Telling stories Touching lives Expanding worlds

2021 Annual & Sustainability Report

Contents

● Highlighted chapters include the statutory Sustainability report.

About this report

This is the 2021 Annual & Sustainability report for Nordic Entertainment Group AB (publ), corporate registration number 559124-6847.

The statutory Annual report covers pages 60–64 and 76–133. The Group reports on its sustainability work for 2021 according to GRI Standards, Global Reporting Initiative's reporting guidelines, Core option. The Sustainability report (including the statutory Sustainability report) covers pages 9–13, 24–48, 54, 60–61, 63–64, 142–168.

Some statements in this report are forward looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, others could have a material effect on the actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact and pricing of competing products, product development, commercialisation and technological difficulties, supply chain interruptions, and major customer credit losses.

At the end of 2021 NENT Group's Viaplay streaming service was available in Sweden, Denmark, Norway, Finland, Iceland, Estonia, Latvia, Lithuania, Poland and the US. We operate streaming services, TV channels, radio stations and production companies. Headquartered in Stockholm with a global perspective, NENT Group is listed on Nasdaq Stockholm ('NENT B').

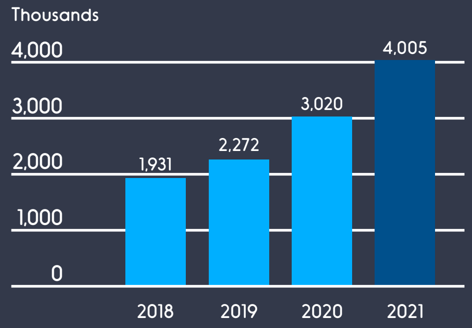
The Annual & Sustainability report is published in Swedish and English. The Swedish version is the original and shall apply in any instance where the two versions differ. This report is available for download in both language versions from the NENT Group website or via the digital summary https://reports.nentgroup.com/.

NENT Group at a glance

NENT Group is the Nordic region's leading entertainment provider and streaming company, with the broadest and most relevant content offering, excellent content discovery and a stable and scalable technology platform.

We entertain millions of people every day with our streaming services, TV channels, radio stations and production companies. Viaplay is already a Nordic streaming success story and NENT Group is one of the world's fastest growing streaming companies. Our ambition is to be the international streaming challenger with at least 12 million subscribers by the end of 2025. Viaplay was present in 10 markets by the end of 2021 and will be available in 16 markets by the end of 2023.

Viaplay subscriber base[1]



1 Paying subscribers (including subscribers that have access to Viaplay through traditional pay-TV packages).

Net sales (SEK)	Organic growth	Viaplay subscribers	Number of employees	Gender balance (% F/M)	Employee engagement	Suppliers that have SBT[1]
12,661m	16.7%	4m	1,453	44/56	84%	66

1 Suppliers which have committed to set or have SBTs, science-based climate targets.

2021 highlights

2021 was a year of growth, with the launch of Viaplay in five new markets and the announcement of several new long-term partnerships.

2021

JANUARY
- My Perrone and Roberta Alenius join NENT Group Executive Management team

FEBRUARY
- SEK 4.35 billion equity raise to fund Viaplay international expansion

MARCH
- Launch of Viaplay in the Baltics with local distribution partnerships signed with Tet and Elisa

APRIL
- Publication of 2020 Annual & Sustainability Report

MAY
- BEAT Diabetes Foundation launches #Imovefordiabetes initiative

AUGUST
- Launch of Viaplay in Poland with local distribution partnerships signed with UPC and Vectra
- Multi-market partnership with independent studio wiip

SEPTEMBER
- Studio operations reorganised as Viaplay Studios following sale of 12 production labels
- NENT Group announces plans to launch Viaplay in 5 new markets and have 12 million subscribers by end of 2025

OCTOBER
- Viaplay becomes hayu's first platform partner in Poland and the Baltic countries

NOVEMBER
- Partnership established with Viacom CBS for launch of Pluto TV in the Nordics
- Multi-year deal with MGM for original series
- NENT Group included in S&P Dow Jones World & European Sustainability Indices
- NENT Group appoints new acting CFO

DECEMBER
- Viaplay launched in the US with local partnership signed with Comcast
- NENT Group recognised as Best Practice Leader by European Women on Boards
- NENT Group recognised as a Top-Rated sustainability performer by Sustainalytics

2022

The year in sports

Sport is a cornerstone of the Viaplay content offering with the broadest selection of live sports available – During 2021, we expanded our sports offering by acquiring the rights to:

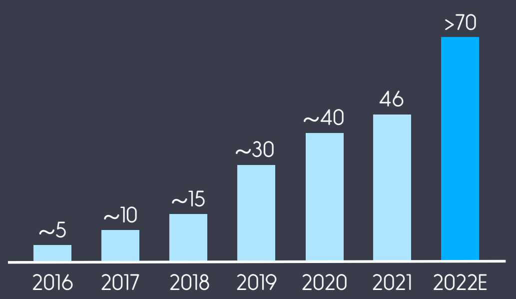
- Women's English Super League football in 9 countries
- NHL ice hockey in Estonia, Latvia, Lithuania and Poland
- Bundesliga football for 8 years in 9 countries
- Formula 1® rights in Poland and the Netherlands
- Matchroom Sport for 5 years in 9 countries including PDC Darts in the Netherlands
- English Premier League football in the Netherlands, Poland, Estonia, Latvia and Lithuania from 2022 to 2028
- UEFA EURO qualifiers, UEFA Nations League, UEFA EURO 24, and UEFA EURO 28 football in Estonia, Latvia and Lithuania
- OBOS Damallsvenskan football in 10 countries until 2026
- Exclusive KSW mixed martial arts rights in 10 countries
- As well as top motorsport, South American and African football in 9 countries

For full info about sports rights, partnerships and other news visit https://www.nentgroup.com/news/news-releases

Viaplay Originals

NENT Group has developed a catalogue of exciting and award winning, Nordic and international scripted drama series, documentaries, comedies, movies, animations and unscripted reality shows over a number of years. 46 Viaplay Originals were premiered in 2021, with a further 70 planned for 2022. 5 of the top 10 most watched programmes on Viaplay in 2021 were original shows.

The number of viewed minutes of Viaplay originals was up 53% in 2021. Viaplay has already commissioned new local language originals in the international markets that it enters, and this slate will continue to grow.



Number of Viaplay Originals premiered each year.

CEO's statement

2021 was the first year of our five-year strategic expansion period. And it was a year in which we made substantial progress towards our 2025 targets and further raised those targets, while continuing to adjust to the impact of the Coronavirus pandemic.

We are now in a high growth and high investment phase that will create substantial value, as sales and profits for our 5 Nordic markets continue to grow, and we invest in establishing market-leading positions in 11 international markets. The transformation of NENT Group is accelerating and Viaplay will drive higher sales growth and long-term margins for us.

33% Viaplay subscriber growth

We added almost 1 million new paying Viaplay subscribers during 2021 and surpassed the milestone of 4 million paying Viaplay subscribers in total. We doubled the number of markets that Viaplay is available in, and substantially increased the total addressable market for Viaplay.

We beat both our Nordic and international subscriber targets, and had a particularly strong start in Poland, which has more households than the whole of the Nordic region combined.

We announced that we will launch Viaplay in the Netherlands and the UK in 2022; and then in Germany, Austria, Switzerland, and Canada in 2023. This will increase our footprint from 10 markets at the end of 2021 to 16 markets by the end of 2023. As a result, we raised our 2025 subscriber target to 12 million, and we expect to grow our subscriber base by over 60% in 2022 to a total of 6.5 million.

Our ambitious growth plan is primarily built around the key sports rights that we have acquired in the Nordics, our growing slate of popular Viaplay Originals, and our international expansion. It also reflects the structural growth in streaming, as more and more customers choose to consume diverse and high-quality video-on-demand content.

A unique and original content offering built on long term partnerships

We laid the foundations for this growth by acquiring all the sports rights that we had targeted in 2020, and by acquiring them for multiple territories and for many years to come. We have also secured multi-year agreements with a wide range of the major and independent Hollywood studios.

This effectively locks in our primary cost at fixed levels for years to come, as we continue to grow our subscriber and revenue bases. And we have yet again raised our ambition when it comes to our own original content. We have been the home of original Nordic storytelling for many years, and are now adding new genres including English language series and movies, as well as local language shows in our international territories. This rich and varied content offering makes us quite unique in a global context.

Our 'partnering for growth' strategy applies both to our content production partnerships with entertainment companies around the world, and to our long-term distribution agreements through which we are making Viaplay and our linear channels as broadly available as possible.

These include agreements with almost all of the traditional linear pay-TV platforms in the Nordics, including our own pay-TV joint venture – Allente, as well as agreements with leading telecoms operators in the international markets.

A values-based and purpose-led culture

We have learned many lessons from the Coronavirus pandemic over the past two years, and perhaps most important of all is how vital and relevant it is to have a purpose-led and values-based culture that puts people first.

This is the foundation of our organisation, and is how we set about creating and delivering sustainable value. We have worked hard to ensure that our customers receive the best possible experiences in these unprecedented times, during which the consumption of streamed video content by all age groups has increased so rapidly. This is a change that has accelerated our development and is here to stay. At the same time, we have focused on the physical and mental wellbeing of our people by implementing effective remote working solutions, and by introducing hybrid and flexible new ways of working, which are also here to stay. The new year has brought news from further afield with the unfolding of the shocking events in Ukraine. We stand side by side with the international community to condemn this act of aggression by the Russian government, and to support the Ukrainian people in their fight for freedom and to escape the horrors of war. We have activated our platforms to shine a light on this painful reminder of the threat of tyranny, and will continue to call out all such injustice.

> **"We added almost 1 million new paying Viaplay subscribers during 2021 and have doubled the number of markets that Viaplay is available in.**

Viaplay stats

Over 4 million paying subscribers

Launched in 5 new international markets in 2021

Now available in 10 countries

We are committed to sustainable development and creating long-term value for all of our stakeholders. With this report, we are launching our new 5-year sustainability strategy, which is an integrated part of our overall business strategy.

New sustainability strategy

We are committed to sustainable development and creating long-term value for all of our stakeholders. With this report, we are launching our new 5-year sustainability strategy, which is an integrated part of our overall business strategy, and follows an extensive stakeholder dialogue during 2021. In developing this strategy, we looked carefully at some of the biggest challenges and opportunities that face the world today, including accelerating digitalisation, social inequality and climate change. Our work over the past three years has seen us achieve high ESG ratings and be ranked at the top of key indices, and we are now stepping up further with three clear priorities – taking action to positively impact climate change; becoming the most diverse and inclusive company in our industry; and promoting wellbeing and ethical behaviour.

We have a roadmap aligned with a set of sustainable development goals for each of these areas. These have implications for our full value chain, and will ensure that we produce and deliver content sustainably. We have committed to long-term science-based targets, in order to reduce our emissions in line with the Paris Agreement, and we continue to be a proud signatory of the UN Global and Media Compacts, as well as the Women's Empowerment Principles.

Exciting times ahead

2022 is a very exciting year as we propose that NENT Group takes the natural next step to become Viaplay Group, and we step up the pace towards our 2025 targets. The recent and already very successful launch of Viaplay in the Netherlands with our strongest ever content and partner line-up, as well as an exclusive global partnership with newly crowned F1 world champion Max Verstappen, are just the latest examples of Viaplay's potential.

As previously announced, we are not proposing to pay a dividend for 2021 as we are investing our Nordic cashflows back into our international expansion, in order to drive higher long-term growth, profits, cash flows and shareholder returns. Thank you to those who participated in the SEK 4.35 billion fundraising last year, which has ensured that our expansion plans are fully financed.

Finally, I would like to dedicate this integrated Annual Report to all our teams who continue to make so much possible for us, and to the memory of our colleague and friend, Gabriel Catrina, who sadly and suddenly passed away at the end of 2021.

I hope to see you soon in person and look forward to keeping you updated on our progress as we continue to build this extraordinary company together!

Anders Jensen,
President & CEO

Our story

Our story

NENT Group was formed in 2018 following the separation from Modern Times Group (MTG) its former parent company, with its shares distributed to shareholders and listed on Nasdaq Stockholm in 2019. As a pioneer in the world of commercial broadcasting from its inception, the Group is transitioning from a broad-based entertainment company, with TV channels, radio stations and production companies to become a pure play video streaming company.

Nordic markets lead the way in streaming

The development of the Group reflects the accelerating trend towards the consumption of video entertainment via streaming, whether on smart TVs or mobile devices, live or on-demand. The Nordic markets have led the way in streaming due to their high levels of internet connectivity and access speeds. NENT Group's Viaplay subscription streaming service was launched in the Nordic markets in 2011 and has grown rapidly to become the second largest video streaming service in the Nordics when measured by subscribers. Viaplay then began its international expansion in 2021 by launching into 5 international markets.

Purpose led organisation

NENT Group has a clear purpose to tell stories, touch lives and expand worlds, which we are doing by offering a unique and broad combination of live sports; series and movies acquired from the leading studios; and original drama, documentaries, and films that we commission. It is clear that local storytelling and live sports are the key drivers of viewing, and those are precisely the areas that we are investing in. We also have a clear vision to be the international streaming challenger, and a set of values, which have been developed by our people and for our people and inform how we behave and act towards each other and everyone that we do business with.

Expansion beyond the Nordics

With the ambition to be the international streaming challenger, NENT Group is rapidly expanding its subscriber base in the Nordics and the international markets. Content offerings are tailored to each market with the goal to either be the overall streaming market leader, or establish Viaplay as a specialist provider of Nordic content. The global streaming industry is very competitive, with new market entrants emerging continuously. This is to be expected given that streaming is gradually replacing the world of linear or scheduled media consumption.

As with other transformative technologies, the penetration of streaming services is expected to gradually rise towards 100% in the coming years, and the number of services that consumers subscribe to will also increase. As in general in the broadcasting world, it is not a 'winner takes it all' scenario, but rather one where there will be room for both mass market and specialist services. Such is the speed of the transition that now is the time to scale Viaplay internationally and take a leadership position when the market shares of tomorrow are being handed out, and the race for content and talent is at its hottest.

Purpose

Telling stories, touching lives, expanding worlds

Vision

Our vision is to be the International Streaming Challenger

Values

Bravery, Equality, Appreciation and Trust

We are clear about what NENT Group stands for: providing best-in-class experiences for our customers and our employees.

