Notes to the consolidated financial statements

1. General information and material accounting policies

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

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

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

The ultimate parent company of RTL Group S.A. preparing consolidated financial statements, Bertelsmann SE & Co. KGaA, includes in its consolidated financial statements those of RTL Group S.A. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Straße 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann SE & Co. KGaA can be obtained at the company's registered office.

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

1.1 Statement of compliance

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

1.2 Basis of preparation of consolidated financial statements

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

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

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

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

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

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

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

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

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

1.3 Principles of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.3.2 Investments accounted for using the equity method

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

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

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

1.4 Foreign currency translation

1.4.1 Foreign currency translations and balances

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

1.4.2 Financial statements of foreign operations

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

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

1.5 Derivative financial instruments and hedging activities

Fair value

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

Cash flow hedges

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

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

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

1.6 Current/non-current distinction

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

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

1.7 Intangible assets

1.7.1 Non-current programme and other rights

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

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

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

1.7.2 Goodwill

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

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

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

1.7.3 Other intangible assets

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

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

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

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

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

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

1.8 Property, plant and equipment

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

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

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

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

1.9 Leases

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

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

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

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

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

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

1.10 Loans and other financial assets

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

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

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

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

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

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

Subsequent measurement

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in three measurement categories:

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

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

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

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

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

1.11 Current programme rights

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

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

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

1.12 Impairment of non-financial assets

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

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

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

1.13 Accounts receivable and contract assets

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

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

Impairment losses on trade accounts receivable, other financial instruments measured at amortised costs and contract assets are recognised when:

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

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

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

1.14 Cash and cash equivalents

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

1.15 Impairment of financial assets

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

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

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

1.16 Non-current assets held for sale

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

1.17 Accounts payable

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

1.18 Loans payable

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

1.19 Provisions

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

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

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

1.20 Employee benefits

1.20.1 Pension benefits

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

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

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

1.20.2 Other benefits

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

1.20.3 Share-based transactions

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

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

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

1.21 Share capital

1.21.1 Equity transaction costs

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

1.21.2 Treasury shares

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

1.21.3 Dividends

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

1.22 Revenue presentation and recognition

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

Revenue from advertising

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

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

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

Revenue from exploitation of programmes, rights and other assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.23 Government grants

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

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

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

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

1.25 Interest income and expense

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

1.26 Income tax

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

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

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

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

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

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

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

1.27 Discontinued operations

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

1.28 Earnings per share

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

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

1.29 Segment reporting

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

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

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

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

1.30 Prior year information

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

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

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

2. Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

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

2.2 Significant influence with less than 20 per cent

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

2.3 Lease accounting

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

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

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

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

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

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

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

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

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

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

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

2.7 Fair value of equity instruments at fair value through OCI

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

2.8 Assets held for sale and discontinued operations

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

2.9 Provisions for litigations

Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect. RTL Group management reviews on a regular basis the expected settlement of the provisions.

2.10 Income tax, deferred tax and other taxes

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

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

2.11 Post-employment benefits

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

2.12 Recognition of revenue

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

2.13 Contingent liabilities

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

3. Segment reporting

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

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

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

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

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

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

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

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

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

3.1 Segment information

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

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

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

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

42 The operating segment RTL Nederland was classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023. Further information is presented in note 6.11.
43 Other segments include the Adjusted EBITA loss of €-2 million generated by Group Corporate Centre (2022: €-31 million).
44 After deduction of discontinued operations
45 Without depreciation, amortisation and impairment included in 'Significant special items'

3.2 Geographical information

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

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

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

4. Group composition

4.1 Scope of consolidation

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

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

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

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

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

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

	Germany	France	United States	The Netherlands	UK	Other regions	Total
Consolidated as at 31 December 2022	84	63	44	21	58	100	**370**
Additions	1	4	1	–	2	4	**12**
Disposals	6	4	–	–	1	8	**19**
Consolidated as at 31 December 2023	79	63	45	21	59	96	**363**

A total of 53 (2022: 61) companies were excluded from the scope of consolidation. These consist of entities without significant business operations and of negligible importance for the financial position and financial performance of RTL Group as a whole.

The complete list of RTL Group's undertakings as at 31 December 2023 is presented in note 12.

4.2 Acquisitions

In the financial year 2023, the cash flow from acquisition activities totalled €-44 million, of which, after consideration of cash and cash equivalents acquired, €-1 million relates to new acquisitions during the reporting period. In the financial year 2022, the cash flow from acquisition activities without acquisition of businesses under common control totalled €-113 million, and the total cash flow from acquisition activities considering acquisition of businesses under common control totalled €53 million. The consideration transferred in accordance with IFRS 3 amounted to €1 million in 2023 (2022: €201 million taking into account contingent consideration of €31 million). In the financial year 2022, also put options were recognised in the amount of €149 million in connection with the acquisitions.

RTL Group made several acquisitions in 2023, none of which were material on a stand-alone basis. In total, the impact of these acquisitions on the Group's financial position and financial performance was also minor.

In November 2022, Fremantle acquired 55 per cent of 72 Films, an independent TV production company focusing on documentaries and factual entertainment. At the acquisition date, the estimated consideration transferred amounted to €51 million, of which €44 million was paid in cash. Earn-out consideration was estimated at €7 million. Also in November 2022, Fremantle acquired 51 per cent of Wildstar Films, a production company focused on natural history documentaries. At the acquisition date, the estimated consideration transferred amounted to €19 million, of which €13 million was paid in cash. The earn-out consideration was estimated at €5 million and the deferred payment at €1 million. For the year-end reporting 2022, the purchase price allocations for both acquisitions were prepared on a provisional basis in accordance with IFRS 3. During the measurement period, the Group finalised the valuation of the intangible assets recognised on acquisition and liabilities assumed on acquisition and thus the figures from the previous year in the consolidated statement of financial position have been adjusted accordingly.

The following table summarises the recognised amounts of assets acquired and liabilities assumed after completion of the purchase price allocation in comparison with published financial statements for the year-end 2022.

	72 Films		Wildstar Films	
	Published in 2022 €m	Restated in 2023 €m	Published in 2022 €m	Restated in 2023 €m
Non-current assets				
Other intangible assets	–	16	–	5
Property, plant and equipment	1	1	3	3
Right-of-use assets	–	–	2	2
Other non-current assets	2	–	–	–
Current assets				
Programme rights	12	7	–	–
Trade and other accounts receivable	4	4	7	7
Other current assets	1	1	3	3
Cash and cash equivalents	7	7	17	17
Liabilities				
Lease liabilities	–	–	(2)	(2)
Other liabilities	(25)	(22)	(21)	(22)
Net assets acquired	2	14	9	13
Goodwill	50	49	14	18
Non-controlling interests	(1)	(6)	(4)	(6)
Consideration transferred according to IFRS 3	51	57	19	25

4.3 Disposals

After the announcement of the reorganisation of its publishing business in February 2023, RTL Deutschland completed in the second half-year transactions, among others, the sale of *PM,* Deutsche Medien-Manufaktur and *11 Freunde.* The disposals resulted in net cash inflows of €4 million. Net of transaction-related costs, the transactions resulted in an overall gain of €11 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

In July 2023, RTL Group sold its majority stake in CTZAR to the Group The Independents, which resulted in net cash inflows of €3 million. Net of transaction-related costs, the transaction resulted in an overall gain of €2 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

In September 2023, Groupe M6 sold its thematic online media and services businesses, comprising eight main brands: *Cuisine AZ, Passeport Santé, Fourchette & Bikini, Déco, Turbo, M6 météo, Croq'Kilos* and *Croq'Body* to Prisma Media (owned by Vivendi), which resulted in net cash inflows of €20 million. Net of transaction-related costs, the transaction resulted in an overall gain of €10 million recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'.

During the financial year 2023, RTL Group sold other subsidiaries, none of which was material on a standalone basis. In total, the impact of these disposals on the Group's financial position and financial performance was also minor.

From all disposals in the financial year 2023 and from disposal effects of previous years, RTL Group generated cash flows totalling €32 million (2022: €194 million) after considering cash and cash equivalents disposed of. The disposals led to a gain from deconsolidation of €23 million (2022: €112 million), which is recognised in 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree'. The following table shows their impact on RTL Group's assets and liabilities at the time of deconsolidation.

	RTL Deutschland's publishing assets €m	Group M6's thematic online media and services businesses €m	CTZAR €m	Other €m	Total €m
Non-current assets					
Goodwill	6	10	3	1	**20**
Other intangible assets	5	9	–	–	**14**
Right-of-use assets	1	–	–	–	**1**
Deferred tax assets	4	–	–	–	**4**
Current assets					
Other inventories	3	–	–	–	**3**
Accounts receivable and other current assets	2	1	2	–	**5**
Other current assets	1	–	–	–	**1**
Cash and cash equivalents	22	1	3	1	**27**
Liabilities					
Loans	–	–	(1)	–	**(1)**
Lease liabilities	(1)	–	–	–	**(1)**
Income tax payable	(1)	–	–	–	**(1)**
Accounts payable and other liabilities	(15)	(2)	(2)	–	**(19)**
Contract liabilities	(7)	–	(1)	–	**(8)**
Provisions	(2)	–	–	–	**(2)**
Deferred tax liabilities	(4)	–	–	–	**(4)**
Net assets disposed of	**14**	**19**	**4**	**2**	**39**

5. Details on consolidated income statement

5.1 Revenue

Revenue is disaggregated below by nature and timing of recognition. The table also includes a reconciliation with reportable segments.

	RTL Deutschland		Groupe M6		Fremantle		Other segments		Total Group (continuing operations)	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Nature of revenue recognition										
Revenue from advertising	1,881	2,053	1,069	1,084	39	16	122	166	**3,111**	3,319
Revenue from exploitation of programmes, rights and other assets	369	334	181	174	1,990	2,112	98	89	**2,638**	2,709
Revenue from selling goods and merchandise and providing services	350	379	65	94	11	19	59	69	**485**	561
	2,600	**2,766**	**1,315**	**1,352**	**2,040**	**2,147**	**279**	**324**	**6,234**	**6,589**
Timing of revenue recognition										
At a point in time	235	353	76	94	1,912	2,035	94	63	**2,317**	2,545
Over time	2,365	2,413	1,239	1,258	128	112	185	261	**3,917**	4,044
	2,600	**2,766**	**1,315**	**1,352**	**2,040**	**2,147**	**279**	**324**	**6,234**	**6,589**

'Revenue from advertising' consists mostly of TV advertising, radio advertising, print and other advertising. RTL Group's revenue from advertising was €3,111 million (2022: €3,319 million), of which €2,368 million represented TV advertising revenue (2022: €2,579 million), €371 million represented digital advertising revenue (2022: €361 million) and €372 million represented radio, print and other advertising revenue (2022: €379 million).

'Revenue from exploitation of programmes, rights and other assets' include primarily content revenue of €1,990 (2022: €2,112) generated by the Group's global content business, Fremantle, from the production and distribution of formats for external customers. Further, it includes distribution revenue generated by RTL Group's broadcasting businesses, mainly from re-transmission fees paid by platform operators (cable, satellite, internet TV) for the transmission of free-TV and pay-TV signals and for making the Group's streaming services available on the operators' platforms. In 2023, distribution revenue was €331 million (2022: €332 million). Also included is SVOD revenue from the Group's major streaming services and, among others, Groupe M6's audiovisual rights business SND and We Are Era.

'Revenue from selling goods and merchandise and providing services' relates to a variety of revenue streams, including commissions for handling advertising sales for third-party media partners, publishing subscriptions, e-commerce and a wide range of services businesses such as the technical services provider BCE, the streaming technology company Bedrock or the real-estate franchise Stéphane Plaza Immobilier at the level of Groupe M6.

The following table shows how much of the revenue recognised in the reporting period relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in previous periods:

	2023 €m	2022 €m
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**539**	553
Revenue recognised from performance obligations satisfied in previous periods	**–**	–

As at 31 December 2023, RTL Group expects future revenues from existing long-term agreements of €50 million (2022: €77 million), which will be attributable to unsatisfied (or partially unsatisfied) performance obligations as at the end of the reporting period and is expected to be recognised in the amount of €30 million (2022: €41 million) in the next financial year and in the amount of €20 million (2022: €36 million) in the following years.

The decrease in current contract liabilities from €590 million at 31 December 2022 to €481 million at 31 December 2023 related mainly to Fremantle and RTL Deutschland.

5.2 Other operating income

The other operating income amounting to €102 million (2022: €83 million) mainly consists of income-related grants, reimbursements and IFRS 16 effects due to a decrease of rented space.

5.3 Other operating expenses

	2023 €m	2022 €m
Employee benefits expenses	**1,262**	1,251
Production subcontracting expenses	**433**	438
Intellectual property expenses	**296**	294
Expenses related to live programmes	**180**	218
Repairs and maintenance	**150**	141
Marketing and promotion expenses	**137**	142
Transmission expenses including satellite capacity	**87**	89
Audit and consulting fees	**75**	75
Operating taxes	**60**	55
Rentals and other lease expenses	**43**	38
Consumption of other inventories	**33**	58
Fair value measurement of investments	**23**	78
Marketing and promotion barter expenses	**27**	22
Commissions on sales	**15**	15
Re-measurement of earn-out arrangements	**9**	–
Valuation allowance	**2**	34
Administration and sundry expenses	**137**	77
	2,969	3,025

In the financial years 2023 and 2022, the item 'Fair value measurement of investments' included among others effects from the valuation of Magnite shares. The item 'Rentals and other lease expenses' includes expenses from short-term leases of €18 million (2022: €17 million). Expenses for low-value assets and expenses from variable lease payments, which are not included in the lease liabilities, are immaterial for RTL Group. In 2022, the item 'Valuation allowance' included the impairment of a loan provided by Groupe M6 to Salto due to the voluntary liquidation of Salto decided unanimously by its three shareholders (see note 6.5.1).

The item 'Audit and consulting fees' includes fees related to the Group's auditor, KPMG, and its affiliates regarding continuing operations. These are set out below:

	2023 €m	2022 €m
Audit services pursuant to legislation	**3.8**	3.5
Audit-related services	**0.6**	0.5
Non-audit services	**0.1**	0.3
	4.5	4.3

Employee benefits expenses are set out in more detail below:

	2023 €m	2022 €m
Wages and salaries	**932**	966
Termination benefits	**91**	27
Social security costs	**186**	190
Share options granted to employees	**4**	5
Pension costs	**10**	19
Other employee expenses	**39**	44
	1,262	1,251
Of which restructuring costs	**44**	5

The amounts set out above exclude personnel costs of €248 million (2022: €307 million), which are capitalised, and which represent employee costs directly allocated to the production of assets.

In addition to other short-term bonus schemes, RTL Group has implemented for its senior management a long-term incentive plan (RTL Group LTIP 2023-2025 'LTIP') which runs for the term 2023 to 2025. The liability related to the LTIP Tranche 2023 amounted to €8 million at 31 December 2023 (LTIP Tranche 2022: €14 million at 31 December 2022). Further details on the terms and conditions of the LTIP are contained in the RTL Group Remuneration Report. RTL Group operates a sub-plan for senior management of Fremantle (New Format Incentive Scheme 2023-2025 'NFIS2021-2023'). NFIS2023-2025 is a long-term plan based on cumulative creative targets. The creative target achievement is linked to a defined ranking scheme set out for new productions created and marketed during the plan's term. The liability related to the NFIS2023-2025 amounted to €nil at 31 December 2023.

Groupe M6 operates a specific long-term incentive plan based on free shares plans (see note 6.16.7). Pension costs for the Group relate to defined contributions for €17 million (2022: €14 million) and defined benefit plans for €-2 million (2022: €10 million).

The average number of employees for undertakings held by the Group is set out below:

	2023 €m	2022 €m
Employees of fully consolidated undertakings (continuing operations)	**12,095**	12,241
Employees of fully consolidated undertakings (continuing and discontinued operations)	**12,835**	12,975

5.4 Interest income and interest expense

	2023 €m	2022 €m
Interest income on loans and accounts receivable	**13**	4
Tax-related interest income	**–**	1
Interest income	**13**	5
Interest expense on financial liabilities	**(36)**	(18)
Interest expense	**(36)**	(18)

In the financial year 2023, RTL Group witnessed a significant increase in interest income and expense, largely attributed to the prevailing interest rate environment. The rise in interest rates, as a response to monetary policy adjustments by central banks, had positively impacted interest-bearing financial assets, mainly held by Groupe M6. The respective amount of €8 million disclosed in 'Interest income on loans and accounts receivables' relates to Groupe M6 (2022: €1 million).

'Interest expense on financial liabilities' includes an amount of €29 million (2022: €14 million) in respect of the loans from Bertelsmann Business Support Sàrl (see note 10.1).

5.5 Other financial income and other financial expenses

	2023 €m	2022 €m
Gains resulting from swap points	**7**	1
Net gains on put/call options	**21**	–
Sundry financial income	**16**	4
Other financial income	**44**	5
Net losses on put/call options	**–**	(4)
Interest expense on lease liabilities	**(7)**	(6)
Interest on defined benefit obligations	**(6)**	(4)
Sundry financial expenses	**(21)**	(34)
Other financial expenses	**(34)**	(48)

'Net gains on put/call options' reflects the re-measurement of the put option liabilities with regards to acquisitions of subsidiaries with put/call option arrangements by Fremantle conducted during the last years. RTL Group closely monitors the forecast performance of each acquisition and, where there has been a change in expectations, the value of put option liabilities are adjusted. These values are sensitive to forecast profits as they are based on a multiple of earnings.

