated at around €75 million per year, to be fully realised by 2025. At the time the consolidated financial statements were authorised for issue, the management has prepared its negotiations with relevant stakeholders – mainly with employee representatives – and expects the costs associated with the reorganisation to be in the high double-digit millions.

In February 2023, RTL Group GmbH and Bertelsmann SE & Co KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a revolving and swingline facility in the amount of up to €600 million. The main terms of this facility are:

- The interest rates for loans under the revolving and swingline facility are EURIBOR (floored at zero per cent) plus a margin of 0.40 per cent per annum, and ESTR (floored at zero per cent) plus a margin of 0.40 per cent per year, respectively. Additional utilisation fees of 0.075/0.15/0.30 per cent per year are computed for the utilisation of each subsequent tranche of €200 million, with an upfront fee of 0.25 per cent and a commitment fee of 14 basis points calculated and payable on the undrawn amount of the total credit facility.

In March 2023, RTL Group GmbH and Bertelsmann Business Support Sàrl entered into a shareholder loan agreement pursuant to which Bertelsmann makes available two term loan facilities in the amount of €500 million.

The main terms of these facilities are:

- Term loan facility of €200 million until 9 March 2026 bearing a fixed interest rate of 3.60 per cent per annum
- Term loan facility of €300 million until 7 March 2028 bearing a fixed interest rate of 3.57 per cent per annum
- RTL Group GmbH has the right to early repay the loans subject to break costs.

In March 2023, an amendment to the pledge agreement was signed between RTL Group SA, RTL Group GmbH, CLT-UFA SA, Bertelsmann SE & Co KGaA, Reinhard Mohn GmbH and Bertelsmann Business Support Sàrl granting RTL Group the pledge on all current repayment claims of Bertelsmann Business Support Sàrl against RTL Group GmbH under the new Term Loan Facilities of €500 million.

Outlook

The geopolitical and macroeconomic environment remains volatile and the impact on RTL Group's businesses is hard to predict.

On this basis and subject to the above:

- RTL Group expects its **revenue** to increase to between €7.3 and €7.4 billion.
- RTL Group expects its **Adjusted EBITA** for 2023 to be between €1.0 and €1.05 billion. Streaming start-up

losses are expected at just below €200 million (2022: €233 million). Consequently, the Group expects its Adjusted EBITA before streaming start-up losses to be between €1.2 and €1.25 billion (2022: €1,316 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, resulting in an ordinary dividend paid in 2024 and 2025 (for the financial years 2023 and 2024) of approximately €3.50 per share, based on current projections.

	2022	2023e
Revenue	€7,224m	€7.3bn to €7.4bn
Adjusted EBITA	€1,083m	€1.0bn to €1.05bn
Streaming start-up losses	€233m	Just below €0.2bn
Adjusted EBITA before streaming start-up losses	€1,316m	€1.2bn to €1.25bn

Strategic targets for RTL Group's streaming services⁴²

	2022	2026e
Paying subscribers	5.5m	10m
Streaming revenue	€267m	€1bn
Content spend per annum	€304m	~€600m

Profitability is expected by 2026⁴³.

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.

⁴² RTL+ in Germany and Hungary and Videoland in the Netherlands

⁴³ Total of Adjusted EBITA from RTL+, Videoland/RTL XL, Salto and Bedrock as consolidated on RTL Group level. The Adjusted EBITA of RTL+ in Germany and Hungary and Videoland/RTL XL in the Netherlands includes synergies with TV channels at 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 2022 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, 15 March 2023