Our strategy

NENT Group's strategy is a sustainable growth and value creation strategy. We are a growth company, and a listed company with multiple stakeholder groups. We aim to create long term and sustainable value for all our stakeholders, which is why we strive to integrate sustainability into everything that we do. The Group has both long term financial and non-financial targets, and we measure our performance equally against these.

Multi-faceted strategy for Viaplay

We laid out a new strategy for Nordic Entertainment Group in November 2020 and then updated the plan in September 2021. It is built around the expansion of the Viaplay streaming service in the five Nordic markets, and further into 11 international markets by the end of 2023, in order to deliver on a number of targets by the end of 2025. This will ensure that NENT Group fulfils its potential and ambition to be the leading Nordic storyteller and international streaming challenger. To reflect the Group's focus, it will be proposed to the 2022 AGM that Nordic Entertainment Group be renamed as Viaplay Group.

The strategy will enable Viaplay to take advantage of the growth in streaming as the preferred means of consuming video content on demand, live and on multiple devices. Streaming was pioneered in the Nordics due to the high levels of broadband penetration and access speeds and is rapidly establishing itself in other markets around the world.

Delivering outstanding content

The foundation of the Group's business strategy is based around delivering outstanding content and creating the

NENT Group's strategy model

most engaging customer experiences. The content strategy in turn is focused on three primary drivers:

Firstly, the securing of long term and exclusive rights to a portfolio of premium live sports rights. NENT Group has the most extensive sports rights portfolio in the Nordics, spanning women's and men's sports; club and national team competitions; and established and emerging sports. NENT Group has secured rights for up to 10 territories and for up to 10 years in sports including football, ice-hockey, golf, motor-racing, handball, skiing, darts, mixed martial arts and much more. The coverage includes best in class local language commentary, interviews, and archive footage. The sports content is made available on both Viaplay and the Group's linear TV channels.

Secondly, NENT Group commissions original scripted drama series, documentaries, movies and animations from its own- and third-party production companies. We also commission productions including local adaptations of international unscripted reality formats. NENT Group produces more originals in the Nordic region than anyone else. At the end of 2021, there were 152 Viaplay Originals available on Viaplay, and we will premiere a further 70 new titles or series in 2022.

And thirdly, NENT Group acquires programming from leading Hollywood, international and local studios. This content comprises exclusive new and established TV series and feature films, as well as non-exclusive library titles, all of which are secured under multi-year contracts. This content is also shown on both Viaplay and the Group's linear TV channels.

We market our content offerings using various channels and go-to-market strategies, in order to target specific demographics and to encourage our existing customers to consume more of the content that they love. This includes marketing on our own channels, stations, and sites in the Nordics, as well as through third party media buying and search. We work with the best creatives to deliver powerful and distinctive local campaigns that drive traffic and build brand.

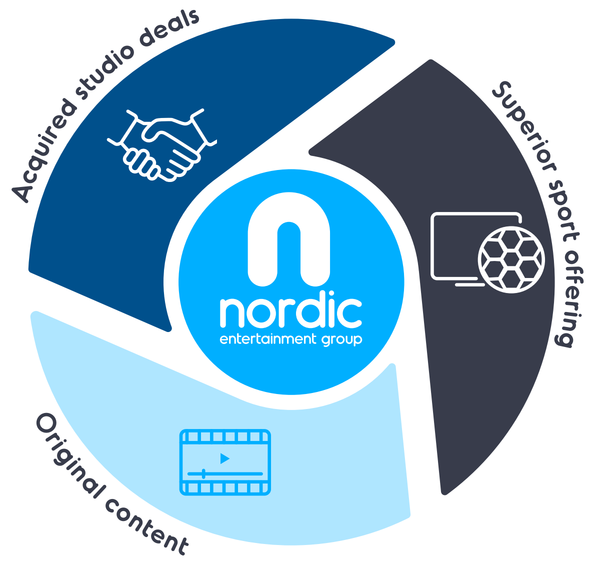
Empowering our people

NENT Group's strategy requires the recruitment, motivation, and retention of the best talents in the business – from developers to salespeople, finance teams to marketeers, and analysts to producers. The Group's people and culture teams ensure that we empower our people to live our values, lead ourselves and fulfil our potential. We have a diverse and multi-talented workforce that is inclusive and collaborative. We are constantly evolving our ways of working to provide an environment that is fun to work in, and with all the tools to make life as simple as possible.

Partnering for growth

NENT Group has always pursued a partnering for growth strategy. Not only do we partner with the best content producers and the best technology providers, but we also partner with a wide range of third-party distributors across our markets. This enables us to make Viaplay available in as many homes as possible with pay-TV operators, broadband providers and telcos promoting Viaplay in return for a revenue share. This partnering strategy accelerates the penetration of Viaplay in both the Nordic and international markets.

The strategy of expanding our streaming footprint in the Nordic and international markets is about entertaining people and about generating cash for our owners. We have a visible and largely fixed cost base for years to come so, once we have covered that cost base, each new sale has a high contribution margin. But NENT Group and Viaplay have a much broader sustainability agenda, which is all about generating other types of value. In this context, NENT Group's ambition is to become the most sustainable, inclusive, and diverse company in the streaming industry.



Three primary drivers for content strategy

Building on achievements

NENT Group has taken great strides in recent years to enhance our sustainability performance across a range of areas, and despite the impact of the Coronavirus pandemic. Our previous three-year sustainability strategy launched in 2019 was centred on promoting Nordic storytelling as well as equality, diversity and inclusion across our business and in society.

Since 2019, we have made great progress in several of the areas that were considered most important for the Group. We have seen an improvement in the gender representations and balance across the business and in our productions. And we have established partnerships, such as that with the Beat Diabetes foundation to help fight diabetes in society at large.

Processes have been put in place across the Group to ensure ethical behaviour and compliance with our policies and guidelines. These include sustainability market assessments to safeguard our expansion, onsite audit programmes to ensure responsible production, data protection impact assessments, and working practices aligned with risk frameworks for third country data transfers. Our sustainability strategy and ambitions also led to the establishment of NENT Group's Student Drama Awards which aim to find and encourage emerging talents and a new generation of voices. The result is three new Scandinavian shows written by first time authors and now in production for Viaplay.

Viaplay Originals have also played a part in shining a light on social and environmental issues, such as through our green productions Made in Oslo and Where were you?, as well as Suedi, Close to me, Sort of, and Prize of Silence.

In assuring that NENT Group thinks and acts sustainably throughout our organisation, we published a report about the emissions from the entire Viaplay value chain and work actively to reduce emissions in our streaming value chain, collaborating with academics and peers through the DIMPACT initiative. In 2022 we will also publish our first Task Force on Climate Related Financial Disclosures (TCFD) report summarising our efforts to identify and address the most material climate-related risks and opportunities.

New sustainability strategy

With this report, we are launching our new 5-year sustainability strategy, which is an integrated part of our overall business strategy and marks a further step in incorporating sustainability into our everyday operations. The new sustainability strategy and roadmap are aligned with our purpose, vision and values. The strategy consists of brave goals across three focus areas: climate change and the environment; diversity and inclusion; and wellbeing and ethics. We have aligned our sustainability goals with 8 of the UN's 17 Sustainable Development Goals (SDGs). This illustrates how our non-financial goals and targets contribute to developing sustainable solutions to global challenges. This commitment is also reflected in NENT Group being a signatory member of the UN Global Compact.

How we set our new priorities

NENT Group undertook an extensive stakeholder dialogue in 2021, in order to establish which issues and initiatives would be most relevant and make the most impact for its stakeholders over the coming years. Over 80 in-depth interviews were conducted, and over 1,000 shareholders, employees, customers, partners, and experts were surveyed across our markets. This dialogue enabled us to understand our stakeholders' expectations, as well as the challenges and opportunities facing society today. Through a thorough materiality analysis, we identified 5 out of 17 sustainability topics to be the most material for NENT Group. These topics then helped us set our strategic priorities and focus our efforts. NENT Group conducts stakeholder dialogues on a regular basis – please see section 'Stakeholder engagement and materiality assessment', page 143–144 for more information.

Our long-term commitments

Building on our achievements to date, we have taken a long-term holistic approach to integrate sustainability throughout our core business and entire value chain, and to engage with our suppliers and collaborate with our industry partners for the greatest impact.

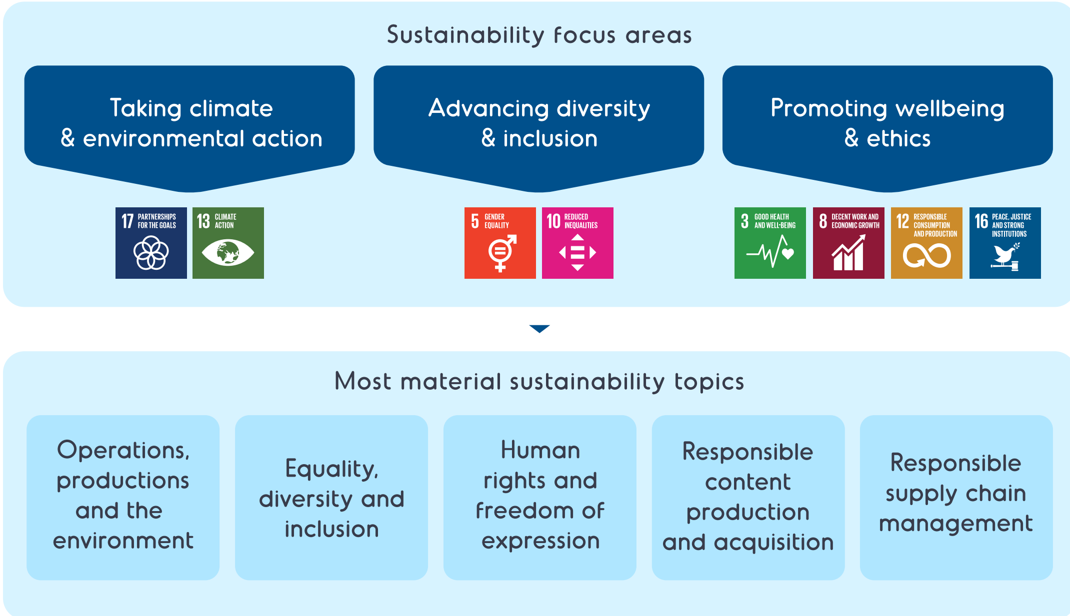
NENT Group has set science-based emission reduction targets for our operations, including a supplier engagement target. Our engagement with suppliers includes establishing a programme to support them with training and tools to set climate commitments in the line with the Paris agreement. We will also measure, monitor, and reduce emissions in our productions. We are developing a sustainable production guide and 'planet & people' storytelling test, to ensure that our stories inspire climate action, as well as challenging stereotypes and unconscious bias. We are accelerating the critical work to minimise the adverse impact of streaming on the environment through our industry initiative DIMPACT and in collaboration with peers, academia and partners.

Furthermore, we will enhance diversity and inclusion amongst our sports and tech team talents, through inclusion and unconscious bias training, and expanding our successful mentorship programmes. We have made commitments that at least 5% of our productions in 2022 will feature stories about society's under-represented groups, and at least 5% of Viaplay Originals will have full accessibility (subtitling, audio description and/or sign language) by the end of 2022.

We will continue implementing NENT Group's hybrid working model and trainings to further enhance employee well-being, work life balance and skills development. We will launch our updated Code of Conduct, Supplier Code of Conduct, and E-Learning programmes in 2022, together with more extensive whistle-blower procedures. We are committed to ethical behaviour, human rights, and well-being in all our productions, and will continue to develop our processes, training, and audits. Additionally, we are conducting ESG due diligence processes and screenings for all suppliers and partners in the new markets that we enter.

The expansion of NENT Group and Viaplay will be done in a responsible and sustainable way because that is the most effective way for the Group to expand and generate returns for all stakeholders. NENT Group's strategy will create an international streaming group that will tell unique stories that entertain and challenge viewers around the world. We aim to be one of the highest growth, most profitable, most sustainable, diverse and inclusive entertainment companies in the world.

NENT Group's focus areas, aligned SDGs and most material topics



Our targets

NENT Group is committed to sustainable development and the creation of long-term value for all stakeholders. That is why the Group's business and sustainability strategies are integrated, and why this report presents both financial and sustainability performance. The Group has both long-term financial performance targets and sustainability goals.

NENT Group set a number of operational and financial targets in November 2020 following the Board's approval of the new expansion strategy and plan. These were updated in September 2021 following the launch of Viaplay into new markets, and the securing of long-term rights to a number of major sports rights across multiple territories. The targets relate to subscriber and revenue growth, profit margins and leverage over the five years from 2020 to 2025.

As previously described, the Group is now also publishing a five-year sustainability strategy that is aligned and integrated with the business strategy. The sustainable development goals and science-based targets together form a new detailed roadmap, which comprises 22 annual targets and 16 individual five-year goals to provide stakeholders with a clear understanding of the Group's objectives.

2025 Financial targets

Group organic sales growth
~18–20% CAGR 2020–2025

Viaplay subscribers
~12 million by end of 2025, of which
~6m Nordic
~6m International

Nordic organic sales growth
~13–15% CAGR 2020–2025

Viaplay Nordics organic sales growth
~23–25% CAGR 2020–2025

Nordic operating income (EBIT[1])
~15% margin in 2025 and ~20% long term margin

International operating income (EBIT)
Accretive in 2025,
~15% margin in 2026 and ~25% long term margin

Leverage policy
<2.5x Net Debt/LTM EBITDA incl. leases

1 Before associated company income and items affecting comparability.

Non-financial targets

Reduce Greenhouse gas emissions (GHG)
Reduction by 46.2% by end of 2030

Responsibility in the value-chain
71% of suppliers[2] to have science-based targets by end of 2026

Sustainably produced content
100% of NENT Group produced content uses sustainability production guide by end of 2026

Gender balance
50/50 in total workforce by end of 2026

Employee wellbeing
83% by end of 2026 (79% in 2021)

Our sustainability strategy and roadmap consist of 16 five-years goals, only 5 of which are highlighted here. More information about the new goals and targets is available in Sustainability reporting p. 149.

2 Approximately 125 suppliers with the highest emissions within purchased goods and services.

Our brands

NENT Group offers a wide range of entertainment services across multiple territories to millions of customers. From streaming services and content production to linear TV channels and radio stations.

Viaplay

Viaplay is NENT Group's primary product with over 4 million subscribers, a presence in 10 geographical markets, and accounting for 35% of group revenues. Viaplay is a subscription video streaming service which is available on internet connected devices including smart TVs, smart phones, set-top boxes, tablets, and games consoles. Viaplay shows a combination of live sports, Hollywood and other studio programming, and its own original content. The range of content and price of the service varies market by market. Approximately half of Viaplay's subscribers subscribe directly via the application, with the other half subscribing through their existing pay-TV provider.