Interest on defined benefit obligations comprises interest income on plan assets of €5 million (2022: €2 million) and unwind of discount on defined benefit obligations of €-11 million (2022: €-6 million).

'Sundry financial income' includes among others non-operating foreign exchange effects of €9 million (2022: €-19 million presented in 'Sundry financial expenses') and income of €5 million from financial assets held for cash management purposes by Groupe M6. 'Sundry financial expenses' includes among others a negative impact of unwinding discount of €-6 million (2022: €-3 million), the net wealth tax of €-4 million (2022: €-3 million) and finance charges for guarantees and other commitments fees in total of €-4 million (2022: €-3 million).

5.6 Income tax expense

	2023 €m	2022 €m
Current taxes from continuing operations	**(113)**	(140)
Deferred taxes from continuing operations	**(11)**	10
	(124)	**(130)**

In 2023, the change in the income tax expense compared to the previous year is due to lower profit before tax and positive impacts from the valuation of deferred tax assets realised in the previous period.

The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:

	2023 €m	2022 €m
Profit before tax from continuing operations	**607**	**772**
Income tax rate applicable to RTL Group SA (in %)	**24.94**	24.94
Expected tax expense from continuing operations	**(151)**	**(193)**
The tax effects of the following items led to differences between the expected and actual tax expense:		
Adjustment to different national tax rates	**(9)**	(15)
Effect of changes in tax rate and tax law	**1**	2
Tax effects in respect of results from disposals of investments	**5**	32
Current income taxes for previous years	**(1)**	8
Deferred income taxes for previous years	**(4)**	(4)
Effects of measurements of deferred tax assets	**20**	48
Commission received in relation to the Compensation Agreement	**10**	16
Permanent differences	**12**	(19)
Other adjustments	**(7)**	(5)
Total adjustments	**27**	63
Actual tax expense from continuing operations	**(124)**	**(130)**

Effect of tax rates in material foreign jurisdictions mainly results from the differentiated rates applicable in the following countries:
- Germany, where the official tax rate is 32.10 per cent, representing an impact of €-9 million (2022: €-17 million with a tax rate of 32.10 per cent)
- France, where several tax rates apply, depending on the size of the business. The rates of 25.83 and 25.00 per cent apply, representing an impact of €-2 million (2022: the rates of 25.83 and 25.00 per cent applied, representing an impact of €-2 million)
- United States, where the official tax rate is 23.40 per cent, representing an impact of €1 million (2022: €3 million with a tax rate of 21.90 per cent).

'Effects of measurements of deferred tax assets' considers the recognition of deferred tax assets on losses carry forward based on projections of the future taxable income derived from financial budgets approved by management. 'Permanent differences' mainly include the effects of non-taxable income and tax effects from equity investments. In 2022, this position mainly included effects of non-taxable fair value measurements of investments.

5.7 Earnings per share

The determination of basic earnings per share is based on the profit attributable to RTL Group shareholders of €467 million (2022: €673 million) and a weighted average number of ordinary shares outstanding during the year of 154,742,806 (2022: 154,742,806), calculated as follows:

	2023	2022
Group profit attributable to RTL Group shareholders (in € million)	**467**	673
– Continuing operations	**352**	549
– Discontinued operations	**115**	124
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**154,742,806**	154,742,806
Weighted average number of ordinary shares	**154,742,806**	154,742,806
Basic earnings per share (in €)	**3.02**	4.35
– Continuing operations	**2.27**	3.55
– Discontinued operations	**0.74**	0.80
Diluted earnings per share (in €)	**3.02**	4.35
– Continuing operations	**2.27**	3.55
– Discontinued operations	**0.74**	0.80

6. Details on consolidated statement of financial position

6.1 Non-current programme and other rights

	(Co-) productions €m	Audiovisual rights for distribution €m	Advance payments and (co-) productions in progress €m	Total €m
Cost				
Balance at 1 January 2022	**891**	**1,205**	**38**	**2,134**
Effects of movements in foreign exchange	26	–	1	27
Additions	1	32	39	72
Disposals	–	(39)	(1)	(40)
Subsidiaries acquired	1	–	–	1
Subsidiaries disposed of	–	–	–	–
Transfer to assets held for sale	–	–	–	–
Transfers and other changes	13	23	(34)	2
Balance at 31 December 2022	**932**	**1,221**	**43**	**2,196**
Effects of movements in foreign exchange	(15)	–	–	(15)
Additions	9	–	53	62
Disposals	–	(37)	–	(37)
Subsidiaries acquired	–	–	–	–
Subsidiaries disposed of	–		–	–
Transfer to assets held for sale	–	(6)	–	(6)
Transfers and other changes	14	37	(57)	(6)
Balance at 31 December 2023	**940**	**1,215**	**39**	**2,194**
Amortisation and impairment losses				
Balance at 1 January 2022	**(879)**	**(1,175)**	**(6)**	**(2,060)**
Effects of movements in foreign exchange	(27)	–	–	(27)
Amortisation charge	(17)	(59)	–	(76)
Impairment losses	–	2	(1)	1
Disposals	–	39	1	40
Transfer to assets held for sale	–	–	–	–
Transfers and other changes	(1)	–	–	(1)
Balance at 31 December 2022	**(924)**	**(1,193)**	**(6)**	**(2,123)**
Effects of movements in foreign exchange	15	–	–	15
Amortisation charge	(15)	(46)	–	(61)
Impairment losses	–	–	–	–
Disposals	–	37	–	37
Transfer to assets held for sale	–	6	–	6
Transfers and other changes	–	–	–	–
Balance at 31 December 2023	**(924)**	**(1,196)**	**(6)**	**(2,126)**
Carrying amount:				
At 31 December 2022	**8**	**28**	**37**	**73**
At 31 December 2023	**16**	**19**	**33**	**68**

The figures presented on long-term audiovisual rights for distribution are attributable to the Groupe M6 and Fremantle subsidiaries which focus in particular on the production and distribution of films, series and other content for the future exploitation in multiple markets and exploitation windows.

6.2 Goodwill and other intangible assets

	Goodwill €m	Software licences and development €m	Brands and trademarks €m	Sundry other intangible assets €m	Advance payments €m	Total other intangible assets €m
Cost						
Balance at 1 January 2022	**5,507**	**225**	**323**	**370**	**20**	**938**
Effects of movements in foreign exchange	–	(1)	–	(1)	–	(2)
Additions	–	12	–	2	63	77
Disposals	–	(13)	–	(1)	–	(14)
Subsidiaries acquired	323	9	–	60	2	71
Subsidiaries disposed of	(1)	–	–	(8)	–	(8)
Transfer to assets held for sale	–	–	–	–	–	–
Transfers and other changes	–	61	–	4	(66)	(1)
Balance at 31 December 2022	**5,829**	**293**	**323**	**426**	**19**	**1,061**
Effects of movements in foreign exchange	(6)	–	–	–	–	–
Additions	–	9	–	6	50	65
Disposals	–	(5)	–	(4)	–	(9)
Subsidiaries acquired	1	–	–	–	–	–
Subsidiaries disposed of	(20)	–	–	(5)	–	(5)
Transfer to assets held for sale	(159)	(12)	–	(13)	(5)	(30)
Transfers and other changes	–	49	–	(3)	(45)	1
Balance at 31 December 2023	**5,645**	**334**	**323**	**407**	**19**	**1,083**
Amortisation and impairment losses						
Balance at 1 January 2022	**(2,497)**	**(168)**	**(8)**	**(236)**	**(1)**	**(413)**
Effects of movements in foreign exchange	(1)	–	–	2	–	2
Amortisation charge	–	(34)	(8)	(34)	–	(76)
Impairment losses	–	(2)	–	–	–	(2)
Disposals	–	13	–	5	–	18
Transfer to assets held for sale	–	–	–	–	–	–
Transfers and other changes	–	3	–	(2)	–	1
Balance at 31 December 2022	**(2,498)**	**(188)**	**(16)**	**(265)**	**(1)**	**(470)**
Effects of movements in foreign exchange	1	–	–	–	–	–
Amortisation charge	–	(46)	(7)	(34)	–	(87)
Impairment losses	–	–	–	–	–	–
Disposals	–	4	–	4	–	8
Transfer to assets held for sale	–	10	–	13	–	23
Transfers and other changes	–	(3)	1	2	–	–
Balance at 31 December 2023	**(2,497)**	**(223)**	**(22)**	**(280)**	**(1)**	**(526)**
Carrying amount:						
At 31 December 2022	**3,331**	**105**	**307**	**161**	**18**	**591**
At 31 December 2023	**3,148**	**111**	**301**	**127**	**18**	**557**

'Software licences and development' includes primarily capitalised costs associated to the RTL+ streaming platform in Germany and the Bedrock platform for other streaming services.

'Brands and trademarks' with an indefinite and finite useful life for an overall amount of €301 million (2022: €307 million), primarily related to brands within Groupe M6 (the M6 brand, Gulli-related brands and Stéphane Plaza brand) and RTL Deutschland (the Toggo brand). M6 brand and Gulli-related brands are considered to have an indefinite useful life and were recognised for an amount of €120 million and €38 million, respectively (2022: €120 million and €38 million). At 31 December 2023, an impairment test was performed for brands with indefinite useful life and did not lead to any impairment.

In determining that the M6 brand has an indefinite useful life, management has considered various factors such as the historical and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and M6 management's strategy to maintain and strengthen the trademark 'M6'. Based on the analysis of these factors, management has determined and confirmed at 31 December 2023, that there is no foreseeable limit to the period over which the brand M6 is expected to generate cash inflows for the Group. Gulli-related brands correspond to Gulli, Canal J and Tiji. Given their positioning, the market's awareness of the brands and their history, they are considered to have an indefinite useful life.

The brands Stéphane Plaza and Toggo with a net book value of €47 million and €89 million respectively (2022: €49 million and €94 million) are considered to have a finite useful life.

'Sundry other intangible assets' with a definite useful life mainly include customer relationships resulting from the acquisition of Jeunesse TV in 2019 with a net book value of €38 million (2022: €41 million), franchising contracts of Stéphane Plaza amounting to €33 million (2022: €35 million) and customer relationships and contracts acquired resulting from the recent acquisitions by Fremantle amounting to €36 million (2022: €56 million).

Goodwill is allocated to the Group's cash-generating units (CGUs) on the basis of the business units and at the level at which independent cash flows are generated.

Business units and CGUs mainly operate in one country, except Fremantle and We Are Era, which have global/multi-territory operations. RTL Deutschland has minor businesses in France and the United Kingdom. Goodwill is allocated by CGU as follows:

	31 December 2023 €m	31 December 2022 €m
RTL Deutschland	**1,264**	1,269
Groupe M6	**600**	613
Fremantle	**1,251**	1,256
RTL Nederland	**–**	159
We Are Era	**32**	32
Others	**1**	2
Total goodwill on cash-generating units	**3,148**	**3,331**

Goodwill is tested for impairment annually, on 31 December, or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a CGU has been determined on the basis of the higher of its value in use and its fair value less costs of disposal:
– The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the CGUs committed at year-end to the restructuring, and related provisions have been made. Furthermore, the discount rate is closely linked to peer group parameters. Specific country risk and inflation differentials are also considered.
– Fair value less costs of disposal is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. When available, market quoted prices are used.

The Group supports its fair values less costs of disposal on market-based valuations, if an active market exists, and on the basis of a discounted cash flow (DCF) model to the extent that it would reflect the value that 'any market participant' would be ready to pay in an arm's length transaction. Differently from the 'value in use' approach, which reflects the perspective of the Group for a long-term use of the CGU, a 'fair value less costs of disposal' DCF model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition.

Furthermore, the discount rate of each CGU is calculated based on a market approach, and most of the parameters used are derived from market sources. The discount rates are based on a mixed interest rate represented by the weighted average cost of equity and cost of capital (WACC) after tax. The discount rates reflect the time value of money and the perception of risk associated with projected future cash flows, both from the equity shareholders' and the debt holders' point of view.

The discount rates have been determined, CGU by CGU, and embody, where appropriate, the following factors:
– country risk
– inflation rate differential
– specific firm premium
– specific tax rate
– credit spread
– gearing ratio.

The recoverable amount of all CGUs is based on their fair value less costs of disposal and is a Level 3 fair value measurement, with the exception of Groupe M6 which is listed on Euronext Paris, Compartment A (Paris Stock Exchange). As at 31 December 2023, the market price of Métropole Télévision shares on the Paris Stock Exchange was €12.94 (2022: €15.35). The recoverable amount of Groupe M6 at that date was based on value in use using a discounted cash flow method (Level 3), as management considered the share price of Groupe M6 did not fully reflect its earning potential due to the expected growth in AVOD offers. The value in use determined exceeded the carrying amount.

Cash flow projections are based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period for a total of up to five years are prepared using the estimated growth rates and other key drivers. For the cash-generating units' operating advertising revenue, the projections consider audience and advertising market shares, the EBITA margin, operating cash conversion rates based on past performance, and expectations regarding market development. Management also relies on wider macroeconomic indicators from external sources to verify the appropriateness of its own budgeting assumptions. Finally, the market positions of the Group's channels are also reviewed in the context of the competitive landscape, including the impact of new technologies and consumption habits. For Fremantle, which operates a multi-territory/worldwide and diversified operation, the expected growth rate is determined according to a weighted average of growth expectations of its multiple regions, markets and product offerings.

Cash flows beyond the three and five-year period are extrapolated using the estimated perpetual growth and EBITA margin rates and applying the discount rates stated below.

The perpetual growth and EBITA margins are based on the expected outcome of the strategy implemented by the Group in the different markets, on macro-economic and industry trends, and on in-house estimates.

Capital expenditure is assumed to be in line with depreciation and amortisation. Management also considers that the moderate perpetual growth would not result in a significant increase of the net working capital.

	2023		2022	
	Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
RTL Deutschland	0.5	8.1	0.5	7.4
Groupe M6	0.5	8.7	0.0	8.2
Fremantle	1.8	8.0	1.8	8.0
RTL Nederland	n/a	n/a	0.5	7.4
We Are Era	2.0	9.8	2.0	12.4

For the CGU Fremantle, in the event of an increase in the discount rate by 1.2 percentage points, a decrease in the long-term growth rate by 2.2 percentage points or a decrease in the EBITA margin by 1.2 percentage points, the recoverable amount would fall below the carrying amount.

For the CGU We are Era, in the event of an increase in the discount rate by 1.6 percentage points, a decrease in the long-term growth rate by 2.2 percentage points or a decrease in the EBITA margin by 0.9 percentage points, the recoverable amount would fall below the carrying amount.

For other CGUs, management considers that, at 31 December 2023, no reasonably possible change in the market shares, EBITA margin and operating cash conversion rates would reduce the headroom between the recoverable amounts and the carrying amounts of the CGUs to zero, when the recoverable amount is solely based on a DCF approach.

6.3 Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2022	**386**	**313**	**237**	**936**
Effect of movements in foreign exchange	–	(2)	(1)	**(3)**
Additions	12	13	30	**55**
Disposals	(3)	(12)	(24)	**(39)**
Subsidiaries acquired	7	3	6	**16**
Subsidiaries disposed of	(3)	(16)	(4)	**(23)**
Transfer to assets held for sale	–	–	–	**–**
Transfers and other changes	–	(1)	1	**–**
Balance at 31 December 2022	**399**	**298**	**245**	**942**
Effect of movements in foreign exchange	–	–	–	**–**
Additions	5	16	36	**57**
Disposals	(2)	(12)	(20)	**(34)**
Subsidiaries acquired	–	–	–	**–**
Subsidiaries disposed of	–	–	–	**–**
Transfer to assets held for sale	(9)	(16)	(13)	**(38)**
Transfers and other changes	1	4	(6)	**(1)**
Balance at 31 December 2023	**394**	**290**	**242**	**926**
Depreciation and impairment losses				
Balance at 1 January 2022	**(222)**	**(265)**	**(185)**	**(672)**
Effect of movements in foreign exchange	–	1	1	**2**
Depreciation charge	(16)	(18)	(24)	**(58)**
Disposals	5	30	23	**58**
Transfer to assets held for sale	–	–	–	**–**
Balance at 31 December 2022	**(233)**	**(252)**	**(185)**	**(670)**
Effect of movements in foreign exchange	–	–	–	**–**
Depreciation charge	(16)	(18)	(27)	**(61)**
Disposals	1	11	20	**32**
Transfer to assets held for sale	8	15	7	**30**
Balance at 31 December 2023	**(240)**	**(244)**	**(185)**	**(669)**
Carrying amount:				
At 31 December 2022	**166**	**46**	**60**	**272**
At 31 December 2023	**154**	**46**	**57**	**257**

6.4 Right-of-use assets

Depreciation, additions and carrying amounts of right-of-use from leased property, plant and equipment are as follows:

	Land, buildings and improvements €m	Technical equipment €m	Other equipment, fixtures, furniture and office equipment €m	Total €m
Balance at 1 January 2023	**335**	**1**	**6**	**342**
Effect of movements in foreign exchange	(1)	–	–	**(1)**
Depreciation charge	(77)	(1)	(3)	**(81)**
Additions	34	–	4	**38**
Transfer to assets held for sale	(16)	–	(2)	**(18)**
Other changes	(10)	–	–	**(10)**
Balance at 31 December 2023	**265**	**–**	**5**	**270**

	Land, buildings and improvements €m	Technical equipment €m	Other equipment, fixtures, furniture and office equipment €m	Total €m
Balance at 1 January 2022	**277**	**1**	**5**	**283**
Effect of movements in foreign exchange	(1)	–	–	**(1)**
Depreciation charge	(72)	–	(4)	**(76)**
Additions	76	–	5	**81**
Other changes	55	–	–	**55**
Balance at 31 December 2022	**335**	**1**	**6**	**342**

6.5 Investments accounted for using the equity method

As at 31 December 2023, investments in 11 joint ventures (31 December 2022: 11) and 25 associates (31 December 2022: 24) were accounted for in the consolidated financial statements.

