AUDIT REPORT

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TO THE SHAREHOLDERS OF RTL GROUP S.A.
REPORT OF THE REVISEUR D'ENTREPRISES AGREE

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of RTL Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 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.

BASIS FOR OPINION

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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IMPAIRMENT OF GOODWILL

A) WHY THE MATTER WAS CONSIDERED TO BE ONE OF MOST SIGNIFICANT IN OUR AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CURRENT PERIOD

Refer to Note 1.7.2, Note 2.4, and Note 7.2 to the consolidated financial statements.

Goodwill represents EUR 2,871 million or approximately 32% of the Group total assets as at 31 December 2020.

Management performs an annual impairment test of the Cash Generating Units (CGUs) to which the goodwill is allocated to assess whether the recoverable amount is at least equal to its carrying value. The recoverable amount can be determined through different valuation techniques; the mostly used by Management being the fair value less cost 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 cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable amount by using DCF models involves significant judgement and estimates.

B) HOW THE MATTER WAS ADDRESSED DURING THE AUDIT

Our procedures over the impairment of goodwill include, but are not limited to:

- Gaining an understanding of the process of preparation of the goodwill impairment test by performing a walkthrough of the process and testing design and implementation of the key controls;
- Assessing the appropriateness of the identification of the cash generating units and allocation of goodwill and cash flows to those CGUs done by the Management;
- Assessing the valuation models retained by Management;
- Assessing key assumptions used by the Management in the impairment tests by reference to the budgets approved by the Board of Directors, data external to the Group, our understanding as well as to the historical data and performance;
- Involving our own valuation specialists to test discount rates retained by Management;
- Assessing the sensitivity analysis of the recoverable amount to the discount rate, profitability measure and terminal growth rate for the most sensitive CGUs;
- Considering the adequacy and appropriateness of the disclosures provided on goodwill impairment pursuant to the relevant accounting and financial reporting standards.

VALUATION OF INVESTMENT IN ASSOCIATES – ATRESMEDIA

A) WHY THE MATTER WAS CONSIDERED TO BE ONE OF MOST SIGNIFICANT IN OUR AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CURRENT PERIOD

Refer to Note 1.3.2, Note 2.4, and Note 7.5 to the consolidated financial statements.

The investment in associate – Atresmedia, listed on the Madrid stock exchange, has a carrying value of EUR 143 million as at 31 December 2020. The implied value of Atresmedia share (defined as being the carrying value of Atresmedia in the consolidated financial statements divided by the number of shares held in Atresmedia) exceeds the quoted market price available as at 31 December 2020. An impairment loss of EUR 60 million has been recorded during the financial year.

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 on the basis of the value in use derived from a Discounted Cash Flow (DCF) model.

This matter and the related disclosures were of particular significance to our audit as Management's determination of cash flow forecasts, discount rates and growth rates used in the calculation of the recoverable amount involves significant judgement and estimates.

B) HOW THE MATTER WAS ADDRESSED DURING THE AUDIT

Our procedures over the valuation of investment in the associate Atresmedia include, but are not limited to:

- Gaining an understanding of the process of preparation of the impairment test by performing a walkthrough of the process and testing design and implementation of the key controls;
- Assessing the valuation models retained by Management;
- Assessing key assumptions used by the Management in the impairment tests by reference to the budgets, data external to the Group, our understanding as well as to the historical data and performance;
- Involving our own valuation specialists to test discount rates retained by Management;
- Assessing the sensitivity analysis of the recoverable amount to the discount rate, profitability measure and terminal growth rate;
- Considering the adequacy and appropriateness of the disclosures provided on Atresmedia impairment test pursuant to the relevant accounting and financial reporting standards.

IMPAIRMENT OF PROGRAMME RIGHTS AND PROVISIONS FOR ONEROUS CONTRACTS

A) WHY THE MATTER WAS CONSIDERED TO BE ONE OF MOST SIGNIFICANT IN OUR AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CURRENT PERIOD

Refer to Notes 1.7.1, 1.11, 2.3, 7.1, 7.8, and 7.14 to the consolidated financial statements.

Non-current programme and other rights and current programme rights amounting to EUR 54 million and EUR 1,211 million as of 31 December 2020 respectively, include (co-) productions, audio-visual and other rights acquired with the primary intention to broadcast, distribute or trade as part of the Group's operations.

These programme rights are tested for impairment by Management if there are indicators that these assets may be impaired.

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

Valuation of programme rights also encompasses rights that the Group has committed to purchase in periods subsequent to 31 December 2020. 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 2020, provisions for onerous contracts amount to EUR 84 million and are mainly related to the supply of programmes rights.

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

B) HOW THE MATTER WAS ADDRESSED DURING THE AUDIT

Our procedures over impairment of programme rights and provision for onerous contracts include but are not limited to:

- Gaining an understanding of the process to estimate the cash flows generated by the use of programme rights and the need for programme rights impairment or provision for onerous contracts;
- Analysing, when relevant, the estimation of cash flows generated by the use of programme rights (including rights that the Group has committed to purchase in subsequent periods) based on the future programme grid and expected audience;
- Assessing the reliability of Management's estimates by comparing last year broadcasting forecasts with the current year programme grid;
- Testing Management's calculation of impairments and provisions when the estimated future revenues are not expected to exceed the carrying value of programme rights or purchase commitment;
- Assessing the appropriateness of the Group's disclosures regarding impairment of programme rights and provisions for onerous contracts.

REVENUE RECOGNITION

A) WHY THE MATTER WAS CONSIDERED TO BE ONE OF MOST SIGNIFICANT IN OUR AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CURRENT PERIOD

Refer to accounting policy Note 1.22 and Note 6.1 of the consolidated financial statements.

Revenue of the Group amounts to EUR 6,017 million for the year ended 31 December 2020 compared to EUR 6,651 million in previous year. Revenue relates to advertising, the production, distribution and licensing of films, programmes and other rights, the rendering of services and the sales of merchandise.

Revenue is recognised in accordance with the various revenue recognition principles that apply to the specific revenue streams. There is an elevated risk linked to timing of revenue recognition around year end for revenue recognised over time. The continuously evolving online media revenue stream also results in new and in more complex revenue recognition due to the trend towards new product offerings.

B) HOW THE MATTER WAS ADDRESSED DURING THE AUDIT

Our procedures over the revenue recognition include, but are not limited to:

- Gaining an understanding of the various revenue processes by performing a walkthrough of the process and testing design and implementation of the key controls;
- Testing of the relevant internal controls used to ensure the completeness, existence, accuracy and timing of revenue recognised;
- Involvement of our own Information Risk Management specialists to evaluate the key IT general controls of relevant IT systems;
- Assessing whether appropriate revenue recognition policies are applied by the Group by comparing them with relevant accounting standards;
- Performing analytical reviews on revenues recognised to identify any material new revenue streams;
- Performing test of details over revenue recognition, including but not limited to cash proofing, addition and release of deferred income, cut-off procedures;
- Testing of supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items;
- Considering the appropriateness of the disclosures provided on revenue recognition pursuant to the relevant accounting and financial reporting standards.

OTHER MATTER RELATING TO COMPARATIVE INFORMATION

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 12 March 2020.

OTHER INFORMATION

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

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

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

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

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as “réviseur d’entreprises agréé” of the Group by the General Meeting of the Shareholders on 30 June 2020 and the year 2020 marks the first year of our uninterrupted engagement.

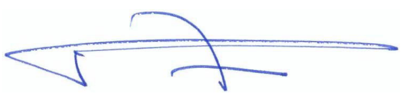
The Directors’ report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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 confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 11 March 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



Philippe Meyer