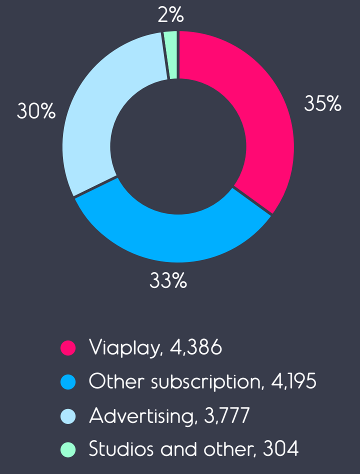
Viafree

NENT Group's advertising video-on-demand service Viafree offers a range of free-to-view content to viewers in Sweden, Norway, Denmark, and Finland. It is a browser and app-based service and is funded by the sale of advertising on the platform. The offering includes a wide range of reality exclusives, original drama, live sports and comedy. The service is being combined with CBS Viacom's Pluto TV in 2022 to form a market-leading Nordic online advertising-funded service. NENT Group will provide Viafree-branded content to Pluto TV and will be responsible for the advertising sales for Pluto TV in Scandinavia as part of a long-term partnership.

Linear TV channels

NENT Group also operates a portfolio of advertising and subscription-funded linear TV channels across the Nordic region. The Group's more than 10 'V' branded channels comprise premium sports, series, and movie channels that are made available for a fee to 3rd party pay-TV distributors for distribution as part of their subscriber offerings. NENT Group also has five advertising funded channels (so-called free TV channels) in Sweden, five channels in Denmark and four channels in Norway. These channels are available in almost all TV households through a combination of terrestrial, satellite, cable, and broadband distributors, from whom NENT Group also receives fees. NENT Group is the primary advertising-funded TV challenger to the commercial incumbents in Sweden and Denmark, and the number three operator in Norway, with average commercial share of viewing in 2021 amongst 25–59-year-olds of 22%, 19% and 17%, respectively. NENT Group sells advertising on these channels primarily through agreements with media agencies.

Sales by category, revenue SEKm



Commercial radio

NENT Group operates the leading advertising-funded national commercial radio network in Norway with stations including P4 Lyden av Norge, P5 Hits, P6 Rock, P7 Klem, P8 Pop, P9 Retro, P10 Country, NRJ, and exclusive online station Bandit. NENT Group is also one of the two national commercial radio network operators in Sweden, with stations including Rix FM, Bandit Rock, Power Hit Radio and STAR FM. The Norwegian and Swedish networks offer music of all genres, news and talk shows. NENT Group's radio stations are accessible via FM and DAB, as well as online and via mobile apps. Together these stations had an average commercial share of listening in 2021 of 67% in Norway (amongst 12+ year-olds) and 40% in Sweden (amongst 12–79-year-olds).

Viaplay Studios

NENT Group's award-winning content production and distribution businesses were streamlined in 2021, to focus the Group's internal content creation capabilities on the production of scripted series and movies for Viaplay. The remaining and now rebranded Viaplay Studios comprises Viaplay Studios Sweden and Viaplay Studios Animation in Sweden, as well as Paprika Studios, which is present in 10 continental European countries. The studios generate limited sales from external customers including broadcasting and streaming companies.

Allente partnership

The Group also owns 50% of Allente, the Nordic satellite pay-TV and broadband operator that had 1.1 million subscribers at the end of the year. Allente was formed by the merger of NENT Group and Telenor's satellite pay-TV businesses. NENT Group receives annual cash dividends from Allente and includes 50% of Allente's net income in its results.

Case Study
NENT Group's partnership with Allente

It is still early days for Allente – what has the time since the merger been like?
"It's been, and still is a highly interesting journey at a high pace. The transformation of the company is going faster and better than I had dared hope, especially since we have been dealing with a pandemic situation since closing. Different perspectives are constantly meeting and developing together, but we are definitely on the right path."

Describe the partnership with NENT Group
"NENT Group is one of our most important partners in terms of content. It's strong local presence in all the Nordic countries means that the Group perfectly complements our pan-Nordic position. As well as this geographic aspect, NENT Group has a portfolio of relevant content for us. From a content genre perspective – covering a wide range of premium sports to local scripted and non-scripted drama, but also from a distribution perspective with traditional linear channels as well as a fantastic streaming product in Viaplay."

How important is partnering with NENT Group?
"NENT Group has a leading content position in the Nordics, with a partner friendly approach seeking for joint value creation opportunities. In our role as a content distributor and aggregator, partnerships such as this are absolutely vital to our business. With a balanced mix of linear-TV and streaming, such as Viaplay and V Sport/Film channels, we believe we can deliver the best experience to our customers."

This is not just a commercial partnership but also an equity partnership, what are the benefits of that?
"The equity partnership was an enabler for the entire founding of Allente and combining Viasat Consumer and Canal Digital. That has meant that we have been able to create a scale distributor across the Nordics with an increased footprint with benefits both on the commercial and cost side."

"In any partnership there is a balance – we are constantly conscious of acting according to what is best for Allente. Having said that, we are in a unique situation where we are aware that our success directly impacts NENT Group, both commercially and financially."

What is your view of the evolving partnerships between streaming providers such as Viaplay and TV-distributors like Allente?
"It's an interesting situation – this industry has a complex value chain where we have various touchpoints with streaming partners and to some extent even compete. The whole market is evolving towards more partnerships, and they are ultimately a prerequisite for all of us to be able to reach a wide audience, to offer our customers the best possible mix of content and to continue being relevant."

On a personal note

Jonas Gustafsson is Group CEO of Allente. Before that Jonas worked at NENT Group (and MTG) from 2016 in various senior roles.

What was your biggest challenge in 2021?

"Driving the transformation of the newly merged business, and delivering the cultural integration in the middle of the Coronavirus pandemic when we could not meet in person."

What was your biggest success?

"Using this challenge to our advantage. Looking at where Allente is after less than two years, we have achieved more and reached further than any of us expected, and thought was possible."

Reflecting back on 2021.

"I would have to go for a personal reflection there on how short life can be. I was deeply affected by the passing of NENT Group CFO Gabriel Catrina, who was both a great colleague and a close personal friend."

Our markets

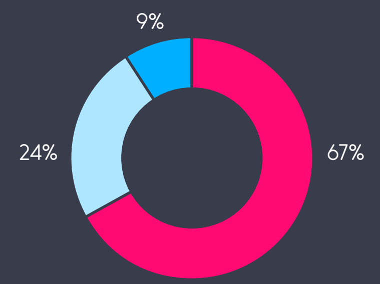
With its origins in the Nordic countries, and a continued mission to develop Nordic storytelling, NENT Group is the leading entertainment company in these markets. While the region continues to constitute the home market for the Group, the next steps of the Group's growth journey are dependent on scalable international expansion as announced at the Group's 2020 Capital Markets Day.

The Nordics

NENT Group is the leading entertainment company in the Nordic markets – Sweden, Denmark, Norway, Finland, and Iceland. With a combined total population of approximately 27 million people and 12 million households, almost all of which have access to the internet, the Group is accelerating its growth in the region, in particular through the expansion of the Viaplay streaming service. Although there are differences between the countries, they all have very high levels pay-TV connectivity through fixed and mobile service providers. The penetration of streaming services is constantly rising, as is the number of streaming subscriptions per household. The growth in the SEK 34 billion Nordic pay-TV market is being driven by streaming, with traditional linear channel package subscriptions still accounting for the majority of pay-TV revenues. These channel packages are primarily made available by a number of large cable, IPTV, satellite and terrestrial network operators. The streaming market is highly competitive, with low prices in the basic tier and rising prices in the premium tier that includes premium sports. Viaplay's offering is targeted at both the basic tier and premium tier and is sold direct to consumer and through partnerships with other pay-TV distributors. NENT Group sells its V channels to third party pay-TV distributors.

The Group's total addressable Scandinavian advertising market (Sweden, Norway and Denmark), was worth SEK 18 billon in 2021, of which TV accounted for 67%; radio for 9% and online video for 24%. The TV, radio and online video markets are estimated to have grown by 15% in 2021 as consumer spending in key sectors recovered from the impact of the pandemic in 2020. Viewing of linear advertising supported TV channels has continued to decline in each of the markets but pricing has continued to rise given the ability of these channels to deliver large scale and measurable audiences in key prime time slots. Advertising is sold primarily through media agencies based on the ability of channels to deliver target audiences in key demographics. There are three main advertising supported TV channel operators in each market. There are two main players in the radio advertising markets in Norway and Sweden, where NENT Group operates under long term national radio licenses.

NENT Group addressable Scandinavian advertising market



Total ad market SEK 18bn
- of which TV accounts for (%)
- of which online video accounts for (%)
- of which radio accounts for (%)

Source: IRM & NENT Group estimates

International markets

A key success factor for NENT Group has always been to adapt and capitalise on changing consumer behaviours, trends and technical developments. As a logical next step in the Group's development, the Viaplay streaming service was launched in five new international markets in 2021 – Estonia, Latvia, Lithuania, Poland and the US. These markets differ dramatically in terms of population, consumer spending power, pay-TV market value and the penetration of streaming services, but they all offer attractive platforms for the Group's ongoing growth.

The US is the biggest streaming market in the world with high penetration levels amongst its millions of TV households, while the Baltic states have low but rising streaming penetration levels amongst its TV households. Poland is the same size as the whole of the Nordic region, in terms of the number of households, and also has relatively low streaming penetration levels that are expected to grow rapidly in the coming years.

New markets

NENT Group has launched Viaplay in the Netherlands since the end of the year and will launch in the UK before the end of 2022, before then introducing Viaplay in Canada, Germany, Austria and Switzerland in 2023. The streaming service is targeting high market shares in the Baltics, Poland and the Netherlands with its broad content offering comprised of live sports, series and movies content. In the US, Viaplay will offer a specialised content offering containing Nordic series and movies to a targeted customer base. This specialised offering will also be the case initially in the other new launches in 2022 and 2023.

Data for our markets

Country/market	Streaming subscriptions	Streaming penetration (%)	Stacking[1]	Streaming revenue (EURm)	Pay-TV revenue (EURm)
Denmark	5,599,000	71	2,9	562	765
Norway	4,599,000	62	3,0	397	856
Sweden	8,254,000	67	2,3	696	917
Finland	2,919,000	54	2,0	244	739
Iceland	107,000	46	1,6	6	9
Estonia	179,000	20	1,4	12	69
Latvia	253,000	20	1,3	16	51
Lithuania	318,000	18	1,4	19	72
Netherlands	7,376,000	55	1,6	629	1,682
Poland	6,015,000	29	1,5	350	1,920
USA	381,835,000	71	4,1	33,523	75,919

Source: Ampere Analysis
1 Stacking rate = Subscriptions /Households

Case Study
Viaplay launch in Poland

Following the Viaplay launch in August 2021, NENT Group set up new offices in Warsaw and is building a local team which is geared to bring the Polish audience the best possible coverage in both international, and local sports.

What has the launch of Viaplay been like?
"I've been at NENT since the summer in 2021. It's been an intense experience so far; a bit like building a house. It's been hard work and very time consuming but at the same time incredibly satisfying to see the team come together."

How well is Viaplay known in Poland?
"At the beginning there was very little knowledge about Viaplay and quite a lot of rumours circulating – for most it was definitely not clear that a big player was coming, or how we could compete with existing broadcasters. Sports rights are a cornerstone of the Viaplay offering and we had a breakthrough in demonstrating how serious we are with names like Bundesliga, UEFA Europa League and Premier League from 2022."

What has the reaction been among the viewers?
"This is the first time that major sports events are streamed, rather than on linear-TV in Poland. People have their habits, so we do have to break a lot of ice and focus on offering a great experience to offset the possible perception of a technical hurdle. We are convinced that streaming is the future – having the freedom and flexibility of taking the sports you love with you makes great sports more accessible for many. And more inclusive if anything."

How important is it to have a local voice in attracting, and retaining viewers?
"We opened for subscriptions in the beginning of August with the first big event on August 13th with the Bundesliga opener: Borussia Moenchengladbach – Bayern Munich. Initially we offered a free trial period, and we know that a lot of subscribers are drawn by big ticket events. What we saw is that the audience seem to like how we cover sports. There is always going to be the challenge to stay relevant and continue to keep their attention. I believe we've already shown some really great examples of this with A-list guests in our shows and ground breaking interviews; not least with Robert Lewandowski in the context of the Polish national team."

We want to show people that we love sports, match day is a big day for us, and we want to share it with the audience.

On a personal note

Pawel Wilkowicz
Head of Sports for Viaplay in Poland

What was your biggest challenge in 2021?
"Building cohesion in a team that had never worked together and needed to come together towards common goals quickly."

What was your biggest success?
"It's hard to single out. Der Klassiker Borussia Dortmund – Bayern Munich was possibly our best day editorial-wise. We really came together as a team, the pre- and post-match show was great; and the interviews – just world class, and a victory for journalism!"

Reflecting back on 2021
"It has definitely been a year to remember, twelve months ago, I knew very little about Viaplay but it sounded like a big adventure and the more I heard, the more I really felt I could come onboard and share the vision of NENT Group. It's all about storytelling; if you have a great story – people will come to you!"

Our culture

NENT Group is a people, technology and content company that depends on cutting edge innovation and creativity to put ideas into practice. We want the best people in the business to be eager to work with us, because we provide a culture where talent can thrive.

NENT Group has a clear set of values and a code of conduct that governs how each employee acts and behaves. A values-based, people-centric, and purpose-led culture is the foundation and DNA of our company and an enabler when attracting and retaining talent in the very competitive global marketplace.

The Group's values were identified and developed in-house in 2019 through a series of workshops and surveys, with all team members involved and voting on their preferences. This ensured the vital alignment between personal and professional values. The values that were chosen were Bravery, Equality, Appreciation and Trust. These are quite literally the heartBEAT of the organisation.

bravery
equality
appreciation
trust

Our values define us – every day

We apply our values daily to clarify and align around common ways of working that lead to empowerment, engagement and growth. They enable us to relate to each other so that we can be successful together, no matter where we work. They define a culture where people live according to their own values. And they provide a compass to guide everyday decision-making, teamwork and performance.

Our values are celebrated through an annual BEAT Summit, a festivall where the whole Group gathers to learn and have fun together. But they are also part of our daily working lives and each group function's ways of working. Every new employee learns about our values during their onboarding, and the values are part of the ongoing dialogues between managers and their teams, and the Group's leadership training.