The amounts recognised in the consolidated statement of financial position are as follows:

	2023 €m	2022 €m
Associates	401	370
Joint ventures	4	6
Balance at 31 December	**405**	**376**

The amounts recognised in the income statement are as follows:

	2023 €m	2022 €m
Share of results of investments accounted for using the equity method		
Associates	59	33
Joint ventures	2	(20)
	61	**13**
Impairment and reversals of investments accounted for using the equity method		
Associates	–	(5)
Joint ventures	–	–
	–	**(5)**

In the year 2023, dividends received from investments accounted for using the equity method amounted to €45 million (2022: €53 million). This amount is considered as an adjustment in 'Financial results including net interest expense and share of results of investments accounted for using the equity method' when calculating cash flows from operating activities.

6.5.1 Investments in joint ventures

Individually material joint venture
As at 31 December 2023, RTL Group had no joint venture, which, in the opinion of management, is material to the Group.

Individually immaterial joint venture
The following table shows summarised financial information on joint ventures that management considers individually immaterial. The information provided represents RTL Group's interest in each case.

	2023 €m	2022 €m
Non-current assets	**4**	10
Current assets	**43**	66
Non-current liabilities	**4**	4
Current liabilities	**52**	85
Earnings after taxes from continuing operations	**2**	(20)
Earnings after taxes from discontinued operations	**1**	1
Other comprehensive income	**–**	–
Total comprehensive income	**3**	(19)

In March 2022, Groupe M6 subscribed to a capital increase of the joint venture Salto (the streaming platform held jointly by Groupe M6, TF1 and France Télévisions) for €41 million by offsetting its receivable held in its shareholder current account. Further, Groupe M6 provided Salto with a loan which, in substance, forms part of its investment in Salto. The proposed Groupe M6/Groupe TF1 merger having been abandoned, and in the absence of satisfactory offers for a sale of the platform, the three shareholders of Salto have unanimously decided to proceed with the voluntary liquidation of Salto. According to IAS 28.14A RTL Group applied IFRS 9 to the loan and recognised in 2022 an impairment amount of €-28 million through profit or loss presented in 'Impairment and reversals on other financial assets at amortised cost' as part of 'Other operating expenses'.

In February 2023, the France Télévisions, M6 and TF1 groups announced the amicable dissolution of Salto following the abandonment of the planned merger between TF1 and M6. The platform closed on 27 March 2023. The costs of the withdrawal for each of the partners were recognised by way of provision as at 31 December 2022, over and above their share of Salto's net loss for the year. Thus, the excess of €15 million was recognised as a provision as at 31 December 2022. During the financial year 2023 the provision was fully utilised.

6.5.2 Investments in associates

Individually material associates
Set out below are the associates of the Group at 31 December 2023, which, in the opinion of the management, are material to the Group:

Name of entity	Country of incorporation	Principal activity	Percentage ownership interest 2023	Percentage ownership interest 2022	Measurement method
Atresmedia	Spain	Broadcasting TV	**18.7**	18.7	At equity
Global Savings Group (GSG)	Germany	Shopping rewards	**31.5**	41.5	At equity
RTL 2 Fernsehen GmbH & Co KG	Germany	Broadcasting TV	**35.9**	35.9	At equity

Atresmedia Corporación de Medios de Comunicación S.A. (and subsidiaries, 'Atresmedia') is listed on the Madrid Stock Exchange. Based on the published share price at 31 December 2023, the market capitalisation of 100 per cent of Atresmedia amounts to €811 million, i.e. €3.59 per share (2022: €721 million, i.e. €3.19 per share). Global Savings Group (GSG) is a private company providing shopping rewards activities and there is no quoted market price available for its shares. RTL 2 Fernsehen GmbH & Co KG is a private company and there is no quoted market price available for its shares.

The following table shows summarised financial information for Atresmedia, Global Savings Group (GSG) and RTL 2 Fernsehen GmbH & Co KG. The information disclosed represents the amounts included in the financial statements of the material associates plus adjustments from using the equity method, and not RTL Group's share of these amounts.

	Atresmedia		Global Savings Group (GSG)		RTL 2 Fernsehen GmbH & Co KG	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Non-current assets	702	686	378	189	64	63
Current assets	762	825	116	87	72	70
Current liabilities	(437)	(529)	(138)	(128)	(94)	(34)
Non-current liabilities	(267)	(295)	(128)	(56)	(6)	(47)
Net assets	760	687	228	92	36	52
Revenue	970	951	237	167	237	256
Earnings after taxes from continuing operations	171	112	20	(34)	26	38
Earnings after taxes from discontinued operations	–	–	–	–	–	–
Other comprehensive income	(8)	127	–	–	–	–
Total comprehensive income	163	239	20	(34)	26	38
Dividends received from associates	17	18	–	–	15	19

Earnings after taxes from continuing operations of Atresmedia includes the net effect of a lower income tax expense of €53 million due to the recognition of unused tax credits. The timing and recoverable amounts of these credits were re-estimated by Atresmedia in line with ruling 11/2024 issued on 18 January 2024 by Spain's Constitutional Court repealing Royal Decree Law 3/2016.

The reconciliation of the summarised financial information shown to the carrying amount of the interest in each material associate in the consolidated financial statements is shown in the following table:

	Atresmedia		Global Savings Group (GSG)		RTL 2 Fernsehen GmbH & Co KG	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Net assets at 31 December	760	687	228	92	36	52
Proportionate equity	142	128	62	38	12	17
Goodwill	166	166	42	42	24	24
Impairment on investments accounted for using the equity method	(110)	(110)	–	–	–	–
Carrying amount	198	184	104	80	36	41

In January 2023, Global Savings Group (GSG), an at-equity investment held by Groupe M6, completed the acquisition of *Pepper.com*. This transaction resulted in a dilution of Groupe M6's investment in GSG. Groupe M6 holds 31.47 per cent at 31 December 2023 compared to 41.49 per cent at 31 December 2022. The positive impact on profit or loss amounted to €15 million in 2023 and was recognised under 'Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree' of the consolidated income statement.

Investments in associates are tested for impairment according to the similar methodology applied for the impairment test of goodwill.

The perpetual growth and discount rates used are as follows:

	2023		2022	
	Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %
Atresmedia	0.0	9.8	0.0	10.0
RTL 2 Fernsehen GmbH & Co KG	0.5	7.8	0.5	6.7

As at 31 December 2023, the investment in Atresmedia was tested for impairment in accordance with IAS 36. The recoverable amount of Atresmedia on 31 December 2023 was based on the value in use determined using a discounted cash flow model, as management considered the share price of Atresmedia did not fully reflect its earning potential, which includes the diversification strategy through expansion of its investment portfolio, strengthening its digital streaming offers and building its leading position in locally relevant content production. The ongoing challenging economic environment in Spain combined with strong competition, changing viewing preferences and continued dependence on linear television continues to lead to high uncertainty in terms of forecasts. As at 31 December 2023, neither additional impairment loss nor reversal of impairment loss had to be recognised on the at equity investment in Atresmedia.

As at 31 December 2023, the share price of Atresmedia was €3.59 (31 December 2022: €3.19) which results in a fair value less costs of disposal of €149 million for the 18.7 per cent held by RTL Group (31 December 2022: €132 million).

The assumptions based on the value in use using a discounted cash flow model are shown in the above table.

Management has identified that a reasonably possible change in one of the three key assumptions could cause the carrying amount to exceed the recoverable amount. In the event of an increase in the discount rate by 0.9 percentage points, a decrease in the long-term growth rate by 1.3 percentage points or a decrease in the EBITA margin by 0.8 percentage points, the recoverable amount would fall below the carrying amount.

In November 2019, the Spanish Competition Authority (CNMC) arrived at a decision in disciplinary proceedings imposing a fine on Atresmedia and Mediaset and barring both operators from specified courses of conduct. The parties were ordered to take steps to align their commercial and contractual relations to the requirements of the decision. The fine imposed on Atresmedia amounts to €38.2 million. In 2020, Atresmedia challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain's national court. The application was found admissible. Consequently, Atresmedia will proceed with an appeal in the aforementioned court. The directors and legal advisors of Atresmedia believe that the application for judicial review against the CNMC's decision is likely to succeed. No provision has been recognised.

For Global Savings Group no triggering events for an impairment test have been identified.

The recoverable amount of RTL 2 Fernsehen GmbH & Co KG has been determined on the basis of the fair value less costs of disposal at 31 December 2023. This is a Level 3 fair value measurement.

Individually immaterial associates
The following table shows summarised financial information on associates that management considers individually immaterial. The information given represents RTL Group's interest in each case.

	2023 €m	2022 €m
Non-current assets	**55**	53
Current assets	**61**	72
Non-current liabilities	**7**	8
Current liabilities	**44**	50
Earnings after taxes from continuing operations	**10**	12
Earnings after taxes from discontinued operations	**–**	–
Other comprehensive income	**–**	1
Total comprehensive income	**10**	13

6.6 Loans and non-current other assets

	2023 €m	2022 €m
Loans and other financial assets		
Equity instruments at FVOCI	**32**	29
Equity instruments at FVTPL	**13**	6
Debt instruments at FVTPL	**3**	3
Derivative financial assets	**4**	14
Loans receivable to investments accounted for using the equity method	**7**	8
Other loans receivable	**5**	5
Trade accounts and other receivables	**48**	46
	112	111
Other non-financial assets		
Net defined benefit asset	**2**	2
	2	2
	114	113

Equity instruments at FVOCI comprise those instruments which are not held for trading and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, mainly in radio activities.

In December 2022, RTL Group sold its entire shareholding held by Fremantle in Beyond International Limited, a company listed on the Australian Stock Exchange. Beyond International Limited was a Level 1 fair value measurement. In 2022, RTL Group recorded an increase in the fair value of this equity instrument at FVOCI of €1 million.

The movements in equity instruments at FVOCI are as follows:

	2023 €m	2022 €m
Balance at 1 January	**29**	**37**
Net acquisitions and disposals	**–**	(3)
Change in fair value	**3**	(5)
Balance at 31 December	**32**	**29**

6.7 Deferred tax assets and liabilities

	2023 €m	2022 €m
Deferred tax assets	**302**	316
Deferred tax liabilities	**(69)**	(79)
Net deferred tax assets	**233**	237

	2023 €m	2022 €m
Net deferred tax assets at 1 January	**237**	**245**
Income tax income/(expense)	**(12)**	11
Income tax credited/(charged) to other comprehensive income	**5**	(29)
Change in consolidation scope	**3**	9
Transfer to assets held for sale	**(1)**	(1)
Transfers and other changes	**1**	2
Net deferred tax assets at 31 December	**233**	**237**

The amount of the tax benefit arising from a previously unrecognised tax loss that is used to reduce current tax expense amounts to €nil million (2022: €1 million).

The recognition of previously unrecognised tax loss carry forwards and deductible temporary differences resulted in a reduction in deferred tax expense of €58 million (2022: €74 million).

Of 'Income tax credited/(charged) to other comprehensive income' an amount of €3 million (2022: €-2 million) relates to effective portion of changes in fair value of cash flow hedges, €nil million (2022: €nil million) relates to recycling of cash flow hedge reserve, €3 million (2022: €-29 million) relates to defined benefit plan actuarial gains/(losses) and €-1 million (2022: €2 million) relates to change in fair value of equity instruments at FVOCI. The cumulative amount of deferred tax assets recognised in other comprehensive income amounts to €2 million (2022: €-3 million).

Deferred tax assets are recognised to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has not recognised deferred tax assets in respect of the following items:

	2023 €m	2022 €m
Tax loss carry forwards		
No expiration date	**3,928**	4,007
Expiration within 5 years	**58**	68
Expiration after 5 years	**13**	11
Deductible temporary differences (no expiration date)	**14**	**11**

At 31 December 2023, there were temporary differences of €197 million (2022: €171 million) related to investments in subsidiaries. However, deferred tax liabilities on these temporary differences were not recognised because the Group controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and these will not reverse in the foreseeable future.

The movement in deferred tax assets and liabilities during the year is as follows:

	Balance at 1 January 2023 €m	(Charged)/ credited to income statement €m	Charged to other comprehensive income €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2023 €m
Deferred tax assets						
Intangible assets	67	(7)	–	–	(4)	**56**
Programme rights	139	(16)	–	1	–	**124**
Property, plant and equipment	4	–	–	–	–	**4**
Right-of-use assets and lease liabilities	104	(22)	–	–	(1)	**81**
Provisions	87	(17)	3	–	–	**73**
Tax loss carry forwards	95	41	–	–	–	**136**
Others	84	(11)	1	–	–	**74**
Offset	(264)				18	**(246)**
	316	(32)	4	1	13	**302**
Deferred tax liabilities						
Intangible assets	(155)	1	–	–	5	**(149)**
Programme rights	(2)	–	–	–	–	**(2)**
Property, plant and equipment	(14)	–	–	–	–	**(14)**
Right-of-use assets and lease liabilities	(91)	18	–	–	1	**(72)**
Provisions	(39)	–	(1)	2	–	**(38)**
Others	(42)	1	2		(1)	**(40)**
Offset	264				(18)	**246**
	(79)	20	1	2	(13)	**(69)**

	Balance at 1 January 2022 €m	(Charged)/ credited to income statement €m	Charged to other comprehensive income €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2022 €m
Deferred tax assets						
Intangible assets	67	(12)	–	11	1	**67**
Programme rights	168	(29)	–	–	–	**139**
Property, plant and equipment	3	1	–	–	–	**4**
Right-of-use assets and lease liabilities	93	10	–	2	(1)	**104**
Provisions	95	(11)	(24)	27	–	**87**
Tax loss carry forwards	18	75	–	3	(1)	**95**
Others	92	(13)	(2)	6	1	**84**
Offset	(214)				(50)	**(264)**
	322	21	(26)	49	(50)	**316**
Deferred tax liabilities						
Intangible assets	(131)	(4)	–	(20)	–	**(155)**
Programme rights	(2)	2	–	(2)	–	**(2)**
Property, plant and equipment	(13)	–	–	(1)	–	**(14)**
Right-of-use assets and lease liabilities	(80)	(10)	–	(2)	1	**(91)**
Provisions	(24)	(4)	(3)	(9)	1	**(39)**
Others	(41)	6	–	(6)	(1)	**(42)**
Offset	214				50	**264**
	(77)	(10)	(3)	(40)	51	**(79)**

Deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria of offsetting. The term of the deferred taxes on temporary differences is mostly expected to be recovered or settled more than 12 months from the balance sheet date.

6.8 Current programme rights

	2023			2022		
	Gross value €m	Valuation allowance €m	Net value €m	Gross value €m	Valuation allowance €m	Net value €m
(Co-)productions and TV programmes	**627**	**(340)**	**287**	595	(339)	256
Audiovisual rights for broadcasting	**561**	**(113)**	**448**	589	(164)	425
Audiovisual rights for distribution	**134**	**(87)**	**47**	113	(87)	26
Sub-total programme rights	**1,322**	**(540)**	**782**	**1,297**	**(590)**	**707**
(Co-)productions and programmes in progress	**661**	**(13)**	**648**	713	(15)	698
Advance payments on (co-)productions, programmes and rights	**132**	**–**	**132**	169	–	169
Sub-total programme rights in progress	**793**	**(13)**	**780**	**882**	**(15)**	**867**
	2,115	**(553)**	**1,562**	**2,179**	**(605)**	**1,574**

Additions and reversals of valuation allowance have been recorded for €-31 million and €73 million respectively in 2023 (2022: €-48 million and €58 million, respectively).

6.9 Accounts receivable and other current assets

	2023 €m	2022 €m
Accounts receivable and other financial assets		
Trade accounts receivable	**1,230**	1,301
Contract assets	**5**	10
Accounts receivable from investments accounted for using the equity method	**23**	18
Loans receivable to investments accounted for using the equity method	**1**	–
Derivative financial assets	**14**	38
Equity instruments at FVTPL	**99**	127
Convertible loans at FVTPL	**2**	–
Other current financial assets	**9**	6
Current deposits with shareholder and its subsidiaries	**76**	276
Account receivable from shareholder in relation with PLP Agreement	**28**	306
Other accounts receivable	**88**	108
	1,575	2,190
Other non-financial assets		
Prepaid expenses	**102**	93
Sundry other non-financial assets	**273**	220
	375	313
	1,950	2,503

'Equity instruments at FVTPL' includes the minority investment in Magnite amounting to €95 million (31 December 2022: €123 million) as well as a number of minority investments held by different entities. The fair value of the listed investment in Magnite is measured on the basis of its market value. The gains and losses resulting from changes in the fair value are recognised in 'Fair value measurement of investments' as presented in note 5.3.