Thomas Rabe
Chief Executive Officer

Elmar Heggen
Chief Operating Officer
Deputy Chief Executive Officer

Björn Bauer
Chief Financial Officer

Consolidated income statement

	Notes	2022 €m	2021 €m
Revenue	5.1.	7,224	6,637
Other operating income	5.2.	84	88
Consumption of current programme rights		(2,894)	(2,512)
Depreciation, amortisation and impairment		(240)	(209)
Other operating expenses	5.3.	(3,257)	(3,055)
Impairment of goodwill and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(46)	(19)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	4.3.	107	949
Profit from operating activities		978	1,879
Share of results of investments accounted for using the equity method	6.5.	14	27
Impairment and reversals of investments accounted for using the equity method	6.5.	(5)	2
Earnings before interest and taxes (EBIT)		987	1,908
Interest income	5.4.	5	5
Interest expense	5.4.	(18)	(18)
Other financial income	5.5.	6	19
Other financial expense	5.5.	(48)	(33)
Financial result		(55)	(27)
Profit before tax		932	1,881
Income tax expense	5.6.	(166)	(427)
Group profit		766	1,454
Attributable to:			
RTL Group shareholders		673	1,301
Non-controlling interests		93	153
Earnings per share (in €)			
– Basic	5.7.	4.35	8.41
– Diluted	5.7.	4.35	8.41

Consolidated statement of comprehensive income

	Notes	2022 €m	2021 €m
Group profit		766	1,454
Other comprehensive income (OCI):			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	6.15.	108	18
Income tax	6.7.	(29)	(2)
		79	16
Equity investments at FVOCI – change in fair value	6.6.	(5)	1
Income tax	6.7.	2	–
		(3)	1
Share of other comprehensive income of investments accounted for using the equity method	6.5.	23	–
Income tax		–	–
		23	–
		99	17
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		22	33
Effective portion of changes in fair value of cash flow hedges	6.16.4.	14	14
Income tax	6.7.	(2)	(5)
		12	9
Recycling of cash flow hedge reserve	6.16.4.	–	–
Income tax	6.7.	–	–
		–	–
Share of other comprehensive income of investments accounted for using the equity method		2	–
Income tax		–	–
		2	–
		36	42
Other comprehensive income/(loss), net of income tax		135	59
Total comprehensive income		901	1,513
Attributable to:			
RTL Group shareholders		802	1,358
Non-controlling interests		99	155

Consolidated statement of financial position

	Notes	31 December 2022 €m	31 December 2021 ⁴⁴ €m
Non-current assets			
Programme and other rights	6.1.	73	74
Goodwill	6.1. 6.2.	3,327	3,010
Other intangible assets	6.1.	571	525
Property, plant and equipment	6.3.	272	264
Right-of-use assets	6.4.	342	283
Investments accounted for using the equity method	6.5.	376	366
Loans and other non-current assets	6.6.	113	117
Deferred tax assets	6.7.	318	322
		5,392	4,961
Current assets			
Programme rights	6.8.	1,579	1,298
Other inventories		18	15
Income tax receivable		51	24
Accounts receivable and other current assets	6.9.	2,503	3,502
Cash and cash equivalents	6.10.	589	547
		4,740	5,386
Assets held for sale	6.11.	–	196
Current liabilities			
Loans and bank overdrafts	6.12.	547	49
Lease liabilities	6.12.	85	59
Income tax payable		24	41
Accounts payable and other liabilities	6.13.	2,312	2,762
Contract liabilities	5.1.	596	449
Provisions	6.14.	111	131
		3,675	3,491
Liabilities related to assets held for sale	6.11.	–	113
Net current assets		1,065	1,978
Non-current liabilities			
Loans	6.12.	138	635
Lease liabilities	6.12.	300	273
Accounts payable and other liabilities	6.13.	508	372
Contract liabilities	5.1.	5	2
Provisions	6.14.	218	276
Deferred tax liabilities	6.7.	75	77
		1,244	1,635
Net assets		5,213	5,304
Equity attributable to RTL Group shareholders		4,422	4,538
Equity attributable to non-controlling interests	6.16.8.	791	766
Equity	6.16.	5,213	5,304