BRAVERY
Do you challenge the way you do things in order to learn and grow?
87%

EQUALITY
Do you feel that you can be yourself at work?
94%

APPRECIATION
Do you give positive feedback in your team?
90%

TRUST
Do you openly admit mistakes in your team in order to learn from them?
90%

Results from the 2021 Employee Engagement Survey. The percentage equals the share of our people answering 4 or 5 on a 5 point scale.

Living our values means that we are an organisation of people who are not afraid to step outside our comfort zones and take risks. We stand up for what we think is right. We want to be the most equal diverse and inclusive entertainment company in the world because this will enable us to grow and learn more – as well as being a reflection of the societies in which we operate. We are inspired by feedback and celebrate together. And we are responsible and accountable.

The resilience and flexibility of our culture has been stress-tested by the Coronavirus pandemic. The majority of our people have been working remotely, while we have stepped up the speed of our expansion in the Nordic and international markets. At the same time, societies and governments have been rightly challenged by global campaigns for social justice and equality. This has made our focus on physical and mental wellbeing even more essential, with remote learning and networking solutions. And we have adjusted ourselves and our facilities to new hybrid and flexible ways of working, with more collaborative and social spaces in which to come together.

Hack Days 2021. Read more on page 23.

Case study
Hack Days – harnessing our potential

Among the many initiatives to establish the learning culture at NENT Group are our Hack Days, which take place twice a year. Grace Wilson was Project Manager for the 26th installment of Hack Days which took place in November 2021.

Tell us about Hack Days

"This is a week everyone always looks forward to, where cross-functional teams work on projects of their own choosing to come up with tech-inspired solutions for different parts of the Group's operations.

The event is a joint venture between Product, Data & Tech as well as People & Culture. Originally geared towards developers, data analysts and designers, Hack Days are now open to staff members from across the Group although most participants are from our Content, Commercial & Marketing functions. Participation is entirely voluntary, from hacking full time, to contributing with ideas or joining in at a later stage – projects take many different forms and all are welcome."

How important are Hack Days to attract talent to NENT Group?

"These sorts of events have become more and more common in recent years, particularly in the tech world. But we put our own spin on it here at NENT Group. We know people want to work for organisations that set aside time to innovate and allow them to have fun while solving problems. That's why Hack Days are a big selling point for us when it comes to not just attracting but also retaining talent."

How do NENT Group's BEAT values tie in with Hack Days

"Our BEAT values really are at the core of Hack Days. It takes bravery to put yourself out there and pursue these ideas in new team constellations; everyone is given an equal opportunity to participate while juggling their existing workload; we genuinely appreciate each other's efforts and there's a high degree of trust to use this time wisely, focusing on hacks that will return the most value."

The format was a bit different this year, tell us about Hack Days x Scale Up.

"Given our rapid expansion to new markets, we chose to extend Hack Days by an extra week so our hackers could dig deeper into their projects. We also had a scale up theme aimed at tackling some technical 'to dos' and 'what ifs' ahead of our Netherlands launch. This meant we saw more hacks focused on load testing and backend optimisations than in previous years."

On a personal note

Grace Wilson
Communications and
Employer Brand Manager

What was your biggest challenge in 2021?

"Like many people, I think trying to maintain that sense of connection with colleagues without bumping into them every day has been tricky."

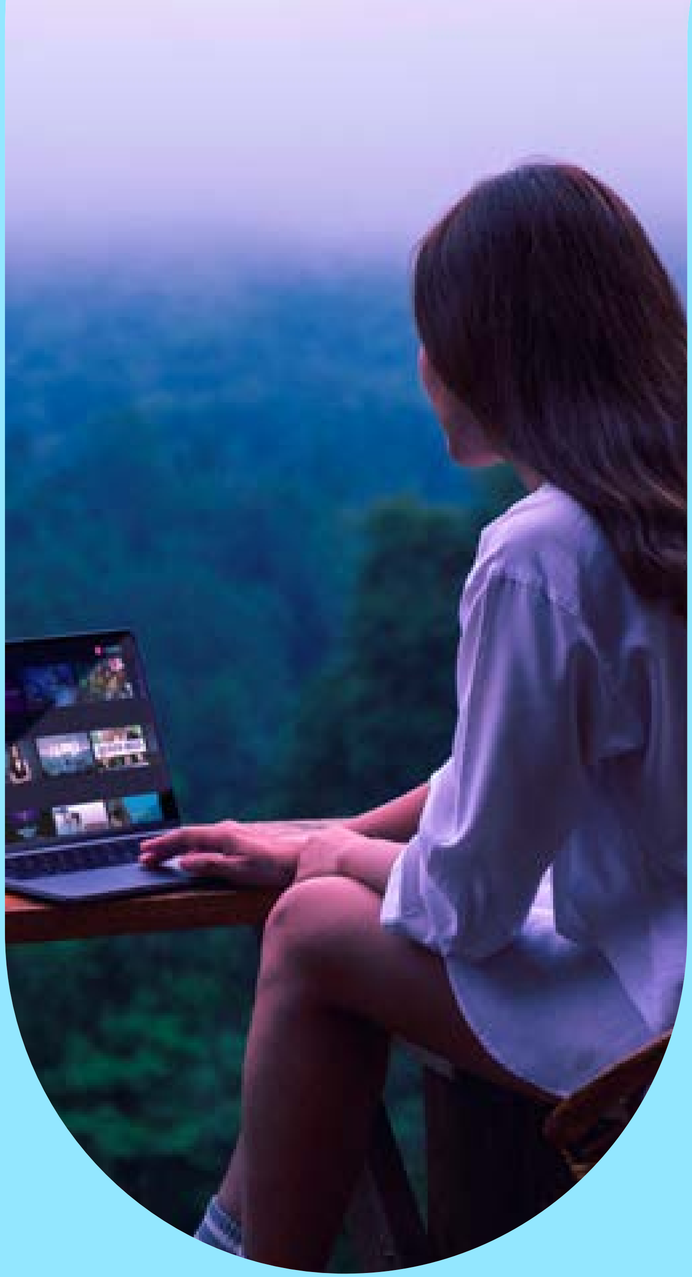
What was your biggest success?

"Building on the remote-working format we developed in 2020, it was satisfying to bring two very different Hack Days to life last year. The first event in March was hosted in one of our studios with the support of an all-star production crew & the second event in November was adapted to a hybrid reality."

Reflecting back on 2021

Last year pulled into sharp focus for me the fact that no matter how much you prepare, unexpected things will always happen. The key is to stay calm and be flexible."

Sustainability



Our approach to sustainability

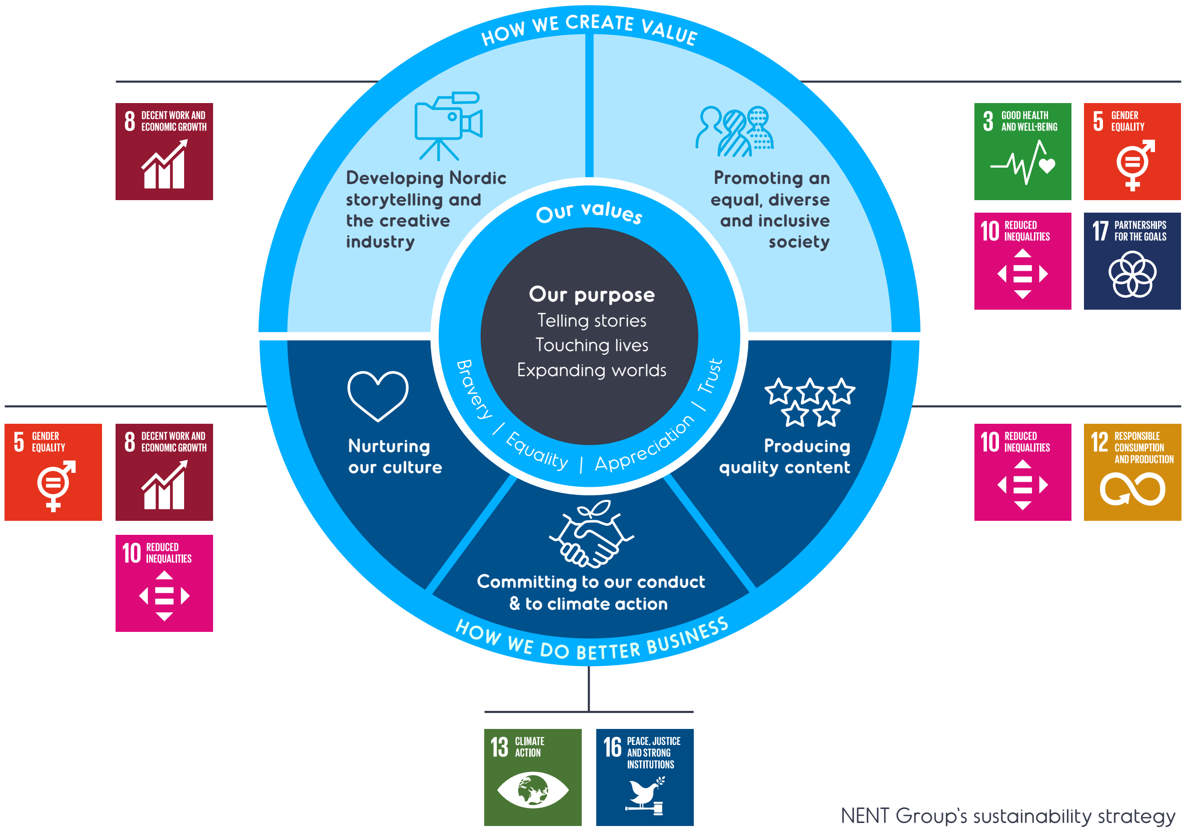
NENT Group is a value-driven company, which aims to make a positive and sustainable impact on society and the environment. The Group operates in a fast-paced and rapidly changing industry which creates both challenges and opportunities for our business. We are committed to fundamental sustainability principles, such as the UN Global Compact's principles of responsible business and Women's Empowerment Principles that guide our work and help us future-proof our business.

Our current strategic priorities

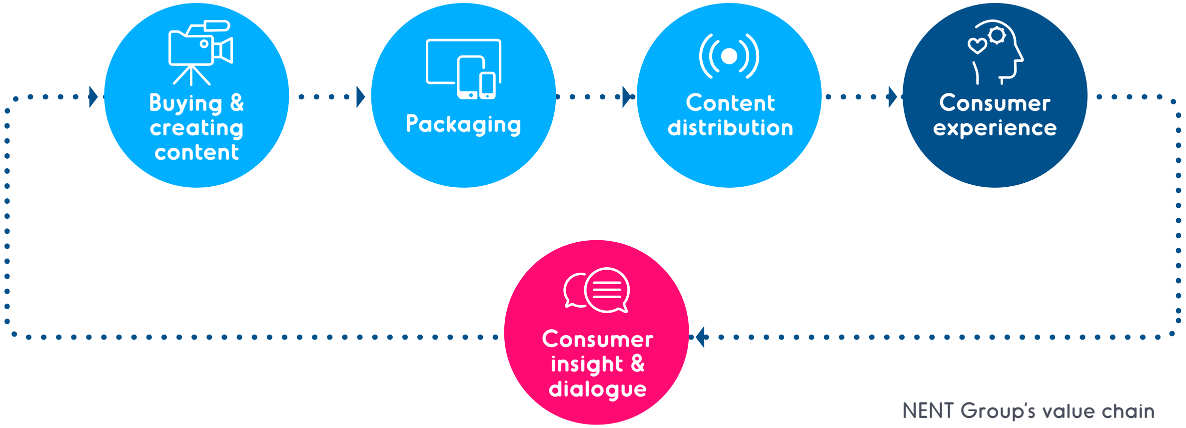
Our current strategic priorities are presented in our 3-year sustainability strategy (2019–2021), which consists of five focus areas:

- **Developing Nordic storytelling and the creative industry**
- **Promoting an equal, diverse and inclusive society**
- **Nurturing our culture**
- **Committing to our conduct and climate action**
- **Producing quality content**

The focus areas reflect the results of the 2018 materiality analysis, current megatrends and major challenges faced in Europe and across the world. These include climate change, digitalisation, and growing inequality. The implementation of our strategy is intended to create value for both society and all our stakeholders, and our achievements are disclosed in this sustainability section.



NENT Group's sustainability strategy



NENT Group's value chain

Our new sustainability strategy

In 2022 we will introduce a more comprehensive five-year strategy and roadmap based on a thorough materiality analysis and stakeholder dialogue conducted in 2021, which will replace our current strategy. The new strategy is divided into three focus areas: climate change and the environment; diversity and inclusion; and wellbeing and ethics. For more information view page 10–13 and page 149–151.

Sustainability in the value chain

NENT Group's sustainability strategy drives action across our entire value chain. Creating and commissioning content is a vital part of the Groups business and developing Nordic storytelling is a pillar of our sustainability strategy. NENT Group's content should be not only engaging, but sustainable, equal, diverse, inclusive, and educational in topics of wider societal concern. Safeguard measures put in place in the Group's supply chain management procedures and through content screening by our Content Compliance team ensures that we produce and purchase content responsibly.

Packaging is about mapping the content to our customers' interests including scheduling and pricing considerations. Read more about how we screen sensitive content and apply appropriate scheduling restrictions and on-screen warnings on pages 46–47. Distribution of our linear channels and on-demand services is achieved through the Group's own streaming platforms or third-party network operators. We aim to make our content accessible for a range of audiences with audio description, sign language, subtitles, and dubbing. We use information gathered from viewing habits and stakeholder dialogue to constantly improve the user experience and the content we offer.

Sustainability safeguards

Both NENT Group's current and forthcoming sustainability strategy align with 8 of the UN's 17 Sustainable Development Goals (SDGs). This commitment is reflected in NENT Group being a signatory member of the UN Global Compact and a member of the Race to the Zero campaign, furthermore we are committed to the SDG Media Compact and the Women's Empowerment Principles. To bolster the Group's climate action ambition, we have committed to the Science Based Targets initiative which ensures that our climate commitments are in line with the transformation needed to meet the Paris Agreement's goals and limit warming to 1.5°C. These safeguards guide our decision making and priority setting with the aim of future-proofing our business from a sustainability perspective.