Additions and reversals of valuation allowance have been recorded for €-18 million and €19 million respectively in 2023 (2022: €-26 million and €19 million respectively).

6.10 Cash and cash equivalents

	2023 €m	2022 €m
Cash in hand and at bank	**420**	333
Fixed term deposits (under three months) and money market funds	**155**	256
Cash and cash equivalents (excluding bank overdrafts)	**575**	589

	2023 €m	2022 €m
Cash and cash equivalents (excluding bank overdrafts)	**575**	589
Bank overdrafts	**(2)**	(1)
Cash and cash equivalents and bank overdrafts	**573**	588

As at 31 December 2023, 'Cash in hand and at bank' in the amount of €2 million was subject to restrictions on disposals (2022: €3 million).

6.11 Assets classified as held for sale and discontinued operation

As at 15 December 2023, the Group has reached an agreement on the intended sale of RTL Nederland to DPG Media, a leading multi-media company active in the Netherlands, Belgium and Denmark. Subject to regulatory approvals and the consultation process with the respective works councils, the all-cash transaction is expected to close around mid-2024. The total consideration on a debt- and cash-free basis and with a normalised net working capital, to be paid at closing, amounts to €1.1 billion. The capital gain from the transaction will be largely tax exempt and will amount to approximately €0.8 billion.

As part of the sale, RTL Group and DPG Media will enter into a strategic partnership, spanning from technology to advertising sales and content: At the time of closing of the transaction, the service agreements for RTL Nederland in the areas of streaming technology (via Bedrock), broadcasting operations (via RTL Group's technical services provider BCE) and international advertising sales (via RTL AdAlliance) will be renewed for at least three years. RTL Nederland will also continue to use the solutions provided by RTL Group's ad-tech business, Smartclip. For three years after closing, RTL Group's broadcasters in Germany, France and Hungary will receive first-look rights for all new programmes developed by RTL Nederland. Based on a separate trademark licence agreement, DPG Media will continue to use the 'RTL' brand in the Netherlands at least until December 2034.

The operating segment RTL Nederland was classified as held for sale and presented as a discontinued operation in the consolidated financial statements 2023. The comparative consolidated income statement and consolidated statement of comprehensive income as well as the consolidated cash flow statement have been restated on a full-year basis to show the discontinued operation separately from continuing operations.

Financial information relating to the discontinued operation is as follows:

	2023 €m	2022 €m
Revenue	**620**	635
Expenses	**(475)**	(475)
Group profit from discontinued operations before taxes	**145**	160
Income tax	**(30)**	(36)
Group profit from discontinued operations	**115**	124
Attributable to:		
RTL Group shareholders	**115**	124
Non-controlling interests	**–**	–
Basic earnings per share from discontinued operations (in €)	**0.74**	0.80
Diluted earnings per share from discontinued operations (in €)	**0.74**	0.80

The item 'Expenses' includes fees related to the Group's auditor, KPMG, and its affiliates in the amount of €0.4 million (2022: €0.3 million).

	31 December 2023 €m
Assets	
Non-current assets	
Goodwill	159
Other intangible assets	7
Property, plant and equipment	8
Right-of-use assets	18
Investments accounted for using the equity method	5
Deferred tax assets	1
Current assets	
Programme rights	96
Accounts receivable and other current assets	122
Impairment on assets held for sale	–
Assets held for sale	**416**
Liabilities	
Non-current liabilities	
Lease liabilities	20
Accounts payable and other liabilities	2
Provisions	4
Current liabilities	
Provisions	4
Lease liabilities	4
Accounts payable and other liabilities	182
Contract liabilities	11
Liabilities related to assets held for sale	**227**

	2023 €m	2022 €m
Net cash from/(used in) operating activities	77	140
Net cash from/(used in) investing activities	(5)	(3)
Net cash from/(used in) financing activities	(72)	(137)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	–	–

As at 31 December 2022, RTL Group had no assets classified as held for sale.

6.12 Loans, bank overdrafts and lease liabilities

2023	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Bank overdrafts	2	–	**2**
Bank loans payable – fixed rate	54	68	**122**
Bank loans payable – floating rate	24	17	**41**
Loans due to investments accounted for using the equity method – floating rate	2	–	**2**
Term loan facility due to shareholders and their subsidiaries – fixed rate	170	600	**770**
Other loans payable – fixed rate	–	4	**4**
Other loans payable – floating rate	1	–	**1**
	253	689	**942**
Lease liabilities	76	225	**301**

2022	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Bank overdrafts	1	–	**1**
Bank loans payable – fixed rate	22	133	**155**
Bank loans payable – floating rate	3	–	**3**
Loans due to investments accounted for using the equity method – floating rate	–	–	**–**
Term loan facility due to shareholders and their subsidiaries – fixed rate	511	–	**511**
Other loans payable – fixed rate	–	5	**5**
Other loans payable – floating rate	10	–	**10**
	547	138	**685**
Lease liabilities	85	300	**385**

As at 31 December 2023, potential future cash outflows of €194 million (undiscounted) have not been included in the lease liabilities as it is not reasonably certain that the leases will be extended (or not terminated) (2022: €179 million).

6.13 Accounts payable and other liabilities

2023	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Accounts payable and other financial liabilities			
Trade accounts payable	1,237	39	**1,276**
Accounts payable to investments accounted for using the equity method	10	–	**10**
Derivative financial liabilities	29	2	**31**
Account payable to shareholder in relation to PLP Agreement	–	–	**–**
Sundry financial liabilities	63	138	**201**
	1,339	179	**1,518**
Non-financial liabilities			
Employee benefits liability	165	318	**483**
VAT payables	99	–	**99**
Deferred income	21	1	**22**
Social security and other taxes payable	90	–	**90**
	375	319	**694**
	1,714	498	**2,212**

2022	Under 1 year €m	Over 1 year €m	Total carrying amount €m
Accounts payable and other financial liabilities			
Trade accounts payable	1,360	40	**1,400**
Accounts payable to investments accounted for using the equity method	8	–	**8**
Derivative financial liabilities	43	14	**57**
Account payable to shareholder in relation to PLP Agreement	322	–	**322**
Sundry financial liabilities	118	167	**285**
	1,851	221	**2,072**
Non-financial liabilities			
Employee benefits liability	249	287	**536**
VAT payables	132	–	**132**
Deferred income	3	–	**3**
Social security and other taxes payable	89	–	**89**
	473	287	**760**
	2,324	508	**2,832**

At 31 December 2023, the profit participation liabilities of RTL Deutschland amounted to €313 million (2022: €315 million).

6.14 Provisions

6.14.1 Provisions other than post-employment benefits

	Restructuring €m	Litigations €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2023	**24**	**29**	**72**	**32**	**157**
Provisions charged/(credited) to the income statement:					
– Additions	45	4	23	3	**75**
– Reversals	–	(3)	(13)	(4)	**(20)**
Provisions used during the year	(10)	(2)	(43)	(3)	**(58)**
Other changes	(1)	(3)	(1)	(19)	**(24)**
Balance at 31 December 2023	**58**	**25**	**38**	**9**	**130**

The provisions mainly relate to the following:

Restructuring
In February 2023, RTL Deutschland announced a reorganisation of its publishing business to focus on its core brands *Stern*, *Geo*, *Capital*, *Stern Crime*, *Brigitte*, *Gala*, *Schöner Wohnen*, *Häuser*, *Couch*, *Eltern*, *Chefkoch*, *Geolino* and *Geolino Mini*. Other brands were sold or discontinued during the reporting period. During the reorganisation, costs will be reduced in all areas – especially in corporate functions, corporate IT, office space, publishing and editorial teams. Around 500 jobs will be reduced in Hamburg, while an additional 200 jobs will be transferred to new owners through the sale of titles. Negotiations with the employee representatives about a voluntary leave programme (Freiwilligenprogramm) and the collective dismissal process – which specifies the financial terms of the restructuring plan and the number of staff affected – were finalised during the first half-year 2023. As at 31 December 2023, the related provision amounted to €44 million.

Litigations
Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities. As at 31 December 2023, they comprise a number of litigations across RTL Group, none of which were material on a standalone basis.

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant. The main legal proceedings to which RTL Group is a party are disclosed in the Directors' Report under **Significant litigations.**

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

Onerous contracts

'Onerous contracts' mainly comprise provisions made by:

- RTL Deutschland for €36 million (2022: €68 million) mainly in relation to the supply of programmes, of which sport events €10 million (2022: €21 million)
- Groupe M6 for €2 million (2022: €1 million) in relation to the supply of programmes.

	2023 €m	2022 €m
Current	87	109
Non-current	43	48
	130	157

6.14.2 Post-employment benefits

	2023 €m	2022 €m
Defined benefit obligation	165	157
Other employee benefits	16	15
	181	172

	2023 €m	2022 €m
Present value of defined benefit obligation of unfunded plans	161	155
Present value of defined benefit obligation of funded plans	112	106
Total present value of defined benefit obligation	**273**	261
Fair value of plan assets	(111)	(106)
Impact from asset ceiling		
Net defined benefit liability recognised in the consolidated statement of financial position	**162**	155
– thereof provisions for pensions	165	157
– thereof other assets	3	2

6.15 Defined benefit obligations

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. FremantleMedia North America in the United States also operates a medical care plan which is also a defined benefit obligation and is included in 'Provisions' in the statement of financial position. These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group and associated risks is given below:

France

Groupe M6 operates retirement indemnity plans which, by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at the date of the retirement in accordance with the applicable collective agreement. The Métropole Télévision (following the merger with Ediradio) and ID retirement indemnity plan is partly funded by an insurance contract with AXA. Métropole Télévision (following the merger with Ediradio) also participates in a defined benefit plan that provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. By nature, the lifetime risk of the beneficiaries is no longer supported by Métropole Télévision at retirement. The risk is externalised to the insurer.

Germany
Employees of UFA companies (including UFA Fiction GmbH, UFA Shows & Factual GmbH, UFA GmbH, UFA Serial Drama GmbH), Radio Center Berlin, AVE Gesellschaft für Hörfunkbeteiligungen GmbH, UFA Film & Fernsehen GmbH, RTL Group GmbH and RTL Group Central & Eastern Europe participate in an unfunded common group retirement plan. The company UFA Serial Drama has a partly funded plan. Related obligations and plan assets are subject to demographic, legal and economic risks. The main risk relates to longevity risk for pension recipients. Each employer that participates in this plan has separately identifiable liabilities.

RTL Television, Super RTL, RTL Deutschland and Ad Alliance (former IP Deutschland GmbH) operate their own retirement arrangements. The pension obligations of Super RTL Fernsehen GmbH provide for a one-time lump-sum benefit and a widow's pension, which is subject to an annual increase of 1 per cent. Reinsurance policies have been taken out partially for the promised benefits. The reinsurance policies are classified as plan assets.

The pension obligations of RTL Deutschland GmbH are based on individual commitments of mostly deferred compensation. A monthly retirement pension is promised in an individually agreed amount, including entitlement for benefits in case of disability or death of the beneficiary. Current pension benefits are increased by 2 per cent annually. One reinsurance policy without benefit-determining character exists with AXA. Further there exists an individual commitment for a one-time lump-sum benefit, which is partially funded. The reinsurance policies are classified as plan assets. Ad Alliance GmbH (former IP Deutschland GmbH) sponsors individual plans for five former employees, providing defined pension benefits to each employee at retirement. RTL Television sponsors individual plans for two former employees, providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death. The plan of RTL Television is partly funded by a life insurance contract with AXA. The assets of the insurance contract are not segregated but mutualised within the global assets of the insurance company. A guaranteed interest rate is provided by AXA and the plan should not be affected by financial market development. Both companies are exposed to certain risks associated with defined benefits plans such as longevity, inflation and the increase of wages and salaries.

The Gruner + Jahr companies participate in a pension plan, which has been closed to new members for many years. The pension entitlement amounts to 50 per cent of the pensionable income, which is fixed at the age of 41. Pension payments are paid annually, increased by at least 2 per cent.

Luxembourg
CLT-UFA, RTL Group and Broadcasting Center Europe (BCE) sponsor a post-employment defined benefit plan in favour of their employees. The occupational pension plan provides benefits to the affiliates (members and their dependants) in case of retirement, death in service or disability. The pension benefits are financed through an internal book reserve, as one of the allowed funding vehicles described in the law of 8 June 1999 and amended by the Law of 1 August 2018 on occupational pension plans in Luxembourg. Therefore CLT-UFA, RTL Group and BCE set up provision for the unfunded retirement benefit plan. Nevertheless, in such cases, the law requires the company to subscribe to insolvency insurance with the German Pension Protection Fund (Pensionssicherungsverein). The CLT-UFA, RTL Group and BCE occupational pension scheme is a defined benefit plan final pay with integration of the state pension. Consequently, the Company is exposed to certain risks associated with defined benefits plans – such as longevity, inflation, the effect of compensation increases – and of the state pension legislation.

Death and disability are insured with La Luxembourgeoise-Vie SA.

To further reduce the defined benefit risks, this plan has been closed for new employees at the end of 2022 and replaced by a defined contribution plan for employees joining from 2023 onwards. Additionally, two-thirds of the already-entitled defined benefit plan members opted for the new defined contribution plan. The change of the plan results in negative past service cost of €5 million recognised in the financial year 2023.

United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ('the Fremantle Plan' or 'the Plan'), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides benefits through two sections, one providing defined benefits and the other providing defined contribution benefits with a defined benefit underpin. Plan assets are held for both sections of the Fremantle Plan – the assets in the defined benefit section are the qualifying insurance (buy-in) policies; the assets in the defined contribution section comprise mainly equities, with the Plan holding corporate bonds in relation to the defined benefit underpin. The Plan is funded through a trust administered by a trustee company, the assets of which are held separately from the assets of the participating employers. FremantleMedia Group Limited is ultimately liable for any deficit in the Plan. Funding requirements are under section 3 of the Pensions Act 2004 (UK), which requires:
– Three-yearly formal actuarial valuations, with annual monitoring
– Trustees to maintain a Statement of Funding Principles
– Trustees and employers to agree the approach to each actuarial valuation
– Funding deficits to be eliminated in accordance with a schedule of deficit funding contributions.

The Company has been managing and reducing the risks associated with the Fremantle Plan. The Company closed the Plan to all further benefit accrual with effect from 31 March 2013. From 19 March 2014, the Company decided to secure benefits by insuring the Plan's liabilities through a buy-in policy.

Information about the nature of the present value of the defined benefit liabilities is detailed as follows:

	2023 €m	2022 €m
Final salary plans	**128**	128
Career average plans	**7**	6
Flat salary plans/plans with fixed amounts	**79**	73
Other commitments given	**59**	54
Present value of defined benefit obligation	**273**	261
– thereof capital commitments	**59**	65

'Other commitments given' broadly contains the defined contribution section of the Fremantle Plan. Under the Fremantle Plan Rules, in the defined benefit sections, a member may opt to exchange up to around 25 per cent of their pension benefit for a cash lump sum.