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

Consolidated statement of changes in equity

	Share capital €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2021	192	(181)	(7)	67	3,635	3,706	647	4,353
Total comprehensive income:								
Group profit	–	–	–	–	1,301	1,301	153	1,454
Other comprehensive income (OCI)	–	32	9	1	15	57	2	59
	–	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	–	–	–	–	–	–	51	51
Other changes	–	–	3	–	(8)	(5)	–	(5)
	–	–	3	–	(529)	(526)	(36)	(562)
Balance at 31 December 2021	192	(149)	5	68	4,422	4,538	766	5,304
Balance at 1 January 2022	192	(149)	5	68	4,422	4,538	766	5,304
Total comprehensive income:								
Group profit	–	–	–	–	673	673	93	766
Other comprehensive income (OCI)	–	23	13	20	73	129	6	135
	–	23	13	20	746	802	99	901
Capital transactions with owners:								
Dividends	–	–	–	–	(774)	(774)	(76)	(850)
Equity-settled transactions, net of tax	–	–	–	–	3	3	3	6
Transactions on non-controlling interests without a change in control	–	–	–	–	(134)	(134)	(23)	(157)
Transactions on non-controlling interests with a change in control	–	–	–	–	–	–	21	21
Other changes	–	–	(7)	(1)	(5)	(13)	1	(12)
	–	–	(7)	(1)	(910)	(918)	(74)	(992)
Balance at 31 December 2022	192	(126)	11	87	4,258	4,422	791	5,213

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

Consolidated cash flow statement

	Notes	2022 €m	2021 €m
Cash flows from operating activities			
Profit before tax		932	1,881
Adjustments for:			
– Depreciation, amortisation and impairment		286	228
– Impairment and reversals on other financial assets at amortised cost		30	–
– Share-based payments expenses		5	6
– Re-measurement of earn-out arrangements		–	–
– Fair value measurement of investments		78	115
– Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		(107)	(949)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		132	40
Change of provisions	6.14.	(97)	46
Working capital changes		(503)	2
Income tax paid		(293)	(437)
Net cash from operating activities		463	932
Cash flows from investing activities			
Acquisitions of:			
– Programme and other rights		(68)	(88)
– Subsidiaries, net of cash acquired	4.2.	(113)	(136)
– Companies under common control, net of cash acquired	4.2.	166	(217)
– Other intangible and tangible assets		(133)	(107)
– Other investments and financial assets		(48)	(48)
Proceeds from the sale of intangible and tangible assets	6.1. 6.3.	1	2
Disposal of other subsidiaries, net of cash disposed of	4.3.	194	665
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets		105	29
Interest received		10	4
Current deposits with shareholder and its subsidiaries	10.1.	544	(218)
Net cash from/(used in) investing activities		658	(114)
Cash flows from financing activities			
Interest paid		(24)	(26)
Transactions on non-controlling interests	6.16.8.	(67)	(37)
Proceeds from loans	6.12.	35	56
Repayment of loans	6.12.	(79)	(113)
Payment of lease liabilities	6.12.	(81)	(63)
Dividends paid		(860)	(569)
Other changes from financing activities		(16)	(7)
Net cash from/(used in) financing activities		(1,092)	(759)
Net increase/(decrease) in cash and cash equivalents		29	59
Exchange rate effects and other changes in cash and cash equivalents		(11)	4
Cash and cash equivalents and bank overdrafts at the beginning of the year	6.10.	570	507
Cash and cash equivalents and bank overdrafts at the end of the year		588	570
Less cash and cash equivalents included within assets held for sale	6.11.	–	(23)
Cash and cash equivalents and bank overdrafts at the end of the year (without assets held for sale)	6.10.	588	547

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Financial calendar

26 April 2023	Annual Report 2022
26 April 2023	Annual General Meeting 2023
4 May 2023	Quarterly Statement: January to March 2023
8 August 2023	Interim Results 2023
8 November 2023	Quarterly Statement: January to September 2023

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