ESG indices and recognitions – a key performance indicator

Environmental, Social, and Corporate Governance (ESG) indices provide a key performance indicator for the Group's performance, a useful benchmark against others and a clear indication of those areas where we can improve our work further. In 2021, NENT Group participated in two global ESG indices: Sustainalytics and Morgan Stanley Capital International (MSCI). These ratings aim to assess a company's exposure to industry-specific material sustainability risks, and how well the company is managing these risks. NENT Group's score has improved annually and the company has continuously been classified as low risk. Sustainalytics awarded NENT Group a 2022 Industry Top-Rated Badge as well as a newly introduced Regional Top-Rated Badge. The Group also participated in the S&P Global Corporate Sustainability Assessment (CSA) which serves as a basis for inclusion in the Dow Jones Sustainability Index (DJSI). NENT Group qualified for both the World and Europe DJSI and was ranked in the top 10% of the world's most sustainable media and entertainment companies. 62 media and entertainment companies (47 global and 15 European) were invited to participate, with NENT Group and four others selected for inclusion in the indices, indicating the Group's strong leadership in the industry. In addition, NENT Group ranked in the top six in sustainability performance of any Swedish company across all industries.

Gender equality is a key issue for NENT Group, this makes the Group's inclusion on the 'Green List' in the 2021 Allbright Report especially important. The report, which tracks gender equality among management teams and boards, placed NENT Group 34th out of 347 publicly listed companies headquartered in Sweden.

NENT Group was also named 'Best Practice Leader' in European Women on Boards' (EWOB) latest Gender Equality Index Report. The report surveys female participation in corporate decision-making and executive bodies, including all European STOXX 600 companies. NENT Group is ranked 62nd of all companies included, and 9th of the 62 Swedish companies assessed. The Group is also a Nasdaq ESG Transparency Partner, which indicates our engagement in market transparency and raising environmental standards.

SUSTAINALYTICS
a Morningstar company

A rating of 10,5 (where 100 is highest risk and 0 is lowest risk). Ranked 10th in media industry (of 299 global companies). Identified as a top ESG-performer in terms of managing our ESG risks in both our industry and region, by Sustainalytics.

Sustainability Yearbook
Member 2022
S&P Global

A score of 66 out of 100. Identified as top 10% of Media, movies & entertainment industry. Included in both Dow Jones Sustainability Index (DJSI) World & Europe.

MSCI ESG RATINGS
AA
CCC | B | BB | BBB | A | AA | AAA

A rating of AA (which is second best on a 7-grade scale (AAA-CCC) in the MSCI ESG Ratings assessment. Ranked in the top 11% of the media and entertainment industry.

Nasdaq ESG Transparency Partner

Indicates our engagement in financial market transparency and raising environmental standards directly to the public.

ONE OF SWEDEN'S MOST GENDER EQUAL COMPANIES 2021
ALLBRIGHT

Placed 34th in this year's list of 347 publicly listed companies that were ranked on a green, yellow and red scale, with green signifying the most gender equal.

Best Practice Leader
EWOB 2021
Gender Equality Awards

Recognised as a 'Best Practice Leader' in the latest Gender Equality Index Report by European Women on Boards (EWOB). Ranked in top 10% of European companies for gender equality in corporate leadership.

Developing Nordic storytelling & the creative industry

NENT Group is Nordic in origin, but global in its storytelling, partnerships, and audiences. We develop Nordic storytelling by offering a broad and diverse portfolio of some of the best international content available. We also work closely with local and international talents to produce critically acclaimed scripted drama, comedy series, documentaries, kids' content, and feature films. In 2021, our Viaplay Originals 'Thunder in My Heart', 'Delete Me' and 'Pørni' have all won awards at major national and international ceremonies.

Impact through our content

NENT Group produces series, films, and documentaries in almost every Nordic language. Creating high-quality, relevant and thought-provoking content is what drives us and it is what gives us the possibility to reach and impact millions of people every day. Having this platform allows the Group to promote the creative industry, languages, and cultures of the Nordic countries. It also enables us to make a significant contribution in terms of job creation to the local creative communities in the markets where we operate, which in turn contributes to more open, vibrant, and inclusive societies in these markets.

In 2021, the proportion of non-English language content offering increased by 18% (from 187 hours in 2020 to 220 hours in 2021). Despite the postponement of several original productions due to the Coronavirus pandemic, the Group premiered 46 Viaplay Originals in 2021 (30 scripted and 16 documentaries). In 2022, the Group aims to premiere at least 70 Viaplay Originals (including scripted and documentaries) which reflects our high ambition.

Programme for emerging talent

NENT Group depends on a steady stream of emerging talents in the local creative industry to be able to continue creating relevant and innovative content for our audiences. Entering the creative industry can be challenging for new talent, which is why we have launched the Student Drama Awards, a pan-Scandinavian programme for film students in the creative sector. The programme was launched in 2021 to encourage debutant writers to bring new perspectives and stories from Sweden, Denmark, and Norway. In the pursuit of new stories and emerging storytellers, students were invited to pitch their ideas to the Group. One production from each market was chosen and is currently in development and planned to be launched in 2023. Through launching this initiative, we hope to make more voices heard and have more stories told, strengthening Nordic storytelling, whilst allowing NENT Group to meet and nurture aspiring talents and be part of a new generation of voices.

> **"Sustainability is fully aligned with our business, culture, and values, our ambition is to make a positive and lasting impact on society and the environment, whilst doing better business.**
>
> Lena De Geer, Head of Sustainability NENT Group

In brief

See page 147–148 for details

Goals 2019–2021	Status
• Invest in Nordic storytelling and create job opportunities in the local creative industry.	● (green)

Targets and progress 2021	Status
• Increase the number of Viaplay Originals annually from 30+ to 50.	● (yellow)
• Launch recognition concept to promote emerging talents in the creative industry.	● (green)
• Initiate at least one project created by a debutant (director or writer).	● (green)

Impact

• Job creation in the creative business in general and for emerging talents in particular.

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

● = Target achieved ● = Target partly achieved

Promoting an equal, diverse & inclusive society

It is important to NENT Group that our content reflects the societies we operate in, with engaging stories that are relevant for as many people as possible. This is why we seek to portray a plurality of perspectives and cultures that appeal to a wide audience.

How we work with equality, diversity and inclusion

The Group's Equality, Diversity and Inclusion (EDI) strategy focuses on three key areas:

- Producing and promoting diverse content
- Attracting, exciting, and keeping the right talent
- Creating a sense of belonging for everyone

NENT Group has a dedicated Diversity and Inclusion team. These three areas are covered in NENT Group's Sustainability strategy and roadmap found on page 25, 147–148. More information about the second and third key areas can be found on page 32–34.

Producing diverse content

In the key area of producing and promoting diverse content, NENT Group works hard to encourage greater diversity in the streaming industry. To reach and attract existing and new audiences, our content must be both relevant and engaging. As a result, the Group works consistently with EDI behind and in front of the camera. We are also very proud of our Viaplay original stories such as the films 'Suedi', 'Close to me', 'Sort of', and the documentary series 'the Prize of Silence', which highlight the importance of representation and offer diverse storytelling that challenges stereotypes and norms. Additionally, in 2021 the Viaplay Original series 'Fadime' began production, a tragic real-life story which sheds light on the dark practice of honour killings. For 2022, we have commissioned our third season of our Viaplay Original series 'Honour', highlighting inequality and injustice and the second session of 'Delete Me', addressing the pressure young people face on social media. Going forward, in 2022 NENT Group will develop a 'Planet and People storytelling test', starting with two productions. In addition we will invest in at least 3–5 productions emphasising diverse storytelling focusing on underrepresented groups. Other examples of our EDI strategy in action includes dedicated Viaplay content blocks for Global Pride and International Women's Day.

Diversity in productions

In the creative value chain for scripted and non-scripted content, the Group carries out a comprehensive mapping of the gender balance in productions. This covers Directors, Writers, Producers, Executive Producers, Hosts, Actors, Project Managers, Editors, and Post Producers. The gender balance for scripted content decreased from 47% women in 2020 to 46% in 2021, as relatively fewer women took on roles as Photographers. For non-scripted content, the ratio increased from 44% male 2020, to 53% in 2021, as men took on more lead executive producing roles.

NENT Group is then able to use the information obtained to raise awareness and encourage gender balance in this part of our business. In 2022, we aim to increase the gender balance in our creative value chain to 48% women and 52% men, compared to 47% women and 53% men in 2021. See our goals on page 149–151.

NENT Group believes in the importance of investing in the growth of women's sports, which is why we have acquired the rights to IHF and EHF handball competition

In brief

See page 147–148 for details

Goals 2019–2021	Status
• Reach and maintain 50/50 gender balance in the creative value chain.	🟡
• Increase employees' feeling of having equal opportunities at work.	🟡
• Raise awareness of EDI through partnerships.	🟢

Targets and progress 2021	Status
• Reach and maintain 50/50 gender balance.	🟡
• Increase mentorship programme from 10 to 30 participants.	🟢
• Develop toolkit to increase equality in the compensation and recruitment processes.	🟢
• Carry out equality and bias trainings.	🟡
• Review current and possible new partnerships.	🟢

Impact

- Increased diversity and inclusion supports the wellbeing of our people, aligns us with our stakeholders, and opens up new opportunities. It also increases the possibility to reach new customer groups.

Contribution to SDGs

🟢 = Target achieved 🟡 = Target partly achieved for both men and women, top-division women's football from England, Germany and France; the FIFA Women's World Cup in football; LPGA Tour golf and cross-country skiing. In 2021, we also acquired top-division women's football from Sweden (OBOS Damallsvenskan), Italy and Denmark as well as selected matched from Spain's Liga Iberdrola. In 2020, the Group set a goal to increase the number of women's sports rights by 20% in two years, from 38 in 2020 to 45 in 2022. In 2021, this number was 42, which is a 10% increase since 2020 and means that we are already close to our target.

Partnerships enabling diversity and inclusion

In addition to working with NENT Group-controlled content and platforms, we aim to raise awareness and create positive change in society through partnerships. We are particularly focused on creating a more equal, diverse, and inclusive society through our partnership programme. Examples of our partnerships include:

BEAT Diabetes

Diabetes currently impacts over 1.5 million people in the Nordic region alone according to the International Diabetes Federation. The region is also home to the highest number of people with type 1 diabetes in the world per capita. In response, NENT Group organised three Diabetes Galas on World Diabetes Day between 2017–2019, in collaboration with the Swedish Diabetes Association. In total, the event raised over SEK 20 million for research into type I and type II diabetes. In 2020, we stepped up our engagement by initiating the pan-Nordic BEAT Diabetes Foundation. It is an independent entity in which we will invest SEK 2.5 million every year from 2020 to 2024 to raise awareness and drive positive change within three areas: health tech, healthy lifestyle and well-being, and inclusion and awareness. Additionally, BEAT Diabetes and NENT Group produced the Scandinavian programme 'BEAT Diabetes – The Fight for life' (Kampen för livet), which aims to increase awareness about diabetes and eliminate stigma in society. The programme was launched on World Diabetes Day 14th of November 2021. We believe joining the fight against diabetes contributes to a more inclusive society.

Childhood trust

In the UK, NENT Group has helped The Childhood Trust, which funds grassroots charities to alleviate the impact of child poverty in London, by filming and editing two campaigns for the organisation and through donating over SEK 125,000 to them.

Women in tech

In Sweden, NENT Group is a founding partner of Women in Tech – an annual event that aims to promote equality and to inspire talented women to pursue careers in technology.

Airtime donations

NENT Group platforms are used to create change by donating airtime to organisations with an important cause, giving them the possibility to reach a larger audience with their important messages. In total in 2021, we donated airtime worth over SEK 3 million to organisations like The Swedish Red Cross, UNICEF, UNHCR, Save the Children, Operation Smile, Barncancerfonden (Swedish Childhood Cancer Fund) and Min Stora Dag (My Special Day).

RedLocker

In 2021, NENT Group established a partnership with RedLocker and are now providing free menstrual care products at our offices in Stockholm, Norway, Denmark, Finland and the UK.

Case Study
Promoting women's sports

In November 2021 NENT Group announced that Viaplay will broadcast OBOS Damallsvenskan matches from 2022 to 2026 in 10 countries.

How important is OBOS Damallsvenskan to the Group?
"Our commitment and the ambition for OBOS Damallsvenskan is nothing less than to build one of the world's number one women's football leagues. It is important to us; we are truly committed and believe in the value of developing the sport. I am proud to say it also sets us apart in the industry as we will be streaming more live hours of women's football than any other service. Women's football is here to stay – that is our firm belief and what we work hard for."

You played football yourself as a teenager – how has women's football changed since then?
"The interest is much higher now, both among the audience, the clubs themselves and the investors, but there is still a long way to go. As well as having played myself, I have a daughter who also played. And unfortunately, there is still big gender gap in salaries, in sponsorship money and in the resources available to the players. Establishing women's football as a TV sport plays a big part in ensuring this gap continues to shrink."

Is the increase in the visibility of women's football due to increased public interest or a conscious agenda among stakeholders?
"Probably a bit of both; it's been clear for a while that it is important for everyone involved to boost gender equality and part of the change is due to this. But the interest is mostly driven by the fact that it is a genuinely entertaining sport. More and more people are starting to realise that."

How does NENT Group's focus on promoting gender equality impact the purchase of sports rights?
"We are not just talking about the importance of equality – we act by investing in the long term. Our list of acquired women's sports rights is already very impressive and we aim to continue promoting them. As important as it is to be a driver for increasing the proportion of women's sports, it is also vital that we show that we take all sports seriously, We contribute to a positive circle where commitment, great games and audience interest work together to drive development. I also think that it is crucial that we show in broadcasts that we take women's sports just as seriously as we do men's."

> **We will be streaming more live hours of women's football than any other service.**

On a personal note

Lotta Folcker
VP and Head of Sports Sweden

What was your biggest challenge in 2021?
"Most challenging, but also most fun is my new exciting job as VP and Head of Sports Sweden."

What was your biggest success?
"Our winter sports programming. That we acquired the rights to them but above all that we did such a great job."

Reflecting back on 2021
"It has been amazing to see how much that can be solved digitally, both in the collaboration internally but also in how we carry out our core business. To be able to get close to players and conduct interviews even though we could not always be on site, we have been able to do more than we ever thought possible. With that said – I really hope we can get back to normal as soon as possible."

Nurturing our culture

NENT Groups values, Bravery, Equality, Appreciation and Trust, build the foundation of our business. They foster an open, inclusive, and engaging culture that aims to inspire employees, audiences, and create long-term business value. We have made significant steps in 2021 to create an even more inclusive work environment and we will continue this important work, because we know it is key to becoming the international streaming champion.