The breakdown of the present value of the defined benefit liabilities by the plan members is as follows:

	2023 Head	2022 Head	2023 €m	2022 €m
Active members	**2,362**	2,753	**106**	114
Deferred members	**1,427**	1,131	**103**	90
Pensioners	**324**	323	**64**	57
Total	**4,113**	4,207	**273**	261
– thereof vested			**241**	227

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2023 €m	2022 €m
Present value of defined benefit obligation of unfunded plans	**161**	155
Present value of defined benefit obligation of funded plans	**112**	106
Total present value of defined benefit obligation	**273**	261
Fair value of plan assets	**(111)**	(106)
Net defined benefit liability	**162**	155
– thereof provisions for pensions	**165**	157
– thereof other assets	**3**	2

The amounts recognised in profit or loss are determined as follows:

	2023 €m	2022 €m
Current service cost	**5**	9
Past service cost and impact from settlement	**(7)**	1
Net interest expense	**6**	4
Net pension expense	**4**	14

Changes in the present value of defined benefit obligations and plan assets in the reporting period were as follows:

	Defined benefit obligation (I)		Fair value of plan assets (II)		Net defined benefit balance (I)-(II)	
	2023 €m	2022 €m	2023 €m	2022 €m	2023 €m	2022 €m
Balance at 1 January	**261**	**316**	**106**	**148**	**155**	**168**
Current service cost	**5**	9	**–**	–	**5**	9
Interest expense	**11**	6	**–**	–	**11**	6
Interest income	**–**	–	**5**	2	**(5)**	(2)
Past service cost	**(7)**	1	**–**	–	**(7)**	1
Income and expenses for defined benefit plans recognised in the consolidated income statement	**9**	**16**	**5**	**2**	**4**	**14**
Income/expense on plan assets excluding amounts included in net interest income and net interest expense	**–**	–	**–**	(34)	**–**	34
Actuarial gains (-) and losses (+)						
– changes in financial assumptions	**14**	(141)	**–**	–	**14**	(141)
– changes in demographic assumptions	**(1)**	5	**–**	–	**(1)**	5
– experience adjustments	**1**	(7)	**–**	–	**1**	(7)
Re-measurements for defined benefit plans recognised in the consolidated statement of comprehensive income	**14**	**(143)**	**–**	**(34)**	**14**	**(109)**
Contributions to plan assets by employer	**–**	–	**–**	1	**–**	(1)
Contributions to plan assets by employees	**–**	–	**–**	–	**–**	–
Pension payments	**(10)**	(13)	**(3)**	(8)	**(7)**	(5)
Changes in foreign exchange rates	**2**	(5)	**2**	(5)	**–**	–
Changes associated with assets held for sale	**(2)**	54	**–**	39	**(2)**	15
Change in consolidation scope	**–**	35	**–**	(38)	**–**	73
Other changes	**(1)**	1	**1**	1	**(2)**	–
Other reconciling items	**(11)**	**72**	**–**	**(10)**	**(11)**	**82**
Balance at 31 December	**273**	**261**	**111**	**106**	**162**	**155**
thereof						
Germany	**115**	106	**18**	18	**97**	88
UK	**89**	84	**91**	86	**(2)**	(2)
Other European countries	**69**	70	**2**	2	**67**	68

Plan assets are comprised as follows:

	2023 €m	2022 €m
Qualifying insurance policies	**52**	52
Equity instruments	**44**	40
Other funds	**10**	9
Debt instruments	**5**	4
Cash and cash equivalents	**–**	1
Fair value of plan assets	**111**	106

Significant actuarial assumptions used were as follows:

	2023 % a year			2022 % a year		
	Germany	Other European countries	UK	Germany	Other European countries	UK
Discount rate	**3.60**	**3.50**	**4.80**	4.20	4.20	4.80
Rate of salary increase	**2.25**	**3.19**	**n/a**	2.25	3.25	n/a
Rate of pension increase	**2.03**	**2.25**	**3.44**	20.60	2.27	3.57

The breakdown of the weighted-average duration by geographical area is as follows:

	2023 years	2022 years
Germany	**15**	15
Other European countries	**11**	11
UK	**20**	20

At 31 December 2023, the sensitivity of the defined benefit liabilities to changes in the weighted significant assumptions is as follows:

	Increase €m	Decrease €m
Effect of 0.5 percentage point change in discount rate	(13)	14
Effect of 0.5 percentage point change in rate of salary increase	3	(3)
Effect of 0.5 percentage point change in rate of pension increase	7	(7)
Effect of change in average life expectancy by 1 year	4	(5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

At 31 December 2023, expected maturity analysis of undiscounted pension future cash flows is as follows:

	Expected pension payments €m
2024	10
2025	12
2026	17
2027	20
2028	24
2029–2033	94

6.16 Equity

6.16.1 Share capital

At 31 December 2023, the share capital amounts to €192 million (2022: €192 million) and is represented by 154,742,806 (31 December 2022: 154,742,806) fully paid-up ordinary shares, without nominal value.

At 31 December 2023, RTL Group's share price, as listed on the Frankfurt Stock Exchange, was €34.96 (31 December 2022: €39.44).

6.16.2 Treasury shares

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

6.16.3 Currency translation reserve

The currency translation reserve comprises:
- all foreign exchange differences arising from the translation of the financial statements of foreign operations
- reserves on investments accounted for using the equity method for foreign exchange translation differences
- loans designated to form part of the Group's net investment in specific undertakings, as repayment of those loans is not anticipated within the foreseeable future.

6.16.4 Hedging reserve

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. Between 31 December 2022 and 31 December 2023, the hedging reserve decreased by €-13 million before tax effects. Between 31 December 2021 and 31 December 2022, the hedging reserve increased by €8 million before tax effects.

6.16.5 Revaluation reserve

The revaluation reserve includes:
- The cumulative change net of tax in the fair value of equity instruments at FVOCI (see note 6.6) for €34 million (2022: €32 million)
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gains of control of Groupe M6 and M-RTL (2023: €55 million; 2022: €55 million).

6.16.6 Dividends

Based on the resolution of the Annual General Meeting of shareholders on 26 April 2023, the Annual General Meeting of shareholders decided to distribute a final dividend of €4.00 per share. Accordingly, an amount of €619 million was paid out on 2 May 2023 (2022: €774 million).

6.16.7 Share-based payment plans

Groupe M6 has established free shares plans open to directors and certain employees. The number of free shares granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorisation given by the Annual General Meeting of shareholders.

Plans allocated in the financial year 2023:
- one plan involves 167 beneficiaries and covers 311,300 shares, subject to beneficiaries remaining employed by the Group at 31 March 2026 and the achievement of consolidated EBITA objectives in 2023
- another plan covers a group of 22 beneficiaries and relates to 191,900 shares subject to beneficiaries remaining employed by the Group at 31 March 2026. It is allotted annually on the basis of multi-year performance conditions.

The maximum number of free shares granted and remaining free shares are as follows, whereby all plans are settled by physical delivery of shares:

	Grant date	Maximum number of free shares granted[48]	Remaining free shares
Free shares plans			
	20/04/2021	407,200	–
	20/04/2021	93,000	–
	10/10/2022	291,050	278,350
	10/10/2022	224,700	218,700
	15/05/2023	311,300	308,700
	15/05/2023	191,900	191,900
Total		1,519,150	997,650

During the financial year, the balance of shares granted changed as follows:

	Number of shares
Balance at 31 December 2022	1,002,350
Change based on performance	(1,012)
Granted	503,200
Delivered	(485,588)
Forfeited	(21,300)
Balance at 31 December 2023	997,650

Free shares plans outstanding at the end of the year have the following terms:

	Expiry date	Number of shares 2023	Number of shares 2022
Free shares plans			
	2023	–	486,600
	2024	218,700	224,700
	2025	278,350	291,050
	2026	500,600	–
Total		997,650	1,002,350

The market price of Métropole Télévision shares on the Paris Stock Exchange was €12.94 at 31 December 2023 (31 December 2022: €15.35).

The fair value of performance shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability. For all performance share plans, the maturity corresponds to the vesting period (i.e. 2 years, 2 years and 6 months, 2 years and 8 months or 3 years).

The features of plans, fair value of benefits granted and employee expenses are as follows:

					Employee expense	
Grant date	Share price €	Risk-free interest rate % a year	Expected return % a year	Fair value €	2023 €m	2022 €m
Free shares plans						
30/07/2019 (2 plans)	15.35	(0.30)	6.97	13.23	**–**	0.8
20/04/2021 (2 plans)	18.38	(0.64)	n/a	14.34	**1.3**	4.1
10/10/2022 (2 plans)	10.34	2.07	6.15	8.38	**1.6**	0.4
15/05/2023 (2 plans)	13.32	2.79	7.89	11.40	**1.1**	–
Total					**4.0**	5.3

48 The maximum number of free shares granted if the performance conditions are significantly exceeded. Such number could be reduced to nil if objectives are not met.

6.16.8 Non-controlling interests

RTL Group has ownership interest of 48.4 per cent (after considering treasury shares held by Groupe M6) in Métropole Télévision SA which, together with its subsidiaries and investments accounted for using the equity method, represents Groupe M6, which is listed on the Paris Stock Exchange. Deviating from the ownership interests, RTL Group holds 48.5 per cent of the voting rights. The total non-controlling interests amount to €850 million at 31 December 2023 (2022: €798 million), of which €805 million (2022: €748 million) is for Groupe M6. Non-controlling interests in other subsidiaries are individually immaterial.

The following tables summarise the information relating to Groupe M6, before any intra-group elimination.

Summarised financial information (as published by Groupe M6):

	Groupe M6 2023 €m	Groupe M6 2022 €m
Non-current assets	**882**	888
Current assets	**1,168**	1,099
Assets held for sale	**–**	–
Current liabilities	**(547)**	(535)
Non-current liabilities	**(162)**	(214)
Liabilities related to assets held for sale	**–**	–
Net assets	**1,341**	1,238
Revenue	**1,316**	1,357
Profit before tax	**325**	241
Income tax expense	**(88)**	(75)
Profit from continuing operations	**237**	166
Profit from discontinued operations	**–**	–
Group profit	**237**	166
Other comprehensive income	**(1)**	11
Total comprehensive income	**236**	177
Dividends paid to non-controlling interest	**(6)**	(5)
Net cash from/(used in) operating activities	**307**	296
Net cash from/(used in) investing activities	**(65)**	(80)
Net cash from/(used in) financing activities	**(173)**	(190)
Net increase/(decrease) in cash and cash equivalents	**69**	26

RTL Group's subsidiary, Métropole Télévision SA, declared and paid cash dividends during the financial year 2023. The amount received within the Group was eliminated on consolidation and the amount paid to non-controlling interests was €65 million (2022: €65 million).

Transactions on non-controlling interests without changes of control

In the financial year 2023, there were no significant transactions with non-controlling interests.

In June 2022, RTL Group exercised its right to acquire the remaining interest in Eureka, increasing its ownership from 51 per cent to 100 per cent. The consideration paid amounted to €55 million and related to the settlement of a put option liability on the remaining share capital, which was recognised in connection with the acquisition of the majority interest in Eureka in 2021. The transaction was accounted for as an equity transaction in accordance with IFRS 10. The transaction resulted in an increase of the equity attributable to RTL Group shareholders in the amount of €17 million and a decrease of the equity attributable to non-controlling interests in the amount of €-17 million.

	Change in RTL Group shareholders' equity €m
Carrying amount of interests acquired	17
Increase in RTL Group shareholders' equity	17
– thereof increase in retained earnings	17
– thereof increase in other comprehensive income	–

7. Financial risk management

7.1 Financial risk factors

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

Risk management is carried out by the Group Treasury department under the supervision of the Chief Financial Officer under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges risks in close cooperation with the Group's operating units. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors has issued written principles for overall risk management and written policies covering specific areas, such as market risk, credit risk, liquidity risk, use of derivatives and investment of excess liquidity.

The Group seeks to minimise the potential adverse effects of changing financial markets on its performance using standard market financial derivatives, primarily unlisted (OTC) instruments such as foreign exchange forward contracts. Transactions are entered into with selected banks in line with the Bank Relationship Policy. Derivatives are not used for speculative purposes. Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk linked to the conversion of net investments in foreign operations is not hedged).

7.1.1 Market risk

Foreign exchange risk

Euro exchange rates for significant foreign currencies
The following significant exchange rates have been applied:

Foreign currency unit per €1		Average rates 2023	Average rates 2022	Closing rates 31 December 2023	Closing rates 31 December 2022
British pound	GBP	**0.8699**	0.8527	**0.8691**	0.8869
US dollar	USD	**1.0814**	1.0534	**1.1050**	1.0666
Australian dollar	AUD	**1.6290**	1.5165	**1.6263**	1.5693

Foreign exchange exposure
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect of USD and GBP. Foreign exchange risk arises from recognised assets and liabilities, future commercial transactions and net investments in foreign operations.

For the Group as a whole, cash flows, net income and net worth are optimised by reference to the Euro. However, foreign exchange risks faced by individual Group companies are managed or hedged against the functional currency of the relevant entity (as these entities generally generate their revenue in local currencies). The Group therefore manages a variety of currencies due to the numerous functional currencies of the companies constituting the Group.

In addition, market practices in the television business imply a significant forward exposure to USD as programme rights are usually denominated in USD and not paid up-front. For this reason, the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions (US-$5 million as at 31 December 2023, US-$2 million as at 31 December 2022).

Management of foreign exchange exposure
RTL Group management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. Group companies are required to hedge their foreign currency exchange risk exposure with Group Treasury in accordance with the Group's Treasury policies. All foreign currency exchange exposures – including signed and forecast output deals and programme rights in foreign currency – are centralised in an intranet-based database. To manage their foreign exchange risk arising from recognised assets

and liabilities and future commercial transactions, entities in the Group use forward contracts transacted with Group Treasury. Group Treasury is then responsible for hedging, usually on a one-to-one basis, the exposure against the functional currency of the respective entity.

The Group's Treasury policy is to hedge up to 100 per cent of the recognised monetary foreign currency exposures arising from cash, accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than the functional currency. The Group Treasury policy is to hedge between 80 per cent and 100 per cent of short-term cash flow forecasts and between 10 per cent and 80 per cent of longer-term (between two and five years) cash flow forecasts.

In order to monitor the compliance of the management of the foreign exchange exposure (mainly USD) with the Group's policy, a monthly report is produced and analysed by RTL Group management. This report shows each subsidiary's exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany accounts) of on-balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios.

Accounting

At interception of the hedging relationships, RTL Group documents the risk management objective and strategy for undertaking the hedge. RTL Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and the hedging instrument are expected to offset each other.

RTL Group separates the spot component and the forward (or swap) point of the forward contracts. Only the spot component is considered as the hedging instrument. Forward (or swap) points are accounted for directly in profit or loss accounts.

The foreign currency cash flow hedge accounting model defined under IFRS 9 is applied by those companies that account for the majority of the Group's foreign currency exposure, when:

- Hedged foreign currency exposures relate to programme rights transactions that have not yet been recognised on the consolidated statement of financial position (such as forecast or firm purchases of programme rights for which the licence period has not yet begun)
- Amounts are sufficiently material to justify the need for hedge accounting.

When cash flow hedge accounting is applied, the effective portion of the changes in the fair value of the hedging instrument is recognised net of deferred tax in the cash flow hedging reserve as presented in 'Consolidated statement of changes in equity'. It is released to the income statement in the periods in which the hedged item impacts the income statement. In case of hedging forecast purchases of programme rights in foreign currency the releases from cash flow hedging reserve are added to the carrying amount of the hedged item when such an item is recognised in the statement of financial position. The ineffective portion of the change in fair value of the hedging instrument is recognised directly in profit or loss. For the year ended 31 December 2023, the swap points have been recognised in the income statement for €7 million (2022: €1 million).

For recognised foreign currency monetary assets and liabilities there is a natural offset of gains and losses in the income statement between the revaluation of the underlying derivatives and the exposure. Therefore, hedge accounting as defined under IFRS 9 is not applied.

Foreign exchange derivative contracts

The impact of forward foreign exchange contracts in the consolidated statement of financial position and in profit or loss is as follows:

	2023 €m	2022 €m
Net fair value of foreign exchange derivatives	**(13)**	(5)
Operating foreign exchange gains/(losses)	**(3)**	–
Non-operating foreign exchange gains/(losses)	**9**	(19)
Gains/(losses) resulting from swap points	**7**	1

	2023 €m	2022 €m
Less than 3 months	**(15)**	(10)
Less than 1 year	**–**	5
Less than 5 years	**2**	–
Net fair value of foreign exchange derivatives	**(13)**	(5)

The items 'Operating foreign exchange gains/(losses)' and 'Non-operating foreign exchange gains/(losses)' relate to derivatives used to offset the currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IFRS 9 is not applied.

The split by maturities of notional amounts of forward exchange contracts at 31 December 2023 is, for the main foreign currencies, as follows:

	2024 £m	2025 £m	2026 £m	2027 £m	≥ 2028 £m	Total £m
Buy	307	32	10	4	3	**356**
Sell	(488)	(14)	(3)	(2)	(1)	**(508)**
Total	**(181)**	**18**	**7**	**2**	**2**	**(152)**

	2024 \$m	2025 \$m	2026 \$m	2027 \$m	≥ 2028 \$m	Total \$m
Buy	993	102	24	1	2	**1,122**
Sell	(329)	(27)	(11)	(4)	(3)	**(374)**
Total	**664**	**75**	**13**	**(3)**	**(1)**	**748**

The split by maturities of notional amounts of forward exchange contracts at 31 December 2022 is, for the main foreign currencies, as follows:

	2023 £m	2024 £m	2025 £m	2026 £m	2027 £m	Total £m
Buy	388	125	12	4	4	**533**
Sell	(533)	(90)	(6)	(1)	(2)	**(632)**
Total	**(145)**	**35**	**6**	**3**	**2**	**(99)**

	2023 \$m	2024 \$m	2025 \$m	2026 \$m	2027 \$m	Total \$m
Buy	767	151	14	7	2	**941**
Sell	(353)	(142)	(12)	(5)	(6)	**(518)**
Total	**414**	**9**	**2**	**2**	**(4)**	**423**

Sensitivity analysis to foreign exchange rates
Management estimates that:
- If the USD had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact), and an additional pre-tax €23 million gain (respectively loss) (2022: €22 million gain (respectively loss)) recognised in total comprehensive income in equity
- If the GBP had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact), and an additional pre-tax €1 million loss (respectively gain) recognised in total comprehensive income in equity (2022: no material impact)
- If other currencies had been 10 per cent stronger compared to the € (respectively weaker), with all other variables held constant, this would have had no material impact on the Group's profit or loss (2022: no material impact) and no material impact on the pre-tax expense (respectively income) recognised in total comprehensive income in equity (2022: no material impact).

This sensitivity analysis does not include the impact of translation into € of foreign operations.

Interest rate risk
The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long term and to maximise the excess cash return.

The Group interest rate risk arises primarily from loans payable, financing agreements with Bertelsmann SE & Co. KGaA and its subsidiaries (see note 10.1) and from cash and cash equivalents.

