AUDIT REPORT

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TO THE SHAREHOLDERS OF RTL GROUP S.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of RTL Group S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

WHAT WE HAVE AUDITED

The Group's consolidated financial statements comprise:

- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in note 7. 2. to the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
IMPAIRMENT OF GOODWILL Goodwill represents EUR 3,093 million or approximately 35 % of the Group total assets as of 31 December 2019. Management performed an annual impairment test of the cash generating units (CGUs) to which the goodwill is allocated to assess whether its recoverable amount is at least equal to its carrying value. The recoverable amount can be determined through different valuation techniques; the most regularly used by management being the fair value less costs of disposal's discounted cash flow (DCF) models. This matter and the related disclosures were of particular significance to our audit as management's determination of future cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable amount involves significant judgment and estimates.	We assessed the Group's process for determining and validating the future discounted cash flow forecasts of the CGUs. We satisfied ourselves about the valuation models retained by management and the reasonability of the future cash flows used by comparing them with the current budgets and forecasts in the three-year plan prepared by management and approved by the Board of Directors. When possible, we benchmarked them against general and sector-specific market expectations. Where necessary, we involved specialists to test the main parameters used in the DCF models (including the weighted average cost of capital). We tested management valuation resulting in no impairment of goodwill at 31 December 2019. For the most sensitive CGUs, we reviewed the sensitivity analysis of the models to changes in the key assumptions. We assessed the appropriateness of the Group's disclosures regarding goodwill contained in notes 2. 4. and 8. 2. of the consolidated financial statements.

KEY AUDIT MATTER

VALUATION OF INVESTMENT IN ASSOCIATE – ATRESMEDIA

The investment in associate Atresmedia, listed on the Madrid stock exchange, has a carrying value of EUR 198 million as of 31 December 2019.

Management performed an impairment test of its investment in Atresmedia to assess whether its recoverable amount is at least equal to its carrying value. The recoverable amount was determined based on the value in use derived from a discounted cash flow (DCF) model.

Atresmedia impairment test and the related disclosures were of particular significance to our audit as:

- the share price of Atresmedia decreased significantly during the year which is a trigger for impairment; and
- management's determination of future cash flow forecasts (of which revenue and EBIDTA margins), discount rates and growth rates used in the determination of the value in use involves significant judgment and estimates.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We assessed the Group's process for determining and validating the future discounted cash flow forecasts of Atresmedia.

We satisfied ourselves about the valuation model retained by management and the reasonability of the future cash flows used by comparing them with the current budgets and forecasts in the three-year plan prepared by management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations.

We involved specialists to test the main parameters used in the DCF models (including the weighted average cost of capital).

We tested management valuation and its resulting impairment of EUR 50 million on the investment in Atresmedia.

We reviewed the sensitivity analysis of the model to changes in the key assumptions.

We assessed the appropriateness of the Group's disclosures regarding the valuation of Atresmedia as of 31 December 2019 contained in the note 8. 5. 1. of the consolidated financial statements.

KEY AUDIT MATTER

IMPAIRMENT OF PROGRAMME RIGHTS AND PROVISIONS FOR ONEROUS CONTRACTS

Non-current and current programme rights amounting respectively to EUR 92 million, and EUR 1,226 million as of 31 December 2019, include (co-) productions, audio-visual and other rights acquired with the primary intention to broadcast, distribute or trade as part of the Group's operations. These programme rights are tested for impairment by management if there are indicators that these assets may be impaired.

Such impairment test for programme rights requires a high level of judgement, in particular in relation with estimates of revenue, the future programme grid, the realised and expected audience of the programme and the current programme rights that are not likely to be broadcast.

Valuation of programme rights also encompasses rights that the Group has committed to purchase in periods subsequent to 31 December 2019. Provisions for onerous contracts are recognised when management expects, at the closing date, a lower than initially budgeted return on these rights. As of 31 December 2019, these provisions amount to EUR 64 million. They are computed by discounting the expected future cash flows from the programme rights and comparing them to their initially planned profitability.

These matters were significant to our audit since the determination of the level of impairment or provision requires significant judgment and estimates.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We assessed the Group's process to estimate the revenue derived from programme rights and the need for programme rights impairment or provision for onerous contracts.

We analysed the estimation of revenue for programme rights (including rights that the Group has committed to purchase in subsequent periods) based on the future programme grid and expected audience.

We satisfied ourselves about the reliability of management's estimates by comparing last year broadcasting forecasts with the current year programme grid.

We tested management's calculation of impairments or provisions when the estimated future revenues were not expected to exceed the carrying value of programme rights or purchase commitment.

We assessed the appropriateness of the Group's disclosures regarding programme rights and provisions for onerous contracts in notes 2. 3. and 8. 14. 1. of the consolidated financial statements.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Directors' report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Directors' report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Directors' report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Group by the General Meeting of the Shareholders on 26 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 26 years.

Luxembourg, 12 March 2020

PricewaterhouseCoopers, Société coopérative

Represented by

Gilles Vanderweyen *Magalie Cormier*