One company – ONE NENT

In 2019, NENT Group listed its shares on NASDAQ Stockholm and reorganised the company. We shifted from a country-based set-up to a unified operating model – ONE NENT – which enables us to take decisions faster and ensures even better strategic alignment across the business. Since then, we have built-up our organisation and created an aligned culture which we believe increases engagement among our people. Our Employee Engagement Survey (EES) shows that we are on the right track, the Engagement Index (measuring clarity and energy among our employees) has increased from 81% (2020) to 84% (2021). Motivation has slightly decreased in 2021 due to the Coronavirus pandemic and remote work situation, but clarity – measuring employees understanding of what is expected of them at work and how they contribute to NENT Group's key goals – has increased significantly.

Great values – great opportunities

NENT Group's values BEAT: Bravery, Equality, Appreciation and Trust help create a mutual understanding of how we want to behave in our work and with our colleagues. They create an inclusive culture that prioritises and promotes people, encourages us to bring our unique selves to work, and motivates us to speak up when we believe that things should be done in a different way. Our BEAT-index, which is part of our EES survey and measuring compliance with our culture, received a strong score of 85% this year (83% in 2020). In 2021, we continued to integrate 'the BEAT' into our on-boarding processes and leadership training. Following the expansion and hiring of new employees, the Group's ambition is to roll-out new employee workshops on BEAT values in 2022.

Diversity and inclusion

At NENT Group we believe that a diverse and inclusive working environment leads to better decisions, greater creativity, increased engagement, and a highly motivating sense of belonging and purpose. It also helps to attract and keep the best talents. The Group's People Policy stipulates the overall expectation to recognise the expertise and ability of every individual. Diversity for NENT Group is not just about factors such as age, gender, and ethnicity – but also about knowledge, experience, personality, and perspective.

In 2020, NENT Group intensified work on diversity and inclusion based on the results of an extensive mapping and analysis of the current status. To get a full picture, the mapping included results from carrying out interviews, the Employee engagement survey as well as additional data on new hires, retention, gender, and age distribution. Since then, the Group has taken several measures to raise awareness levels on this topic. In 2021, we expanded our mentorship programme to empower and target female talents, to promote gender balance, diversity, and knowledge sharing. In 2022, the programme will be open for everyone. During the year, the Group launched the

In brief

See page 147–148 for details

Goals 2019–2021	Status
• Improve values awareness among our employees.	Target achieved
• Develop career opportunities and increase employee satisfaction on career opportunities.	Target achieved
• Increase the perception of wellbeing among employees from 76% to 78%.	Target achieved

Targets and progress 2021	Status
• Launch new leadership strategy.	Target achieved
• Review and implement process for succession planning and implement a job architechure framework.	Target achieved
• Review and identify challenges and enablers for healthier and safer workplaces, including safe travelling.	Target achieved

Impact

• By engaging in employee wellbeing, we are nurturing a good and healthy workforce.

Contribution to SDGs

5 GENDER EQUALITY 5.5
8 DECENT WORK AND ECONOMIC GROWTH 8.8
10 REDUCED INEQUALITIES 10.3

● = Target achieved ● = Target partly achieved

'Stories of equality' speaker series in which inspirational people, related to the media industry, shared their experience on diversity and equality. The purpose of the series is to increase awareness and knowledge on diversity and equality among all NENT Group employees.

NENT Group has also improved its talent acquisition process with a focus on unconscious bias and competency-based recruitment processes. An example of this improvement is the testing of Develop Diverse, a tool that offers support in writing more inclusive job ads with the objective of reaching and attracting an even broader group of talent. In 2022, the Group will work on the scalability of its talent acquisition process, talent pipelining and talent attraction as well as continuing its efforts to debias the recruitment processes (reduce unconscious bias in judgment and decision-making). The goal is to further improve the gender balance in the total workforce (44% women in 2021 to 45% women in 2022) by working with targeted recruitment towards female talent in sports and tech, inclusive talent and succession planning, and inclusive culture and leadership.

Although we acknowledge that we need to do more to improve our work on equality, NENT Group has come a long way. 94% of the Group's people responded in the EES that you 'can be yourself at work' (94% in 2020), and 87% that they have the same opportunities regardless of gender, gender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age (87% in 2020). The Group's inclusion index, which is part of the EES survey, has also increased from 80% in 2020 to 82% in 2021. The mandate for our work is stipulated in the company's Equality and Diversity Directive and our Non-discrimination and Anti-harassment Directive. In 2021, we had zero cases of discrimination reported within NENT Group's own operations. To create an even more inclusive work environment, we will roll-out inclusion and bias trainings for all our employees in 2022.

Learning and leadership

In both technology-driven and creative content businesses, it is essential to be proactive and stay ahead of the curve, in order to produce and implement the best ideas. NENT Group believes that self-leadership is vital for professional and personal growth. When we are empowered to act, collaborate, and trust in each other's strengths – our teams become even greater than the sum of their parts. We are proud that our employees feel strengthened and empowered to act, as 89% of our people have 'the authority to take their own decisions' (84% in 2020) and 90% "take ownership for their own learning and development" (91% in 2020), according to the EES.

Among the many initiatives to establish a culture of learning were the two 'Hack Days' arranged in 2021. Each of these 'Hack Days' consisted of an entire week where cross-functional teams worked on projects of their own choosing in an effort to come up with tech-inspired solutions for different parts of the Group's operations, this year had a special focus on the Viaplay/Viafree experience and ongoing expansion.

In 2021, NENT Group has also launched a new learning and development space available to all employees. This is one of many steps taken to create a more flexible way of learning at the company. By the end of 2021, the Group held daily training sessions on subjects such as feedback, building high performing teams, leading in a hybrid setting,

and self-leadership. These targeted training sessions will continue in 2022 and are an important step to drive self-leadership and increase employee participation in learning and development initiatives. See our goals on page 149–151.

NENT Group manages the learning culture at the company primarily through close and regular dialogue in the teams, and between managers and employees, which has empowered us to act, collaborate and trust even more. In the career and development review process, known as the 'NENT Dialogue', managers and employees set long-term goals, and follow up on them frequently. According to the EES, 75% of employees had a one to one a dialogue with their manager in 2021 (75% in 2020), which is an indicator of how NENT Group continues to identify and nurture individual ambitions and development areas while at the same time aligning them with NENT Group's business values. Despite being challenged with a remote work-setting for most of the year, the Leadership Index in NENT Group's EES-survey increased from 80% in 2020 to 84% in 2021. This illustrates that managers have handled the remote work situation well and managed to bring clarity, feedback and support when needed. The Group team efficency-index also stayed the same in 2020 and 2021 (81%) meaning that NENT Group has managed to keep up good and efficient teamwork despite not meeting with our teams in person.

The leadership model

In 2021, NENT Group developed and launched a new Leadership model which aims to set leadership directions. The Leadership model consists of four principles – 'boost motivation', 'set direction', 'build together' and 'it starts with you' – and is based on contemporary and established scientific theories as well as our unique NENT Group perspective. The new model was developed by conducting interviews, surveys, and workshops with leaders and employees at NENT Group to identify leadership competences that are crucial for reaching our goals, realising our vision and living the BEAT-culture. In 2022, The Group will launch several leadership development initiatives to further strengthen the organisation and people.

Health and safety at NENT Group

NENT Group's "People First" principle signifies that the safety, security, and wellbeing of employees is always one of its most important considerations. The Work Environment Policy sets the expectations and standards for how the work environment should be in the Group's offices and clarifies roles and the division of responsibilities across NENT Group. We apply a systematic and proactive approach to health and safety that includes all people who work at NENT Group. The work is implemented across all offices in all countries of operations, in accordance with national legislation and the Group's steering documents, which stipulate a coordinated management approach to health and safety. For more information on Health and Safety in our productions see page 39–40.

Promoting physical security and safe travel

NENT Group's Risk and Security team works closely with all NENT Group's functions to identify potential risks and ways to mitigate them. This is done by training teams and implementing processes, systems, or insurance policies to protect employees and the business. Safety rounds are carried out at all offices and workplaces; local safety

representatives participate in these safety rounds and collaborate closely with the People and Culture (P&C) department throughout the year. NENT Group's risk identification processes are used to evaluate and improve the business´ systematic approach to health and safety. In 2021, we increased the physical security at our offices by ensuring that they adhere to the physical security baselines. These baselines set the minimum requirements for security at each location, including standards for access control, alarms and more, thus ensuring a safe environment. Continuing to increase the security at our offices is an ongoing process.

NENT Group also works actively to promote safety in traveling and conducts bespoke risk assessment based on specific travel locations and provides key recommendations to ensure travel safety including advice related to the Coronavirus pandemic. The recommendations are supported by travel guidelines, applications, and pre-travel advice. All NENT Group's employees, including contractors, are covered by its business travel insurance, ensuring medical assistance and emergency support.

Promoting employee health

To ensure that our employees stay mentally and physically healthy, NENT Group proactively engages in promoting wellbeing, job satisfaction and a healthy work-life balance. Employees are provided with online 'Work Environment training' (physical, psychosocial, and organisational) as well as access to a specific wellbeing website, which encourages employees to balance their workday with breaks, exercise and other initiatives promoting wellbeing. In 2021, the Group held four mental health workshops throughout the year and a 'Mental Wellbeing week' to

promote wellbeing and work-life balance among all our employees. At NENT Group, we follow-up regularly on employee wellbeing through our NENT dialogues and surveys. The perceived wellbeing decreased slightly from 81 % in 2020 to 79% in 2021. We want to increase this to 81% in 2022, through strengthened employee support efforts such as an improved hybrid work model, training in time management and self-leadership.

Additionally, we promote occupational health services including benefits and voluntary health promotion services to all employees. Some of the services are applicable across the entire NENT Group, and others adjusted to each country or national legislation. Moreover, we offer employee assistance programmes in all countries through different providers. This means that employees can receive access to psychological support for work and private life related matters. In 2021, NENT Group also offered seasonal flu vaccination for all our people in all our markets.

Encouraging a safe and healthy working environment around productions that we commission is a priority requirement when we work with partners. Our Supplier Code of Conduct stipulates requirements on our suppliers to provide employees and workers with a safe and healthy work environment. For more information how we work with suppliers, please see page 38–40.

Reporting health and safety concerns

All employees and workers at NENT Group are always encouraged to react to detected unsafe or unhealthy work situations to make sure the People First principle is acted upon. Health and safety concerns and incidents can be reported locally in the specific facilities of operation or in our internal incident reporting system, available to all employees on our intranet. NENT Group's policies prohibit any form of repercussions against employees who use the incident reporting system. A reported issue will be handled through a risk assessment process, either in a formal or informal manner, depending on the nature of the situation. For more information on reported incidents during 2021 see page 155.

Furthermore, Work Environment Committees exists in all our countries and represent all NENT Group employees. The responsibility of the committees is to inform and educate employees on the importance of a good working environment and to review and follow-up on incidents and accidents, as well as make suggestions on changes to current processes. The Work Environment Committees, together with the People & Culture department, Office Managers, and Facility Managers enable employees to participate in the development of their work environment. The frequency of the committee meetings varies from country to country.

Hybrid working model

Following the Coronavirus pandemic, NENT Group has developed guidelines for future ways of working. Based on established research, employee-surveys, peer reviews and BEAT-values, NENT Group has developed a hybrid working model whereby employees can combine working remotely and from the office. Furthermore, after having been challenged with a remote work setting, we have also focused on our office environment and welcoming our people back. We want our offices to be a place that our employees look forward to visiting, both in terms of the facilities and the culture. The improvement of the offices is ongoing and will continue in 2022, as we need to be ready to cater to new ways of working.

Case study
NENT Group Mentoring Programme

Mentoring is a central part of NENT Group's Equality, Diversity and Inclusion Strategy, and is used in a variety of ways and formats at the company. Our mentoring programme provides the right type of support and tools for our people to grow, while enabling employees to learn from one another and increase their understanding of different perspectives.

How does the mentoring programme work?

"The programme is conducted in a one-to-one format on topics related to equality, development and career advancement. These sessions focus on professional growth, self-development, and goal orientation. Mentees are encouraged to challenge themselves while developing their skills and gaining new perspectives relevant to their future career at NENT.

Mentors support and empower emerging talent by being role models and sharing knowledge while also gaining an increased understanding of other people's experiences themselves. During the programme, the participants also participate in group sessions on self-leadership, imposter syndrome and networking at NENT."

How are participants select for the mentorship programme?

"Anyone at NENT Group is allowed to sign up for the mentorship programme. People who meet all the criteria for the programme are entered into a matching process based on their expectations and needs and, if a good match exists, they are invited to participate. Candidates who are not paired are considered first in the next round of the programme."

How has the programme benefited NENT Group as an organisation?

"The programme has become a platform for the participants to meet and expand their internal network. Participants come from all company functions and markets; and most pairs consist of mentors and mentees from different parts of the organisation. Meeting different people in different roles deepens participants' understanding of how to navigate in a diverse organisation and better include each other, matching untapped potential with concrete business needs."

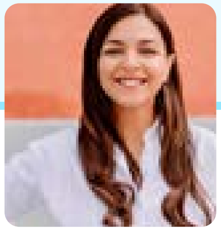
What results have come from the programme so far?

"So far, we've seen very interesting and positive outcomes from the programme. Some of the main takeaways include more than 90% of the participants stating they would recommend the programme to a colleague, and that they keep in touch with their mentor/mentee after the programme."

What can we expect from the programme in the future?

"One of the end goals for the mentoring programme is to scale up the format for all types of development programmes moving forward."

On a personal note



Fatime Nedzipovska
NENT Group Diversity & Inclusion Partner

What was your biggest challenge in 2021?

"Including diversity means having more information and perspectives brought into a process. It improves decision making in collaborations, but also requires more patience. Working remotely made it so we had to lead in new ways and include in new ways, which required even more patience from all of us."

What was your biggest success?

"The launch of RedLockers at some of our offices, where we offer free menstrual care products. This was a concrete way of both showing how we work with well-being, but also invest in initiatives that makes us more inclusive as an organisation."

Reflecting back on 2021

"I have gotten to learn a lot from everyone regardless of their role or function in the company, while often being challenged to think bigger and inspired by my colleagues to keep contributing to a workplace where people feel like they belong."

Committing to our conduct & to climate action

NENT Group conducts business responsibly and with integrity, and we expect our suppliers and partners to do the same. Keeping information and data relating to our business, customers and all stakeholders safe is a top priority.

Our governing framework

NENT Group's Employee and Supplier Codes of Conduct together with Group policies and directives provide a framework that defines how we do business, keep us aligned with all applicable laws and regulations, and supports us in living our BEAT-values. It is our guide to being a trusted partner and employer. The framework is based on recognised compliance and business ethics standards and principles, including those related to human rights, all are subject to regular reviews (see model on page 39).