During the third quarter of 2017, Groupe M6 secured a seven-year Euro private placement bond issue (seven-year Euro private placement bond) of €50 million bearing a fixed annual interest rate of 1.50 per cent (all-in).

During the third quarter of 2019, Groupe M6 entered into a seven-year-term Schuldschein loan of €75 million including a credit line of €65 million with a fixed rate of 1 per cent and a credit facility for €10 million with a floating rate of EURIBOR six months (floored at zero per cent) plus a margin of 1 per cent per year. The fair value of the seven-year-term Schuldschein of €65 million – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and Groupe M6 credit spread – amounts to €62 million (2022: €65 million).

Groupe M6 total committed credit facilities amount to €180 million, equally split between three different counterparties. Two of the credit facilities expire in 2024. The third one expires at the end of 2028.

In order to maximise the excess cash return on cash balances and to minimise the gross indebtedness of the Group, cross-border cash pooling has been set up for most Group entities. The interest rate strategy defined by RTL Group depends on the net cash position of each company.

Group Treasury uses various indicators to monitor interest rate risk, such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest coverage ratio.

If the interest rates achieved had plus or minus 100 basis points, and assuming the current amount of floating net cash available remained constant, the net interest income/(expense) at 31 December 2023 would have been changed as follows:

	31 December 2023		31 December 2022	
	Shift +1% €m	Shift (1)% €m	Shift +1% €m	Shift (1)% €m
Cash flow risks (income statement)	**4.4**	**(4.4)**	3.0	(3.0)

7.1.2 Credit risk
RTL Group's exposure to credit risk primarily arises through sales made to customers (trade receivables), investments in money market funds classified in cash and cash equivalents, and deposits made with banks and the shareholder.

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances, which are managed by individual subsidiaries.

The Group's television and radio operations incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2023, combined television and radio advertising revenue contributed 18 per cent of the Group's revenue (2022: 43 per cent). Due to its business model, RTL Group's exposure to credit risk is directly linked to the final client. However, the risks are considered to be low due to the size of the individual companies or agency groups.

RTL Group sells, licenses and monetises content to state-owned and commercial television channels and internet platforms. In 2023, these activities contributed 35 per cent of the Group's revenue (2022: 34 per cent). Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long-standing relationships between content providers and broadcasters, and the fact that the customers are large businesses with solid financial positions, the level of credit risk is significantly mitigated.

RTL Group also has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

According to the Group's banking policy, derivative instruments and cash transactions (including bank deposits and investments in money market funds) are operated only with high credit quality financial institutions in order to mitigate counterparty risk (only independently rated parties with a minimum rating of 'BBB+' are accepted for bank deposits for the smallest tranches). The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as applicable supervisory authorities, investment policy, maximum volatility, track record, rating, cash and cash equivalents as defined under IAS 7). To mitigate settlement risk, the Group has policies that limit the amount of credit exposure to any one financial institution on any single day. Statistics (such as the percentage of the business allocated to each bank over the year, or a summary of the highest intraday exposures by bank and maturity date) are computed and used daily to ensure credit risk is mitigated in practice at any time.

The carrying amount of financial assets represents their maximum credit exposure.

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

At 31 December 2023	Current €m	More than 30 days past due €m	More than 90 days past due €m	Total €m
Average expected loss rate (in %)	0.26	2.22	4.55	
Gross carrying amount	1,170	45	44	**1,259**
Loss allowance	3	1	2	**6**

At 31 December 2022	Current €m	More than 30 days past due €m	More than 90 days past due €m	Total €m
Average expected loss rate (in %)	0.41	1.52	7.94	
Gross carrying amount	1,218	66	63	**1,347**
Loss allowance	5	1	5	**11**

At 31 December 2023, the gross carrying amount of credit impaired trade receivables and contract assets amounts to € 30 million with € 28 million loss allowance (2022: € 39 million and € 34 million, respectively).

The other accounts receivables are considered to be of low default risk.

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann. Nevertheless, credit risk arising from transactions with the principal shareholder or its subsidiaries is significantly mitigated (see note 10.1). RTL Group considers that there is a low concentration of credit risk for other counterparties.

7.1.3 Price risk

The Group is subject to price risk mainly linked to equity securities, earn-out mechanisms, put options on non-controlling interests and derivatives, and investments accounted for using the equity method. The primary goal of the Group's investment in equity securities categorised as FVOCI is to hold such investments for the long term for strategic purposes. Some investments designated at FVTPL are actively monitored on a fair value basis.

7.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, management aims to maintain flexibility in funding by keeping committed credit lines available despite the total cash situation. Cash flow forecasting is performed in the operating entities of the Group. Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitors, on a monthly basis, the level of the 'liquidity headroom' (total committed facilities minus current utilisation through bank loans and guarantees).

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	2023 €m
Credit facilities – banks				
Committed facilities	170	135	–	**305**
Headroom	120	60	–	**180**

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	2022 €m
Credit facilities – banks				
Committed facilities	–	247	–	**247**
Headroom	–	122	–	**122**

Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Group Treasury. Group Treasury invests surplus cash in interest-bearing current accounts, time deposits, money market funds or deposits with Bertelsmann SE & Co. KGaA (see note 10.1) choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the closing date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	253	685	4	**942**
Lease liabilities	84	179	68	**331**
Accounts payable and other non-derivative financial liabilities	1,310	108	86	**1,504**
At 31 December 2023	**1,647**	**972**	**158**	**2,777**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	(1,200)	(100)	–	**(1,300)**
– Inflow	1,171	100	–	**1,271**
At 31 December 2023	**(29)**	**–**	**–**	**(29)**

	Under 1 year €m	1 to 5 years €m	Over 5 years €m	Total €m
Non-derivative financial liabilities				
Loans and bank overdrafts	547	134	4	**685**
Lease liabilities	91	220	97	**408**
Accounts payable and other non-derivative financial liabilities	1,808	139	91	**2,038**
At 31 December 2022	**2,446**	**493**	**192**	**3,131**
Derivative financial liabilities				
Forward exchange contracts used for hedging:				
– Outflow	(1,027)	(181)	(2)	**(1,210)**
– Inflow	984	167	2	**1,153**
At 31 December 2022	**(43)**	**(14)**	**–**	**(57)**

7.2 Capital management

The Group monitors capital on the basis of its net debt to EBITDA ratio (non-IFRS measure).

The Group's ability and intention to pay dividends in the future will depend on its financial condition, results of operations, capital requirements, investment alternatives and other factors that management may deem relevant. Management expects that the principal source of funds for the payment of dividends will be the cash flow and dividends received from its current and future subsidiaries.

The Group intends to pay ordinary dividends in the future targeting a dividend payout ratio of at least 80 per cent of the adjusted net profit attributable to RTL Group shareholders.

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

7.3 Accounting classifications and fair value hierarchy

7.3.1 Financial instruments by category

The fair value of each class of financial assets and liabilities is equivalent to its carrying amount.

	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Derivatives at FVTPL €m	Financial assets at amortised cost €m	Total €m
Assets					
Loans and other financial assets	16	32	4	60	**112**
Accounts receivable and other financial assets	101	–	14	1,455	**1,570**
Cash and cash equivalents	149	–	–	426	**575**
At 31 December 2023	**266**	**32**	**18**	**1,941**	**2,257**

	Liabilities at FVTPL €m	Derivatives at FVTPL €m	Financial liabilities at amortised cost €m	Total €m
Liabilities				
Loans and bank overdrafts	–	–	942	**942**
Lease liabilities	–	–	301	**301**
Accounts payable and other financial liabilities	1	31	1,486	**1,518**
At 31 December 2023	**1**	**31**	**2,729**	**2,761**

	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Derivatives at FVTPL €m	Financial assets at amortised cost €m	Total €m
Assets					
Loans and other financial assets	9	29	14	59	**111**
Accounts receivable and other financial assets	127	–	38	2,015	**2,180**
Cash and cash equivalents	170	–	–	419	**589**
At 31 December 2022	**306**	**29**	**52**	**2,493**	**2,880**

	Liabilities at FVTPL €m	Derivatives at FVTPL €m	Financial liabilities at amortised cost €m	Total €m
Liabilities				
Loans and bank overdrafts	–	–	685	**685**
Lease liabilities	–	–	385	**385**
Accounts payable and other financial liabilities	31	57	1,984	**2,072**
At 31 December 2022	**31**	**57**	**3,054**	**3,142**

7.3.2 Fair value hierarchy

The different levels have been defined as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities)
– Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors.

The following table presents the Group's financial assets and liabilities measured at fair value.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity instruments at FVOCI	**32**	–	–	32
Equity instruments at FVTPL	**112**	95	–	17
Debt instruments at FVTPL	**5**	–	3	2
Primary and derivative financial assets held for trading	**13**	–	13	–
Derivatives with hedge relation	**5**	–	5	–
Other cash equivalents	**149**	–	149	–
At 31 December 2023	**316**	**95**	**170**	**51**
Liabilities				
Primary and derivative financial liabilities held for trading	**27**	–	27	–
Derivatives with hedge relation	**4**	–	4	–
Contingent consideration	**1**	–	–	1
At 31 December 2023	**32**	**–**	**31**	**1**

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Equity instruments at FVOCI	**29**	–	–	29
Equity instruments at FVTPL	**133**	123	–	10
Debt instruments at FVTPL	**3**	–	–	3
Primary and derivative financial assets held for trading	**39**	–	39	–
Derivatives with hedge relation	**13**	–	13	–
Other cash equivalents	**170**	–	170	–
At 31 December 2022	**387**	**123**	**222**	**42**
Liabilities				
Primary and derivative financial liabilities held for trading	**48**	–	48	–
Derivatives with hedge relation	**9**	–	9	–
Contingent consideration	**31**	–	–	31
At 31 December 2022	**88**	**–**	**57**	**31**

The amount disclosed in 'Equity instruments at FVTPL' mainly (€95 million; 2022: €123 million) relates to the Magnite shares. The effect from re-measurement of these shares amounted to €-12 million (2022: €-67 million) and is disclosed in 'Other operating expenses' under 'Fair value measurement of investments'.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Listed financial instruments with contractual trading restrictions (lock-ups) are also measured on the basis of unobservable factors and included in Level 3.

The Group's Treasury and Controlling teams perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level-3-related inputs used by RTL Group relate to the determination of the expected discounted cash flows and the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:
- For measuring the fair value of unlisted derivatives, RTL Group uses various financial methods reflecting the prevailing market conditions and risks at the respective balance sheet dates. Irrespective of the type of financial instrument, future cash flows are discounted at the end of the reporting period based on the respective market interest rates and yield curves at the end of the reporting period. The fair value of forward exchange transactions is calculated using middle spot prices at the end of the reporting period and taking into account forward markdowns and markups for the remaining term of the transactions. (Level 2)
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis or option pricing models are used. These are based for the main instruments on significant unobservable inputs (for example, forecast revenue growth rates and market multiples) to determine the fair value for the remaining financial instruments. Volatility is primarily determined by reference to comparable, publicly traded peers.

Transfers between levels of the fair value hierarchy are recognised at the date of the event or change in circumstances that caused the transfer.

The following table presents the change in Level 3 instruments:

	Assets			Liabilities
	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Total assets €m	Liabilities at FVTPL €m
Balance at 1 January 2023	**13**	**29**	**42**	**31**
Acquisitions and additions	9	–	**9**	–
Gains and losses recognised in other comprehensive income	–	3	**3**	1
Gains and losses recognised in profit or loss	(11)	–	**(11)**	9
Sales/settlements	(6)	–	**(6)**	(40)
Transfers into Level 3 (including first-time classification as Level 3)	3	–	**3**	–
Transfers out of Level 3	(1)	–	**(1)**	–
Other changes	12	–	**12**	–
Balance at 31 December 2023	**19**	**32**	**51**	**1**

The amount disclosed in 'Acquisitions and additions' in the assets column relates to different smaller investments. The amount disclosed in 'Sales/settlements' in the liabilities column relates to payments in connection with contingent consideration arrangements by Fremantle.

	Assets			Liabilities
	Financial assets at FVTPL €m	Equity instruments at FVOCI €m	Total assets €m	Liabilities at FVTPL €m
Balance at 1 January 2022	**101**	**32**	**133**	**4**
Acquisitions and additions	4	4	**8**	31
Gains and losses recognised in other comprehensive income	–	(6)	**(6)**	–
Gains and losses recognised in profit or loss	–	–	**–**	(1)
Sales/settlements	(92)	(1)	**(93)**	(3)
Balance at 31 December 2022	**13**	**29**	**42**	**31**

The amount disclosed in 'Acquisitions and additions' in the liabilities column related to liabilities resulting from contingent consideration arrangements on acquisitions conducted by Fremantle. The respective expected cash inflows were estimated based on the relevant terms of the sale and purchase agreements, RTL Group's knowledge of the business of acquired entities, and how the current economic environment is likely to impact it. In the financial year 2022, the amount disclosed in 'Sales/settlements' related to the sale of the investment in VideoAmp – a US software and data company for media measurement – in January 2022. There were no transfers in or out of Level 3 during 2022.

7.4 Master netting agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not currently have any legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a bank loan default or other credit event.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements. The column 'Net amount' shows the impact on the consolidated statement of financial position if all set-off rights were exercised.

	At 31 December 2023			At 31 December 2022		
	Gross amounts in the statement of financial position €m	Related financial instruments that are not offset €m	Net amount €m	Gross amounts in the statement of financial position €m	Related financial instruments that are not offset €m	Net amount €m
Financial assets						
Derivative financial instruments						
– Forward exchange contracts used to offset currency exposure	**18**	**(17)**	**1**	52	(43)	9
	18	**(17)**	**1**	**52**	**(43)**	**9**
Financial liabilities						
Derivative financial instruments						
– Forward exchange contracts used to offset currency exposure	**(31)**	**17**	**(14)**	(57)	43	(14)
	(31)	**17**	**(14)**	**(57)**	**43**	**(14)**

8. Commitments and contingencies

	2023 €m	2022 €m
Guarantees and endorsements given	**–**	27
Contracts for purchasing rights, (co-)productions and programmes	**1,620**	1,704
Satellite transponders	**4**	20
Leases signed but not yet commenced	**23**	–
Purchase obligations in respect of transmission and distribution	**126**	153
Other long-term contracts and commitments	**211**	236

The Group has investments in unlimited liability entities. In the event that these entities make losses, the Group may have to participate to the entire amount of losses, even if these entities are not wholly owned.

Some Dutch companies have elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year 2023. A full list of the companies concerned is provided in note 12.

In the course of their activities, several Group companies benefit from licence frequency agreements, which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

8.1 Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the signals of the Group's TV channels and radio stations.

8.2 Other long-term contracts and commitments

Long-term contracts include contracts for services, agreements to purchase assets or goods, and commitments to acquire licences other than audio-visual rights and television programming that are enforceable and legally binding and that specify all significant terms.

9. Cash flow statement

The consolidated cash flow statement has been prepared in accordance with IAS 7 and is used to evaluate the Group's ability to generate cash and cash equivalents. Cash flows are divided into those relating to operating activities, investing activities and financing activities. Cash flows from operating activities are presented using the indirect method, whereby 'Group profit before tax' is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments, and items of income or expense associated with investing and financing cash flows. In addition, cash flows arising from income taxes are classified as cash flows from operating activities as well as other cash flows that are neither investing nor financing.

The change in provisions for pensions and similar obligations represents the balance of personnel costs for pensions and similar obligations and company payments for these obligations (see note 6.15). Contributions to pension plans totalling €nil million (2022: €-1 million) were also included in this item. 'Financial results including net interest expense and share of results of investments accounted for using the equity method' of the cash flow from operating activities includes the adjustments of results from investments accounted for using the equity method, taking into account dividends received from these investments, adjustments of items of expense associated with financing activities, and adjustments in connection with non-cash income and expenses.

The consolidated cash flow statement includes the effects of changes in foreign currencies and changes in the scope of consolidation. Items in the consolidated cash flow statement thus cannot be reconciled with changes in items reported in the statement of financial position. Investing activities include payments for investments in non-current assets and purchase price payments for acquisitions as well as proceeds from the disposal of non-current assets and consolidated investments. Further explanations concerning acquisitions made during the financial year are presented in note 4.2. Disposals made during the financial year are presented separately in note 4.3. In the financial year 2023, financial debt of €nil million was assumed during the reporting period. In 2022, financial debt of €-46 million was assumed during the reporting period, of which €3 million was repaid at acquisitions date. Its repayment was presented in 'Acquisitions of: Subsidiaries, net of cash acquired'. Also in 2022, 'Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets' mainly related to disposal of the entire investment in VideoAmp for US-$104 million (€92 million) in cash in January 2022. The transaction was carried out as a share buyback by VideoAmp.

'Cash flow from financing activities' includes changes in equity, financial debt, lease liabilities and dividend distributions affecting cash, as well as interest paid (including interest paid due to leases). In the financial year 2023, 'Proceeds from loans' mainly include a shareholder loan from Bertelsmann Business Support Sàrl of €250 million entered into by RTL Group SA. Total cash outflows from leases amounted to €-94 million (2022: €-86 million).