Business ethics programme

NENT Group is committed to having a robust and fit-for purpose business ethics programme that adopts a culture of good ethics and compliance at all levels of the company, and across the supply chain. The programme focuses on business ethics areas such as anti-corruption and bribery, gifts and hospitality, competition law, whistleblowing, and sanctions; while personal and corporate responsibility are enshrined in it to secure a corporate culture that has zero tolerance for unethical business behaviour. The programme is shaped in a way that supports the detection mistakes and breaches, enables employees to report without fear of retaliation, and for the Group to respond and remediate quickly when needed. The business programme and identified risks are continuously reviewed to ensure the effectiveness of the programme. The seven core elements that form the basis of the business ethics programme are based on the principles endorsed by national regulators such as the Swedish Anti-corruption Institute, U.S. Securities and Exchange Commission, the U.S. Department of Justice, and the UK Serious Fraud Office, as well as best practices endorsed by public international organisations such as the OECD and Transparency International. See model below.

Working with suppliers

NENT Group's Supplier Code of Conduct stipulates requirements on human rights, labour rights, the environment, anti-corruption, and data protection and is incorporated into supplier contracts. To ensure the responsible management of existing and new suppliers, the Group engages with suppliers through several processes. In 2022, a new Supplier Code of Conduct will be launched.

Corruption and sanction risks

NENT Group actively screens new business partners for corruption and sanction risks. All new contracts in Viaplay's expansion to new markets are screened for risk of corruption and sanction risks. To further ensure ethical behaviour and sustainable business conduct, we have set a target to strengthen our ESG due diligence processes for major mergers and acquisitions, joint ventures, and strategic partnerships in 2022.

Supplier due diligence process

In 2020, NENT Group established an enhanced Supplier Due Diligence Process to ensure the responsible management of existing and new suppliers. Suppliers that are

In brief See page 147–148 for details

Goals 2019–2021 — Status
- Raise awareness of our Code of Conduct (CoC), values and policies. ● (green)
- Address and engage with all high-risk suppliers to ensure shared commitment to our ethical standards. ● (yellow)

Targets and progress 2021 — Status
- Secure and improve the integration of CoC into our on-boarding process. ● (green)
- Continue mapping high-risk suppliers and initiate process for engaging with those. ● (green)

Impact
- Business conduct that is aligned with our ethical standards leading to a safer and more trusted relationship between stakeholders and us.

Contribution to SDGs

● = Target achieved ● = Target partly achieved

NENT Group's business ethics programme

identified as critical receive a mandatory assessment questionnaire covering topics such as business ethics, environmental work, fair working conditions and health and safety. The definition of high-risk is based on four criteria: annual contract value; type of product/service; dependency on the product/service; and location of operation. Out of approximately 2000 suppliers 22 have been identified as critical. We engaged and had a dialogue with 14 of these in 2021 (five in 2020) and no resulting actions have been necessary. In 2022, we will continue to engage with the remaining critical suppliers, update our screening process and review our supplier base.

Ensuring responsible production

NENT Group has established an annual on-site audit programme to ensure responsible content production. Audits of productions will be conducted annually and will cover the requirements set out in our Supplier Code of Conduct, with a specific focus on human rights, health and safety, and labour rights. In 2021, three audits were commissioned; two were carried out on non-scripted productions in Sweden and Denmark, and one unfortunately had to be postponed due to the Coronavirus pandemic. The audits were conducted by a third-party auditor in cooperation with our sustainability team. The majority of non-conformities were related to health and safety and labour rights issues. A Corrective Action Plan (CAP) has been established and implemented. The two suppliers assessed for social impact were not linked to significant negative social impacts. In 2022, four onsite audits will be conducted.

In 2021, there was an incident in our supply chain for original non-scripted productions. In the production an incident of sexual harassment occurred, and a legal investigation has been carried out. The investigation is still in progress. NENT Group took immediate corrective actions and has been working on improvements together with the supplier, including participant guidelines, trainings and hired Contestant Managers in all Scandinavian markets.

Except for all shows related to the incident being cancelled in 2021, NENT Group continues to improve its production processes together with its suppliers, and no supplier relationships have been terminated during the year.

To prevent similar incidents from happening again, and to safeguard wellbeing, ethical behaviour, and human rights in all productions, NENT Group has established a working group for responsible production. The purpose of the working group is to identify measurements and improve processes for responsible content production. In 2022, a new Code of Conduct training for productions and a 'Rulebook on Work Environment' will be rolled out.

NENT Group's governing framework

Compliance safeguards

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN's Guiding Principles for Business and Human Rights
- The Universal Declaration of Human Rights
- The ILO's Core Conventions

Laws and regulations

Guidelines by authorities, e.g. US department of justice

Steering documents

Code of Conduct and Supplier Code of Conduct

Policies (e.g. Sustainability and Data Protection)

Directives (complement to CoC and Policies)

Methods to secure compliance

Third-party on-site audit programme to ensure responsible content production.

Internal Audit: Following up that the business is conducted in a way that aligns with the governance framework.

Review of policies and Code of Conduct: Adopted by the Board of Directors and revised annually. Directives are adopted and revised by CEO and CFO.

Whistleblowing: Possibility for employees to report anonymously through our Speak up line channels without the risk of retaliation.

To follow up on our productions in 2022, a pulse-survey will also be sent out, initially to at least 70% of the productions, measuring work-life balance, as well as health and safety in the workplace.

Additionally, NENT Group provides information about its whistle-blower service to all production staff (both at start-up meetings and during set visits) to ensure that everyone knows wthat to do and who to contact in the event of any issues. In 2022, we will further update our whistle-blower procedure.

Raising awareness among our people

To ensure ethical conduct and acting with integrity in how we treat and respect each other, how we interact with our customers, suppliers, and other stakeholders, including the communities at large, we consistently work on awareness raising among our people. Our Code of Conduct and core policies are therefore available on our website and communicated through monthly meetings and targeted trainings.

All employees are requested to sign NENT Group's Code of Conduct every other year and the Employee Code of Conduct is subject to annual review. By the end of 2021, 95% of our employee had signed the Employee Code of Conduct and 83% had completed the associated e-learning course, which also covers aspects relevant to human rights. This participation translates to 293 hours of training. In 2022, an updated version of the Employee Code of Conduct will be launched.

The Group's Anti-Bribery and Corruption policy lays down the rules for preventing corruption in any of its business activities. By the end of 2021, 889 employees (61%) had had participated in online trainings on anti-bribery and corruption and 698 employees (48%) on competition law. Around 80 employees had also conducted targeted trainings on competition law and gifts and hospitality. In 2022, we will launch a new and more comprehensive e-learning system to ensure that an increased number of our people participate in our online-trainings.

In 2021, no incidents of corruption were reported. There have been three incidents giving rise to a potential Code of Conduct breach with regards to the principles of ethical behaviour affecting physical and psychosocial well-being. None of the reported cases resulted in a confirmed breach. Preventative measures were taken through dialogue, to reinforce the contents of our Code of Conduct.

Entering new markets

As part of NENT Group's international expansion plan, NENT Group conducts sustainability assessments before entering a new market. The purpose of the assessment is to identify potential risks in an early stage related to human rights, labour rights, the environment and corruption. The assessment is based on established frameworks, rankings and research, produced by organisations such as Human Rights Watch, Transparency International and EIA. The sustainability assessment process will be continued in 2022 to safeguard a responsible expansion.

Speaking up and reporting concerns

NENT Group's speak-up culture is critical to promoting and maintaining an ethical work environment and sustainable business. Therefore, we strive to ensure that everyone at, or operating on behalf of, the Group is heard. Our employees, including work related third parties such as suppliers, can in good faith report concerns and violation of our Code of Conduct and applicable laws and regulations anonymously without the risk of retaliation. In turn, we ensure a proper investigation and offer remediation when needed.

We are actively working on fully aligning our whistle-blower reporting channels and established procedures with relevant national laws that implement the EU Whistle-blowing Directive. In 2022, we will launch a mandatory whistleblowing e-learning for all employees, including

targeted training for identified functions and group-wide employee communication. No whistleblowing incidents were reported in 2021.

Protecting data and content

Protection of personal data and respecting the individual's right to such data is at the forefront of everything we do. Our Data Protection Policy stipulates these principles and lays the foundation of our work.

Data privacy and protection procedures

NENT Group has a dedicated Privacy Team, consisting of our DPO/Head of Privacy and Data Protection Managers, who exclusively work with ensuring that privacy and data protection is respected throughout all layers of the organisation. On a yearly basis, our Privacy Team establishes a Data Protection Governance Framework, designed to prevent, detect, and investigate data privacy issues which includes a roadmap with prioritised workstreams and action points for the year. In 2021, 57% of NENT Groups employees had conducted our e-learning on Data and Asset protection, with the target to reach 100% set for 2022. The Privacy Team is focused on continuously raising awareness on privacy and data protection matters for example through targeted trainings for employees. To evaluate high risk processes, data protection impact assessments are conducted using a privacy management tool. To mitigate risks in relation to the Schrems II ruling, our Privacy Team has built an internal risk framework that sets the foundation for carrying out third country transfer impact assessments. To the fullest extent practically possible, personal data is stored within the EU/EEA.

NENT Group has well-established data breach management procedures in place. At three different occasions in 2021, we detected credential stuffing attacks caused by breaches at third party services with no relation to NENT Group. These attacks were reported to the Swedish Data Protection Authority who closed the reports without any further actions. All affected users were immediately notified, and their passwords reset to mitigate any effects.

In addition, NENT Group has a dedicated IT & Information security team that works to protect IT and information assets. The work is stipulated in the Information and Security Directive and through its information security management system (based on ISO 27000). NENT Group works proactively to protect IT and information assets. See section risk, pages 60–64 for more information.

Protecting content and tackling piracy

Protecting content from piracy is also a key priority for NENT Group, and our work to manage this risk is carried out by our Technical Operations Centre in close cooperation with legal, technical, and operational entities. The Group continuously reviews risks and takes appropriate measures with several security controls implemented in different stages of the content delivery chain. We also cooperate with specialised external organisations, such as the Audio-visual Anti-Piracy Alliance and the Nordic Content Protection.

However, due to the fact that piracy is illegal and action against it sometimes has to be handled by the authorities, we also make our voice heard in regulatory processes regarding legislation and policies concerning piracy, both at an EU and national level. An example of this is NENT Group's discussions with the European Commission's Copyright Unit on actions to tackle piracy of live sports events in 2021 as well as our participation in the European Commission's consultation on the proposed Digital Services Act. At national level, we continue to follow the implementation of the Digital Single Market and consulted with ministries from Sweden and Finland on the Copyright Acts in each country.

Human rights

NENT Group complies with both internationally recognised human rights principles and the laws of the countries in which we do business. Our commitments are clarified in our Human Rights Statement, Sustainability Policy and Modern UK Slavery Act Statement. To meet our responsibilities, we have established a process for proactive systematic identification and review of potential human rights issues. This process is integrated in our Governance Framework (see model above) and covers our own operations and supply chain, covering all areas where infringements could occur. To further strengthen our work on human rights, we will conduct a Human Rights Due Diligence in 2022, covering our operation and supply chain. In 2021, one case of a potential human rights violation has been detected in our supply chain. See page 39.

Committing to our conduct & to climate action

Our climate impact

NENT Group's audiences are increasingly aware of environmental issues particularly climate change and the Coronavirus pandemic has increased this interest. We understand that our investors, customers, and people want us to embody sustainability on and off screen, which is why we are taking the lead in this key area. It is not only the right thing to do, but also a critical part of future-proofing our business.

The Group Sustainability Policy stipulates our principles regarding the environment and climate and outlines our expectations for our operations. We measure our climate impact and set emission reduction targets that are regularly followed up on. The Group applies the precautionary principle when assessing the environmental impact of our business, which means that whenever we suspect, in the lack of complete scientific knowledge, that a decision might have a negative environmental impact, we refrain from making such a decision.

NENT Group aimed to reduce GHG (Greenhouse gas) emissions by 10% from 2019 levels by 2021. The target was surpassed by achieving a 49% reduction in 2021, primarily due to the Coronavirus pandemic and its resulting impact on office operations and international travel. It is the Group's intention to continue to sustain this substantial reduction in business travel even after the end of the pandemic by using our now well-established virtual meeting platforms. We aim to use renewable energy and improve the energy efficiency in all our facilities.

To further support the journey to Net-Zero, NENT Group committed to the Science Based Target initiative and the Race to the Zero campaign; and in 2021 carried out a comprehensive assessment of our direct and indirect emissions to establish a baseline for emissions and set emission reduction targets.

Sustainability on and off screen

NENT Group wants to promote sustainability on screen and off screen; we want to highlight environmental issues, reflect societal changes, and inspire our audiences to makes changes to reduce their impact on the environment. Viaplay Originals are a brilliant platform through which we can communicate and normalise more sustainable ways of living. In 2022, Viaplay will premiere: 'The Uninhabitable Earth', a US anthology series based on the award winning and best-selling book of the same name, in which each episode focuses on the dangers of climate change; and the Norwegian drama series 'Made in Oslo', an original series in which sustainable behaviour, such as driving electric vehicles, is normalised by incorporating them into the characters' everyday lives.

Climate change continues to be one of the biggest stories in the world today and NENT Group has a responsibility to shine a light on it and help our audiences understand its impact. To engage audiences and employees to act for the climate, The Group launched Climate Action Week in 2021, which coincided with the UN Climate Change Conference (COP26). The theme of the week was 'Creative action for the Climate' and included a Climate Action Challenge on internal networks and social media, and a climate and environment-related content block curated on Viaplay. In keeping with the theme, Viaplay premiered 'The Trick', a conspiracy thriller based on actual events of the 'Climategate' scandal. In addition, we launched our 'Climate talks' online seminar series on the World Environment Day, with speakers such as an award-winning producer and a documentary filmmaker on the World Environment Day and Climate Action Week.

In brief See page 147–148 for details

Goals 2019–2021 — Status

- Reduce total CO_2 emissions from business travel, facilities and energy use by 10% by 2021 compared with 2019. — Target achieved

Targets and progress 2021 — Status

- Continue actions to reduce total CO_2 emissions by no less than 10% compared to 2019. — Target achieved
- Prepare and submit Science Based Targets for validation. — Target achieved

Impact

- By reducing CO_2 emissions in line with the Paris agreement, we contribute to a more environmentally sustainable future and encourage other to follow suit.