The following tables show the cash changes and non-cash changes of liabilities arising from financing activities:

			Non-cash changes				
	1 January 2023 €m	Cash changes €m	Acquisitions through business combinations €m	Disposals through business combinations €m	Exchange rate effects €m	Other changes €m	31 December 2023 €m
Bank overdrafts	1	1	–	–	–	–	2
Bank loans payable	158	6	–	(1)	–	–	163
Loans due to investments accounted for using the equity method	1	1	–	–	–	–	2
Term loan facility due to shareholders and their subsidiaries	511	229	–	–	–	30	770
Other loans payable	13	(5)	–	–	–	(3)	5
Lease liabilities	385	(94)	–	–	(1)	11	301
Liabilities arising from financing activities	1,069	138	–	(1)	(1)	38	1,243

	1 January 2022 €m	Cash changes €m	Non-cash changes: Acquisitions through business combinations €m	Non-cash changes: Disposals through business combinations €m	Non-cash changes: Exchange rate effects €m	Non-cash changes: Other changes €m	31 December 2022 €m
Bank overdrafts	–	1	–	–	–	–	1
Bank loans payable	154	(34)	36	–	–	2	158
Loans due to investments accounted for using the equity method	1	–	–	–	–	–	1
Term loan facility due to shareholders and their subsidiaries	511	(14)	–	–	–	14	511
Other loans payable	17	(12)	7	–	–	1	13
Lease liabilities	332	(86)	13	(1)	–	127	385
Liabilities arising from financing activities	1,015	(145)	56	(1)	–	144	1,069

As at 31 December 2023, the other non-cash changes in lease liabilities mainly related to lease contracts newly concluded and extended lease contracts in the financial year 2023 partly compensated by early termination of lease contracts and presentation of RTL Nederland as assets held for sale. As at 31 December 2022, the other non-cash changes in lease liabilities mainly related to lease contracts newly concluded and extended lease contracts in the financial year 2022.

10. Related parties

Identity of related parties
At 31 December 2023, the principal shareholder of RTL Group is Bertelsmann Capital Holding GmbH (BCH) (76.28 per cent). The remainder of the Group's shares are publicly listed on the Frankfurt and Luxembourg Stock Exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

10.1 Transactions with shareholders and their subsidiaries

Sales and purchases of goods and services
During the year the Group made sales of goods and services to and purchases of goods and services from Bertelsmann Group amounting to €28 million (2022: €34 million) and €63 million (2022: €62 million) respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €3 million (2022: €14 million) and €14 million (2022: €18 million) respectively. At 31 December 2023, RTL Group had prepaid expenses to Bertelsmann Group amounting to €7 million (31 December 2022: €3 million).

Dividend income
In 2023 RTL Group received dividends of €5 million (2022: €2 million) from Bertelsmann Business Support Sàrl related to a 10 per cent interest in the entity, thereof a minimum dividend amounted to €1 million (2022: €1 million). A 25-year shareholders' agreement has been concluded between Bertelsmann SE & Co. KGaA and RTL Group SA. The shareholders' agreement stipulates that 50 per cent of the aggregate amount of corporate and trade tax that, in the absence of existing tax losses carried forward of Bertelsmann Business Support Sàrl, if any, would have otherwise been incurred by the Company, will be paid to RTL Group SA as a preferred dividend with a minimum amount of €1 million per year. The minimum dividend of €1 million became payable as from 2016 onwards and has been recognised at contract inception for the entire contract duration. Only excessive amounts are recognised in profit or loss. The dividend accounts receivable amounts to €13 million as at 31 December 2023 (31 December 2022: €14 million).

Lease agreement
As at 1 January 2022, RTL Group has entered into a sub-lease agreement with RM Hamburg Holding GmbH, a subsidiary of Bertelsmann SE & Co. KGaA, for premises in Hamburg, Germany. The lease contract expires on 31 January 2025. The lease payments in the financial year 2023 amount to €13 million (2022: €12 million). The payables from this lease agreement as at 31 December 2023 amount to €15 million (31 December 2022: €26 million). The lease payments of RTL Group correspond to the payments of Bertelsmann from the head lease.

Deposits Bertelsmann SE & Co. KGaA
In 2006, RTL Group SA entered into a Deposit Agreement with Bertelsmann SE & Co. KGaA, the main terms of which are the following as of 31 December 2023:
- Interest rates are based on ESTR (floored to zero) plus 10 basis points
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary, Média Communication SAS
  - All shares of its wholly owned Spanish subsidiary, Bertelsmann Espana SLU (Arvato Group excluded)
  - All shares of its wholly owned German subsidiary, RM Hamburg Holding GmbH
  - All shares of its wholly owned English subsidiary, Bertelsmann UK Ltd (Arvato Group excluded).

The shares of RM Hamburg Holding GmbH and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA SA, a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements as defined below.

In December 2011, RTL Group GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group GmbH its shares of RM Hamburg Holding GmbH.

In March 2021, an amendment to the pledge agreement was signed between RTL Group SA, RTL Group GmbH, CLT-UFA SA, Bertelsmann SE & Co. KGaA, Reinhard Mohn GmbH and Bertelsmann Business Support Sàrl that precises the valuation methodology of the pledged shares and grants to RTL Group an additional pledge on all current repayment claims of Bertelsmann Business Support Sàrl against RTL Group GmbH under the Term Loan Facility of €500 million.

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

At 31 December 2023, the deposit of RTL Group GmbH with Bertelsmann SE & Co. KGaA amounted to €76 million (2022: €197 million). The interest income for the period is €1 million (2022: €1 million).

In April 2021, Bertelsmann, Inc. signed a promissory note for a total amount of US-$705 million. In September 2021, an amended version was signed including a remuneration of five basis points on the outstanding amount.

At 31 December 2023, the outstanding amount was EUR-equivalent €nil million (2022: €79 million). The interest income/expense for the year was €nil million (2022: €nil million).

Loans from Bertelsmann SE & Co. KGaA and Bertelsmann Business Support Sàrl
On 7 March 2013, RTL Group GmbH and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million and a revolving and swing line facility in the amount of up to €1 billion. The revolving loan terminated in February 2018. RTL Group has re-negotiated an extension for another five-year period. The main terms of these facilities were:
- Term loan facility of €500 million until 7 March 2023 bearing a fixed interest rate of 2.713 per cent per annum; RTL Group SA had the right to early repay the loan subject to break costs. On 23 June 2016, the term loan facility of €500 million was transferred from Bertelsmann SE & Co. KGaA to Bertelsmann Business Support Sàrl controlled by Bertelsmann Luxembourg Sàrl. At 31 December 2022, the term loan balance amounted to €500 million. The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounted to €513 million at 31 December 2022. This loan was set-off at the beginning of March 2023 by two new term loan facilities in the amount of €200 million and €300 million, respectively, as described below.

– The interest rates for loans under the revolving and swingline facility were EURIBOR (floored at zero per cent) plus a margin of 0.40 per cent per annum, and ESTR (floored at zero per cent) plus a margin of 0.40 per cent per year, respectively. A commitment fee of 30 per cent of the applicable margin was payable on the undrawn amount of the total credit facility. At 31 December 2022, the total of revolving and swingline loan amounted to €nil million. The Revolving Credit Facility was renewed at its anniversary with the new market conditions as described below.

In February 2023, RTL Group GmbH and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a revolving and swingline facility in the amount of up to €600 million. This agreement was amended in May 2023 with the parties to the contract being replaced by RTL Group SA and Bertelsmann Business Support Sàrl. With all conditions remaining unchanged, the facility was increased to be up to €900 million. The main terms of this facility are:
– Interest rates for loans under the revolving and swingline facility are EURIBOR (floored at zero per cent) plus a margin of 0.40 per cent per annum, and ESTR (floored at zero per cent) plus a margin of 0.40 per cent per year, respectively.
– Additional utilisation fees of 0.075/0.15/0.30 per cent per year are computed for the utilisation of each subsequent tranche of €200 million, respectively, or €300 million under the amended agreement,
– with an upfront fee of 0.25 per cent and a commitment fee of 14 basis points calculated and payable on the undrawn amount of the total credit facility.

In March 2023, RTL Group GmbH and Bertelsmann Business Support Sàrl entered into a shareholder loan agreement pursuant to which Bertelsmann makes available two term loan facilities in the amount of €500 million. The main terms of these facilities are:
– Term loan facility of €200 million until 9 March 2026 bearing a fixed interest rate of 3.60 per cent per annum
– Term loan facility of €300 million until 7 March 2028 bearing a fixed interest rate of 3.57 per cent per annum
– RTL Group GmbH has the right to repay the loans early subject to break costs.

In May 2023, RTL Group SA and Bertelsmann Business Support Sàrl entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €100 million until May 2027 bearing a fixed interest rate of 3.805 per cent per annum.

At 31 December 2023, the term loan balance amounts to €770 million and the total of revolving and swingline loan amounts to €nil million.

The interest expense for the financial year 2023 amounts to €29 million (2022: €14 million). The commitment fee charge for the financial year amounts to €3 million (2022: €3 million).

In 2023, Bertelsmann SE & Co. KGaA guaranteed RTL Trust e.V. deferred payment obligations to employees for a total amount of €296 million. The guaranteed companies are RTL Television GmbH, Ad Alliance GmbH, VOX Television GmbH, RTL interactive GmbH, RTL Nord GmbH, RTL West GmbH, RTL Hessen GmbH, RTL News GmbH, CBC Cologne Broadcasting Center GmbH, n-tv Nachrichtenfernsehen GmbH, RTL Journalistenschule für Fernsehen und Multimedia GmbH and RTL Deutschland GmbH. The guarantee is counter-guaranteed by RTL Group SA. The commission is 0.35 per cent. On 31 December 2023, the guarantee amounted to €296 million. This guarantee replaced previous bank guarantees. The commitment fee charge for the financial year amounts to €1 million.

Tax
On 26 June 2008, the Board of Directors of RTL Group agreed to proceed with the tax pooling of its indirect subsidiary RTL Group GmbH (RGG) into BCH, a direct subsidiary of Bertelsmann SE & Co. KGaA.

To that effect, RGG entered into a Profit and Loss Pooling Agreement (PLP Agreement) with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann SE & Co. KGaA entered into a Compensation Agreement with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above profit transfer and an additional commission ('Commission') amounting to 50 per cent of the tax saving based upon the taxable profit of RGG.

Through these agreements, as from 1 January 2008, Bertelsmann SE & Co. KGaA and the RGG sub-group of RTL Group are treated as a single entity for German income tax purposes.

As the PLP Agreement does not give any authority to BCH to instruct or control RGG, it affects neither RTL Group nor RGG's ability to manage their business, including their responsibility to optimise their tax structures as they deem fit. After six years, both PLP and Compensation Agreements are renewable on a yearly basis. RGG and CLT-UFA have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE & Co. KGaA and of the expected level of indebtedness of RTL Group in the future.

The PLP Agreement was slightly amended in 2014 on the basis of a recent change to German corporate tax law and in 2022 following the acquisition of Gruner + Jahr Deutschland GmbH, Deutsche Medien Manufaktur GmbH & Co KG and 11 Freunde Verlag GmbH & Co KG.

In the absence of specific guidance in IFRS, RTL Group has elected to recognise current income taxes related to the RGG sub-group based on the amounts payable to Bertelsmann SE & Co. KGaA and BCH as a result of the PLP and Compensation Agreements described above. Deferred income taxes continue to be recognised, based upon the enacted tax rate, in the consolidated financial statements based on the amounts expected to be settled by the Group in the future. The Commission, being economically and contractually closely related to the Compensation, is accounted for as a reduction of the tax due under the Agreements.

At 31 December 2023, the balance receivable to BCH amounts to €18 million (2022: €322 million payable) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €10 million (2022: €306 million).

For the year ended 31 December 2023, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €nil million (2022: €32 million). The Commission amounts to €10 million (2022: €16 million).

As from 1 July 2019, RGG entered into the VAT tax group with Bertelsmann SE & Co. KGaA. Bertelsmann SE & Co. KGaA and the RGG sub-group are treated as a single entity for German VAT purposes.

The UK Group relief of Fremantle Group to Bertelsmann Group resulted in a tax income of €8 million (2022: €6 million).

All Danish entities under common control by an ultimate parent are subject to Danish tax consolidation, which is mandatory under Danish tax law. Riverty Denmark A/S – a 100 per cent held subsidiary of Bertelsmann SE & Co. KGaA – was elected as the management company of the Bertelsmann Denmark Group.

All Spanish entities with a direct or indirect shareholding of at least 75 per cent by an ultimate parent are subject to Spanish tax consolidation which is mandatory under Spanish tax law. Bertelsmann SE & Co. KGaA appointed Bertelsmann España, S.L. as Spanish representative of the consolidated tax group in Spain.

10.2 Transactions with investments accounted for using the equity method

The following transactions occurred with investments accounted for using the equity method:

	2023 €m	2022 €m
Sales of goods and services to:		
Associates	**37**	33
Joint ventures	**15**	31
	52	64
Purchase of goods and services from:		
Associates	**26**	26
Joint ventures	**11**	10
	37	36
Accounts receivable from:		
Associates	**19**	10
Joint ventures	**6**	8
	25	18
Accounts payable to:		
Associates	**9**	8
Joint ventures	**1**	–
	10	8
Off-balance sheet commitments against:		
Associates	**22**	9
Joint ventures	**–**	–
	22	9
Off-balance sheet commitments from:		
Associates	**13**	–
Joint ventures	**1**	4
	14	4

In the financial year 2023, the interest income from joint ventures amounted to € 2 million (2022: € 1 million). Also in 2023, RTL Group made capital contributions to joint ventures amounting to € 4 million and to associates amounting to € 1 million.

In the financial year 2022, in addition to the capital contributions in Salto, RTL Group made further capital contributions to joint ventures amounting to €2 million and to its investments in associates amounting to €4 million.

10.3 Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to key management personnel and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows and includes benefits for the period for which the individuals held the Executive Committee position:

	2023 €m	2022 €m
Short-term benefits	**5.0**	6.3
Post-employment benefits	**–**	–
Long-term benefits	**1.2**	1.5
	6.2	7.8

Further details on the remuneration of key management personnel can be found in the remuneration report.

10.4 Directors' fees

In 2023, a total of €1.4 million (2022: €1.3 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees that emanate from it, with respect to their functions within RTL Group SA and other Group companies.

11. Subsequent events

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

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

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

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

12. Group undertakings

The following table presents the RTL Group undertakings as at 31 December 2023 sorted by country. RTL Group SA is the parent company and incorporated in Luxembourg.

	Group's ownership[49] (in per cent)	Consolidation method[50]
Antigua and Barbuda		
Grundy International Operations Ltd	100.0	FC
Australia		
Eureka Productions Pty Ltd	99.7	FC
FremantleMedia Australia Holdings Pty Ltd	99.7	FC
FremantleMedia Australia Pty Ltd	99.7	FC
Grundy Organization Pty Ltd	99.7	FC
Helium Five Pty Ltd	99.7	FC
Helium Four Pty Ltd	99.7	FC
Helium One Pty Ltd	99.7	FC
Helium Seven Pty Ltd	99.7	FC
Helium Six Pty Ltd	99.7	FC
Helium Three Pty Ltd	99.7	FC
Helium Two Pty Ltd	99.7	FC
Huzzah Productions Pty Ltd	99.7	FC
Regal Chandos Pty Ltd	99.7	FC
Royal Atchison Pty Ltd	99.7	FC
Austria		
Eat the World GmbH	99.7	FC
G+J Holding GmbH	99.7	FC
IP Österreich GmbH	49.9	FC
RTL Austria GmbH	99.7	FC
Belgium		
A Team Productions BV	50.9	FC
Freecaster BVBA	99.7	FC
FremantleMedia Belgium NV	99.7	FC
Brazil		
FremantleMedia Brazil Producao de Televisao Ltda.	99.7	FC
Canada		
FremantleMedia Canada No 2 Inc.	99.7	FC
Denmark		
Blu A/S	99.7	FC
Miso Film ApS	99.7	FC
Miso Holdings ApS	99.7	FC
Strong Productions A/S	99.7	FC
Finland		
Fremantlemedia Finland Oy	99.7	FC
Nice Entertainment Group Oy	99.7	FC
This is Nice Studios Finland Oy	99.7	FC
France		
Academee SAS	24.2	EM (JV)
BCE France SAS	99.7	FC
Bedrock SAS	74.0	FC
BG Team SAS	21.2	EM (A)
C. Productions SA	48.4	FC
Canal Star SARL	48.4	FC
EDI TV SAS	48.4	FC
Extension TV SAS	24.2	EM (JV)
FM Graffiti SARL	48.4	FC
Freecaster France SAS	99.7	FC
FremantleMedia France SAS	99.7	FC
Immobiliere 46D SAS	48.4	FC
Immobiliere M6 SAS	48.4	FC
Jeunesse TV SAS	48.4	FC
Kwai SAS	99.7	FC
M6 Communication SAS	48.4	FC
M6 Creations SAS	48.4	FC
M6 Developpement SAS	48.4	FC
M6 Diffusion SA	48.4	FC
M6 Digital Services SAS	48.4	FC
M6 Distribution Digital SAS	48.4	FC
M6 Editions SA	48.4	FC
M6 Evenements SA	48.4	FC
M6 Films SA	48.4	FC
M6 Foot SAS	48.4	FC
M6 Generation SAS	48.4	FC
M6 Interactions SAS	48.4	FC
M6 Invest 3 SAS	48.4	FC
M6 Invest 4 SAS	48.4	FC
M6 Plateforme SA	48.4	FC
M6 Publicite SAS	48.4	FC
M6 Shop SAS	48.4	FC
M6 Studio SAS	48.4	FC
M6 Thematique SAS	48.4	FC
Malesherbes SAS	48.4	FC
Media Strategie SARL	48.4	FC
Metropole Television SA	48.4	FC
Miliboo SA	10.4	EM (A)
Panora Services SAS	24.2	EM (JV)
Pariocas SAS	10.3	EM (A)
Paris Premiere SAS	48.4	FC
Quicksign SAS	11.0	EM (A)
Radio Golfe SARL	48.4	FC
Radio Porte Sud SARL	48.4	FC
Realytics SAS	99.7	FC
RTL AdAlliance SAS	99.7	FC
RTL France Holding SAS	99.7	FC
RTL France Radio SAS	48.4	FC
Salto Gestion SAS	16.1	EM (JV)
Salto SNC	16.1	EM (JV)
SCI du 107	48.4	FC
SEDI TV SAS	48.4	FC
SND FICTIONS SAS	48.4	FC
SNDA SAS	48.4	FC
Societe Communication A2B SARL	48.4	FC
Societe de Developpement de Radio Diffusion SA	48.4	FC
Societe d'Exploitation Radio Chic SA	48.4	FC

49 The Group's ownership is based on the total number of shares as at 31 December 2023
50 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method

		Group's ownership[51] (in per cent)	Consolidation method[52]
Societe Nouvelle de Distribution SA		48.4	FC
Societe Privee de Radiodiffusion Gibus Bourgogne SARL		48.4	FC
Stephane Plaza France SAS		24.7	FC
Studio 89 Productions SAS		48.4	FC
we are era SAS		99.7	FC
Wild Buzz Agency SAS		23.7	EM (A)

Germany

99 pro media GmbH		99.7	FC
Ad Alliance GmbH		99.7	FC
Antenne Niedersachsen GmbH & Co. KG		55.8	FC
AVE Gesellschaft für Hörfunkbeteiligungen mbH		99.7	FC
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG		99.7	FC
BCE Germany GmbH		99.7	FC
BCS Broadcast Sachsen GmbH & Co. KG		47.5	EM (A)
Blueberry Food Studios GmbH		99.7	FC
Checkout Charlie GmbH		99.7	FC
Chefkoch GmbH		99.7	FC
CLT-UFA Germany GmbH		99.7	FC
d-force GmbH		49.9	EM (JV)
Digital Media Hub GmbH		99.7	FC
DMV DER MEDIENVERTRIEB GmbH & Co. KG		48.9	EM (A)
DPV Deutscher Pressevertrieb GmbH		99.7	FC
Eat the World GmbH		99.7	FC
FremantleMedia International Germany GmbH		99.7	FC
Funkhaus Halle GmbH & Co. KG		61.2	FC
G+J Electronic Media Sales GmbH		99.7	FC
G+J LIVING Digital GmbH		99.7	FC
G+J Medien GmbH		99.7	FC
Global Savings Group GmbH		15.2	EM (A)
Gruner + Jahr Deutschland GmbH		99.7	FC
Henri-Nannen-Schule Gruner+Jahr/DIE ZEIT GmbH		94.7	FC
HITRADIO RTL Sachsen GmbH		86.3	FC
Madsack Hörfunk GmbH	53	99.7	FC
Mediengesellschaft Mittelstand Niedersachsen GmbH	53	23.1	EM (A)
MSP Medien-Service und Promotion GmbH		99.7	FC
Neue Spreeradio Hörfunkgesellschaft mbH		99.7	FC
ntv Nachrichtenfernsehen GmbH		99.7	FC
Radio Hamburg GmbH & Co. KG		30.6	EM (A)
Radio NRW GmbH		21.4	EM (A)
Radio21 GmbH & Co. KG		21.0	EM (A)
RTL 2 Fernsehen Geschäftsführungs GmbH		35.8	EM (A)
RTL 2 Fernsehen GmbH & Co. KG		35.4	EM (A)
RTL AdAlliance GmbH		99.7	FC
RTL Advertising GmbH		99.7	FC
RTL Audio Center Berlin GmbH		99.7	FC
RTL Audio Vermarktung GmbH		99.7	FC
RTL Deutschland GmbH		99.7	FC
RTL Group Financial Services GmbH		99.7	FC
RTL Group GmbH		99.7	FC
RTL Group Markenverwaltungs GmbH		99.7	FC
RTL Group Services GmbH		99.7	FC
RTL Group Vermögensverwaltung GmbH		99.7	FC
RTL Hessen GmbH		99.7	FC
RTL Hessen Programmfenster GmbH		59.8	FC
RTL interactive GmbH		99.7	FC
RTL International GmbH		99.7	FC
RTL Journalistenschule GmbH		89.8	FC
RTL MUSIC PUBLISHING GmbH		99.7	FC
RTL NEWS GmbH		99.7	FC
RTL Nord GmbH		99.7	FC
RTL Radio Berlin GmbH		99.7	FC
RTL Radio Deutschland GmbH		99.7	FC
RTL Radio Luxemburg GmbH		99.7	FC
RTL STUDIOS GmbH		99.7	FC
RTL Technology GmbH		99.7	FC
RTL Television GmbH		99.7	FC
RTL WEST GmbH		74.8	FC
Screenworks Köln GmbH		49.8	EM (A)
Sellwell GmbH & Co. KG		99.7	FC
Skyline Medien GmbH		49.7	EM (JV)
smartclip Europe GmbH		99.7	FC
SQL Service GmbH		49.9	EM (A)
SUPER RTL Fernsehen GmbH		99.7	FC
UFA Distribution GmbH		99.7	FC
UFA Documentary GmbH		99.7	FC
UFA Fiction GmbH		99.7	FC
UFA Fiction Productions GmbH		99.7	FC
UFA Film und Fernseh GmbH		99.7	FC
UFA GmbH		99.7	FC
Ufa Radio-Programmgesellschaft in Bayern mbH		99.7	FC
UFA Serial Drama GmbH		99.7	FC
UFA Show & Factual GmbH		99.7	FC
VOX Holding GmbH		99.7	FC
VOX Television GmbH		99.4	FC
VSG Schwerin - Verlagsservicegesellschaft mbH		99.7	FC
we are era GmbH		99.7	FC

Greece

Fremantle Productions SA		99.7	FC

Hungary

Magyar RTL Televizio Zrt.		99.7	FC
R-Time Kft.		99.7	FC
RTL Services Kft.		99.7	FC
UFA Magyarorszag Kft.		99.7	FC
UFA Projekt 2022 Kft.		99.7	FC

India

Fremantle India Television Productions Pvt Ltd		99.7	FC

Indonesia

PT Dunia Visitama Produksi IDN/PMA		99.7	FC

Ireland

Element Pictures (CWF) Limited		50.9	FC
Element Pictures (The Dry) Limited		50.9	FC
Element Pictures Limited		50.9	FC
Element Pictures Television Limited		50.9	FC
Sorrento TV Sales Limited		50.9	FC

51 The Group's ownership is based on the total number of shares as at 31 December 2023

52 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method

53 At 31 December 2023, the Group's share legally held in Madsack Hörfunk GmbH and Mediengesellschaft Mittelstand Niedersachsen GmbH is 24.8 % and 5.7 % respectively. The Group's ownership disclosed for both entities takes into account an option agreement in accordance with IAS 32

	Group's ownership[54] (in per cent)	Consolidation method[55]
Isle of Man		
Element Pictures GHC	50.9	FC
Israel		
Abot Hameiri Communications Ltd.	99.7	FC
Italy		
Film Factory S.r.l.	69.8	FC
FremantleMedia Italia S.p.A.	99.7	FC
FremantleMedia Italy Group S.r.l.	99.7	FC
Lux Vide F.I.A.T. S.p.A.	69.8	FC
Offside S.r.l.	99.7	FC
RTL AdAlliance S.r.l.	99.7	FC
RTL AdConnect S.r.l.	99.7	FC
The Apartment S.r.l.	99.7	FC
we are era S.r.l.	99.7	FC
Wildside S.r.l.	99.7	FC
Luxembourg		
Broadcasting Center Europe International S.A.	99.7	FC
Broadcasting Center Europe S.A.	99.7	FC
CLT-UFA S.A.	99.7	FC
Data Center Europe S.a r.L.	99.7	FC
European News Exchange S.A.	64.5	FC
Heliovos S.A.	48.9	EM (A)
IP Luxembourg S.a r.l.	99.7	FC
Luxradio S.a r.L.	99.7	FC
Media Assurances S.A.	99.7	FC
Media Properties S.a r.l.	99.7	FC
Media Real Estate S.A.	99.7	FC
RTL AdAlliance S.A.	99.7	FC
RTL Group Holding S.a. r.l.	99.7	FC
RTL Media Support S.A.	99.7	FC
RTL Nederland Media Services S.A.	99.7	FC
RTL Nederland Media Services S.A. & Cie S.C.S.	99.7	FC
Mexico		
FremantleMedia Mexico, S.A. de C.V.	99.7	FC
Norway		
Miso Film Norge AS	99.7	FC
Monster AS	99.7	FC
One Big Happy Family AS	99.7	FC
Playroom Events AS	99.7	FC
Strix Television AS	99.7	FC
This is Nice Studios Norway AS	99.7	FC
Poland		
FremantleMedia Polska Sp. z o.o.	99.7	FC
Portugal		
Bedrock Streaming Portugal, Unipessoal, Ltd.	74.0	FC
FremantleMedia Portugal SA	99.7	FC
Russia		
OOO LTI Vostok	48.4	FC

		Group's ownership[54] (in per cent)	Consolidation method[55]
Singapore			
FremantleMedia Asia Pte. Ltd.		99.7	FC
Spain			
Atresmedia Corporacion de Medios de Comunicacion, S.A.		18.7	EM (A)
FremantleMedia Espana, S.A.		99.7	FC
we are era, S.L.U.		99.7	FC
Sweden			
FremantleMedia Sverige AB		99.7	FC
Miso Film Sverige AB		99.7	FC
RTL AdAlliance AB		99.7	FC
This is Nice Studios Holding AB		99.7	FC
This is Nice Studios Sweden AB		99.7	FC
we are era AB		99.7	FC
Switzerland			
Goldbach Audience (Switzerland) AG		24.9	EM (A)
Goldbach Media (Switzerland) AG		22.9	EM (A)
Swiss Radioworld AG		22.9	EM (A)
The Netherlands			
Ad Alliance B.V.	56	99.7	FC
Benelux Film Investments B.V.		49.9	EM (JV)
E-Health & Safety skills B.V.		48.9	EM (A)
Fiction Valley B.V.	56	99.7	FC
Format Creation Group B.V.	56	99.7	FC
Fremantle Productions B.V.	56	99.7	FC
FremantleMedia Netherlands B.V.	56	99.7	FC
FremantleMedia Overseas Holdings B.V.		99.7	FC
Grundy International Holdings (I) B.V.		99.7	FC
Grundy/Endemol Nederland V.O.F.		49.9	EM (JV)
HelloSparkle B.V.		24.9	EM (A)
NLZiet Coöperatief U.A.		33.2	EM (JV)
RTL AdAlliance B.V.		99.7	FC
RTL Group Beheer B.V.	56	99.7	FC
RTL Nederland B.V.	56	99.7	FC
RTL Nederland Holding B.V.	56	99.7	FC
RTL Nederland Ventures B.V.	56	99.7	FC
RTL Nieuws B.V.	56	99.7	FC
smartclip Benelux B.V.		99.7	FC
Videoland B.V.	56	99.7	FC
we are era B.V.		99.7	FC
United Kingdom			
72 Films Limited		54.8	FC
America Films Limited		50.9	FC
Baxter Film Productions Limited		50.9	FC
Blue Star Films Limited		54.8	FC
CLT-UFA UK Radio		99.7	FC
Cockerel Films Limited		54.8	FC
Conversations Productions Limited		50.9	FC
Dancing Ledge Productions Limited		60.8	FC
DDE Films Limited		54.8	FC
DLP (Big Mood) Ltd		60.8	FC
DLP (Crossfire) Ltd		60.8	FC
DLP (Domino Day) Ltd		60.8	FC
DLP (Platform 7) Limited		60.8	FC

54 The Group's ownership is based on the total number of shares as at 31 December 2023
55 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method
56 Company has elected to make use of the exemption to publish annual accounts in accordance with Section 403(1b) of the Dutch Civil Code

	Group's ownership[57] (in per cent)	Consolidation method[58]
DLP (The Responder) Ltd	60.8	FC
DLP (Wedding Season) Ltd	60.8	FC
Dublin Murders Productions Limited	87.5	FC
Element Pictures (GP) Limited	50.9	FC
Element Pictures BG Limited	50.9	FC
Element Pictures GVS Limited	50.9	FC
Element Pictures MFS Limited	50.9	FC
Element Pictures Productions UK Limited	50.9	FC
Element Pictures PT Limited	50.9	FC
Element Pictures RMF Limited	50.9	FC
Element Pictures UK Holdings Limited	50.9	FC
Element Pictures UK Holdings Two Limited	50.9	FC
Element Pictures UK Limited	50.9	FC
Eternal Daughter Productions Limited	50.9	FC
Euston Films Productions Limited	99.7	FC
Fremantle Nordic Holdings Limited	99.7	FC
Fremantle Periodic (Holdings) Limited	99.7	FC
FremantleMedia Group Limited	99.7	FC
FremantleMedia Limited	99.7	FC
FremantleMedia Overseas Limited	99.7	FC
FremantleMedia Studios Limited	99.7	FC
House Element Wonder Limited	25.4	EM (JV)
Label1 Television Limited	99.7	FC
LBJ Films Limited	54.8	FC
Marlborough Film Productions Limited	50.9	FC
Matriarch Films Limited	50.9	FC
Naked Television Limited	99.7	FC
OBG Film Productions Limited	50.9	FC
Orangutan Films Limited	50.9	FC
Raven Facilities Limited	54.8	FC
RTL AdAlliance Limited	99.7	FC
RTL Group Support Services Limited	99.7	FC
Sentient Productions Limited	50.9	FC
Slade Films Limited	54.8	FC
Syracuse Films Limited	54.8	FC
Talkback Productions Limited	99.7	FC
TalkbackThames UK Limited	99.7	FC
Thames Television Limited	99.7	FC
Tigerstripe Films Limited	50.9	FC
True Life Films Limited	50.9	FC
UFA Fiction Limited	99.7	FC
Underdogs Films Limited	50.9	FC
Wildshot Games Limited	50.9	FC
Wildspark Films Limited	50.9	FC
WildStar Films Limited	50.9	FC
Yospace Technologies Limited	99.7	FC

	Group's ownership[57] (in per cent)	Consolidation method[58]
United States		
3 Doors Productions, Inc.	99.7	FC
American Idol Productions, Inc.	99.7	FC
Amygdala Records, Inc.	99.7	FC
Big Break Productions, Inc.	99.7	FC
Blue Orbit Productions, Inc.	99.7	FC
Crown Broadway Productions LLC	99.7	FC
Crown Cloverfield Productions LLC	99.7	FC
Crown Noah Productions LLC	99.7	FC
Crown Venice Productions LLC	99.7	FC
Crown Wilshire Productions LLC	99.7	FC
Eureka Productions LLC	99.7	FC
Fabel Entertainment LLC	24.9	EM (A)
FCB Productions, Inc.	99.7	FC
Fellow Travelers Productions, Inc.	99.7	FC
Fremantle Productions North America, Inc.	99.7	FC
Fremantle Productions, Inc.	99.7	FC
FremantleMedia Latin America, Inc.	99.7	FC
FremantleMedia North America, Inc.	99.7	FC
Good Games Live, Inc.	99.7	FC
Haskell Studio Rentals, Inc.	99.7	FC
Haven Studios, Inc.	99.7	FC
Inception XR, Inc.	22.4	EM (A)
Kickoff Productions, Inc.	99.7	FC
L&S USA LLC	69.8	FC
Let's Play, Inc.	94.7	FC
Little Pond Television, Inc.	99.7	FC
Mad Sweeney Productions, Inc.	99.7	FC
Marathon Productions, Inc.	99.7	FC
Max Post, Inc.	99.7	FC
Music Box Library, Inc.	99.7	FC
OP Services, Inc.	99.7	FC
Original Productions, Inc.	99.7	FC
P & P Productions, Inc.	99.7	FC
Passenger Production LLC	98.7	FC
Prime Media Rentals LLC	99.7	FC
RTL US Holding, Inc.	99.7	FC
SND Films LLC	48.4	FC
Studio Production Services, Inc.	99.7	FC
TCF Productions, Inc.	99.7	FC
Terrapin Productions, Inc.	99.7	FC
The Price Is Right Productions, Inc.	99.7	FC
Tick Tock Productions, Inc.	99.7	FC
Triple Threat Productions, Inc.	99.7	FC
Wanderlust Productions, Inc.	99.7	FC
YoSpace, Inc.	99.7	FC

57 The Group's ownership is based on the total number of shares as at 31 December 2023

58 FC: full consolidation, EM (JV): joint venture accounted for using the equity method, EM (A): associate accounted for using the equity method