Contribution to SDGs

13 CLIMATE ACTION

● = Target achieved ● = Target partly achieved

Green series and film production

The Group has a responsibility to minimise its impact on the environment, which is why we continuously work on improving the way we produce content. We are working to embed environmental sustainability into production processes to support our Net-Zero ambition.

In 2021, NENT Group began shooting the Viaplay Original 'Where were you?' and in 2022, Viaplay will premiere the Norwegian drama series 'Made in Oslo', both productions were produced using environmentally considerate practices. The productions were designed to maximise recycling and the effective use of resources, while minimising travel and energy consumption. All suppliers and partners were also selected according to their environmental credentials. Our aim is to further develop and expand sustainable production practices for future productions.

Climate impact of streaming

Streaming has continued to play an increasing role in our lives, both as a source of information and entertainment; and that is why the Group believes it is so important to understand its impact on the climate. We want to contribute driving research and development in the industry, while becoming more environmentally conscious as a company. We are committed to contributing to a more sustainable future.

Streaming 1 hour of Viaplay emits 3 gCO_2-eq: which is equivalent to

popping 4 bags of microwave popcorn, or

driving for 20 minutes in an average diesel car

Source: DIMPACT tool calculated emissions based on streaming 1-hour Viaplay in the Nordics.

We want to improve our understanding of all direct and indirect greenhouse gas emissions. By better understanding where emissions are coming from, we can take more targeted actions to reduce them. We collaborate with academics and industry peers via DIMPACT, a collaborative research initiative which developed a modelling tool to calculate the operational emissions from streaming services. In June 2021, the latest research from DIMPACT which NENT Group contributed to was published in the white paper: Carbon impact of video streaming, in collaboration with Carbon Trust. The paper presented both the results of a comprehensive assessment of the carbon impact of video streaming as well as an analysis illustrating its main drivers.

Using this tool, we calculated the emissions from streaming, and estimated that one hour of streaming Viaplay produces 3 grams of carbon emissions which is equivalent to popping four bags of popcorn or driving for 20 m in an average diesel car or drinking two sips of beer.

The Group has been measuring the climate impact of our streaming since 2020. In 2021, we published a report detailing the emissions from the Group's streaming services. We found that most of the emissions from streaming (excluding content production), come from the energy used by end-user devices, i.e., the energy used when customers watch Viaplay on their TV or tablets at home. Although the most common approach is to exclude these emissions from an organisation's footprint, in 2021, we decided to include the full scope of emissions from streaming as part of our company footprint which would include the energy from end-user devices.

As most streaming-related emissions come from the end-user devices (TV, tablets, etc.). NENT Group is committed to finding more energy-efficient products and solutions; and that is why we engage with device manufacturers via DIMPACT. We are part of the DIMPACT Device Manufacturer Working Group so we can specifically target the largest source of emissions from streaming. Together with DIMPACT, NENT Group will continue to engage with partners and suppliers (i.e., data centres and content delivery networks) to influence the industry and encourage the ICT sector to provide more transparency around data. We are exploring how we can empower our customers to use our services in a more energy-efficient way and encourage them to opt for greener energy in their homes.

CO_2 emissions per streaming-hour are relatively low in Scandinavia compared to the rest of Europe and remained unchanged from 2020 level in 2021. Viaplay expanded into several new markets in 2021, including Poland, Estonia, Latvia, Lithuania, and USA; CO_2 emissions per streaming-hour in Poland and the Baltics are 11 times higher due to the energy-mix in the regional power-grid. With decarbonisation efforts and continuing improvements to the energy infrastructure across many countries; over time we expect the carbon efficiency of power generation to improve and in turn the emissions per streaming-hour will decrease, resulting in more climate-friendly streaming.

Setting our Science Based Targets

NENT Group began the journey to Net-Zero in 2020 by committing to the Science Based Targets initiative (SBTi), a global collaboration which assures corporate climate targets are in line with the transformation that is needed to limit warming to 1.5°C above pre-industrial levels, as stipulated by the Paris agreement. Please see page 44, for our science based targets, awaiting from SBTi.

In 2021 we assessed the full scope of direct and indirect greenhouse gas emissions from NENT Group's whole value chain for the first time. A comprehensive assessment of our climate footprint including streaming and content production enabled us to establish a baseline and set near-term emission reduction targets in line with the Paris agreement and the 'Business Ambition for 1.5°C' campaign. We reviewed all suppliers and sorted by emissions, from the highest to the lowest emissions, 125 suppliers accounted for most of our Scope 3 emissions, we identified 66 out of these 125 suppliers are already covered by the Science Based Targets initiative (SBTi).

To achieve these ambitious targets, NENT Group will establish a supplier engagement framework to support suppliers in setting climate commitments in line with the Paris agreement. We will initially focus on the suppliers with the highest emissions and offer a programme including tools and training to measure their emissions and setting emission reduction targets.

EU taxonomy and financial disclosure

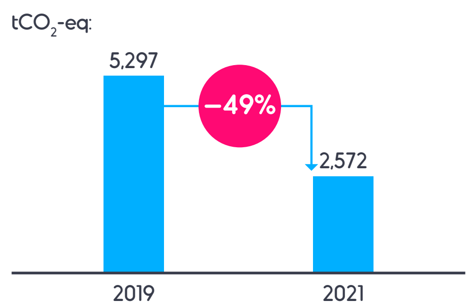
The EU (European Union) taxonomy for sustainable activities, which will be fully implemented in 2023, offers guidance for policy makers, industry, and investors on how best to support and invest in economic activities that contribute to achieving a climate neutral economy. It sets performance thresholds for economic activities in the shape of technical criteria to make a substantial contribution to one of the EU's environmental objectives (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; and Protection and restoration of biodiversity and ecosystems), while doing no significant harm to the other ones. Companies should also meet minimum sustainability safeguards (for example, the OECD Guidelines on Multinational Enterprises). NENT Group fall under the scope of the Non-Financial Reporting Directive and must disclose to what extent the activities that the Group carry out meet the criteria set out in the EU Taxonomy. NENT's share of eligible turnover as defined by the EU Taxonomy is however 0%. Based on NENT Group's economic activities and the current taxonomy regulation the company has also reviewed investments and operating expenses and concluded that NENT's share of eligible capital expenditures and operating expenses as defined by the taxonomy is 0% as well. For more information on our work with environmental-friendly productions view p. 42–43.

The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase the reporting of climate-related financial information. The TCFD focuses not on the impact companies have on climate change, but rather on what impact climate change might have on companies. The recommendations from TCFD are structured around four areas: Metrics and targets; Risk management; Strategy; and Governance. NENT Group already takes climate change into consideration in its risk management process, and it is therefore covered in our targets, strategy, and governance structure. In 2021, we developed our risk-scenario analysis according to the TCFD framework to be able to show more information about the potential risks that we could face. NENT Group will publish its full TCFD report in 2022.

NENT Group's Science Based Targets (awaiting validation by SBTi):

- NENT Group commits to reduce absolute scope 1 and scope 2 GHG emissions 46,2% by 2030 from a 2019 base year.
- NENT Group commits to reduce absolute scope 3 GHG emissions from business travel 46,2% by 2030 from a 2019 base year.
- NENT Group commits that 71% of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2026.

CO_2 emissions



Case study
NENT Group transfers licences to Sweden

Since 1 January 2021, NENT Group's services are regulated by Sweden's MPRT. The transfer of licences was largely due to Brexit but also a logical move to the Group's home market. The new Swedish registrations and licenses cover NENT's Viaplay AB and Viafree streaming services, advertising-funded TV channels and pay-TV channels.

What was the process of moving to be regulated in Sweden like?
"It's been a massive practical undertaking for all of us working with Content Compliance. We had to go through a total change in how we work; from what systems we use to having to build a huge amount of knowledge capital in a short time."

Did the uncertainty of Brexit impact your team's work?
"Not knowing until so late in the game meant we had to be prepared for anything. This was done by going through countless training sessions and planning different scenarios, all while carrying out business as usual."

What will be different moving forward?
"The simple answer is that for most people it should not make much of a difference now that the process is finalised. Not for viewers and not for the business. Even though we have previously been formally governed by the UK's OfCom; the Group has always been mindful of local sensitivities and ensuring that our core principle is to protect all our viewers from any harmful material no matter where we are formally regulated. We have always had a good working relationship with the regulators, but now we have a closer collaboration with the Swedish authorities like the Ministry for Culture."

What is the role of Content Compliance within NENT Group?
"From a practical perspective, we engage with a wide network within the Group safeguarding responsible production in both original productions and in our partnerships. We don't want to be unnecessarily restrictive, so we try to take an active and advisory role throughout the process."

Despite your best efforts, some complaints or breaches must be inevitable?
"We do our very best to minimise breaches and reported incidents. In fact, we pride ourselves on there being so few reported programme content complaints. But I believe that how we handle the complaints we do get is as important as avoiding them. We treat each incident as a learning experience and continue to strive towards improving our process."

On a personal note

Joe Grove
Head of Content Compliance

What was your biggest challenge in 2021?
"Juggling work and home life with a toddler and a new baby during the pandemic was a real challenge; operating on very little sleep and alone time while carrying out a job where you need to be constantly on your toes."

And your biggest success?
"For all of us, it has been hitting our stride with this new way of working with less access to working as a physical team but more freedom and a better work/life balance."

Reflecting on 2021
"The effect physical health has on mental health. And how important it is to find time in the day to exercise."

Producing quality content

To NENT Group, quality content means that as well as being entertaining and well crafted, it must reflect the Group's values and be considered safe and trusted by our audiences. We manage this by focusing on the needs of our audience and continuously improving the user experience. The Group always seeks to comply with the applicable rules and regulations in each of our territories, with the ambition to constantly eliminate barriers by making more diverse and more accessible content available through subtitling, audio description and signing.

A proactive approach to content compliance

NENT Group incorporates the broadcasting and streaming regulations and our Supplier Code of Conduct in agreements connected to content production. All our productions are vetted by our Content Compliance Team before making it accessible to our audience, making sure it is in line with relevant regulations. We also take a stand on freedom of expression, privacy, and editorial independence, which is specified in the editorial guidelines that apply to all of NENT Group's content. In particular, we promote diversity and plurality in our content, more information available on pages 29–30.

As of 1 January 2021, NENT Group moved its broadcast license and streaming registrations from the UK to Sweden. This has not led to any significant changes in our approach to securing regulation compliance. Our content compliance team reviews Sweden's regulations detailing 'in breach' material, along with the regulator's guidance on how broadcasting and streaming rules should be interpreted. We engage in meetings with the regulators and provide annual training for the relevant employee groups in the company, last year 54 employees were trained.

Despite continuous efforts, in 2021 NENT Group received ten programme content complaints, one of which was 'in breach', six of which were ruled 'not in breach' and three still pending at year end. (Compared to 2020 we received nine complaints, none of which were in breach).

NENT Group takes a robust approach to audience protection when launching into new markets; ensuring the content on our platforms adheres to standards of protection set out both in the EU's Audio-visual Media Services Directive and to the conditions of the license relevant to the service in question.

Quality entertainment for everyone

NENT Group helps viewers to make informed decisions about what to watch. We screen all sensitive content and apply appropriate scheduling restrictions to protect younger viewers. On-screen warnings are provided if a series or film contains potentially offensive, sexual, or violent content and there is no adult content shown on any of the Group's platforms. Parents can set the Viaplay kids' section as a default, control access to other content via a pin code, and create dedicated kids' profiles that filter out unsuitable content. As we want both minors and their parents to feel safe when consuming our content, we work with responsible distributors and producers to make sure that we do not produce content that does not comply with our values.

Making our content accessible

The Swedish regulations require that Free-TV Channels in Sweden broadcast 100% of Swedish programmes with subtitles available and certain amount of content with audio description (10%) and sign interpretation (4%).

In brief

See page 147–148 for details

Goals 2019–2021 — Status

- Improve the family experience on Viaplay for safe and trusted experience.
- Increase content accessibility beyond regulatory requirements.

Targets and progress 2021 — Status

- Increase scope of kid's user research
- Making our most popular own production titles fully accessible (subtitles, sign interpretation and audio descriptions) in all Nordic languages. Start with five titles in 2021

Impact

Safer and more trusted viewing experience will retain existing viewers and attract new ones.

Contribution to SDGs

= Target achieved = Target partly achieved

In 2021 NENT Group averaged 12% audio description, 93% subtitling and 3% sign interpretation. This is a slight decrease in audio description (15% in 2020) and sign language (4% in 2020) compared to last year and is explained by NENT Group having to pause orders for new materials due to shifting from UK to Swedish license. Subtitling increased (92% in 2020). All our other channels have 'general requirements' to make programmes in the local language more accessible. We provide 100% of Danish and Norwegian programmes on our Free TV service with subtitles and are currently selecting materials for 2022 for all other channels. Viaplay Sweden is required to make sure that any programmes on our Free TV services that have accessibility options are also available on Viaplay. As such, Viaplay is undergoing technical upgrades to make audio description and sign language available later on in 2022. Due to this upgrade, we postponed our 2021 goal to make the top 5 Viaplay originals fully accessible with subtitling, audio description and sign language to 2022. All other Viaplay services have general requirements to provide accessible content.

Safe and trusted kids' content

Kids are one of NENT Group's main audiences, and we want to offer content that both educates and entertains. NENT Group aims to promote good role models who learn from mistakes, collaborate, and solve problems. NENT Group also promotes diverse groups with boys and girls from different backgrounds, such as in the kids' series 'Where's Waldo' available on Viaplay. NENT Group also seeks to promote interaction where kids are encouraged to learn to read and write, learn maths and learn new languages as in 'Blue's Clues & You', 'Blaze and the Monster Machines' and 'Dora – The Explorer'. Our Viaplay original animation Fixi is a good example of how we encourage kids to take an interest in technology and also take regular physical exercise. Fixi has been very well received by our younger viewers we were therefore happy to launch a third season of Fixi in 2021. In 2022, NENT Group will show the series 'Karma and Jonar' and produce Astrid Lindgren's 'Ronja the Robber's Daughter' (to be shown on Viaplay 2023). Both Viaplay Originals addresses important topics such as friendship, self-confidence, and challenges in growing up.

Involving our users

At NENT Group, we conduct regular user research and analyse viewing data to develop our kids' content offering. For example, 'Fixi in Playland' was developed together with a school class of 8-year-olds. Due to Covid-19, we had to adapt our ways of working with user research by moving from 'in person' interviews and tests to online solutions. We have had user panels based on a Swedish population and our ambition was to broaden our research to include other Nordic countries in 2021. Due to changes in priorities, this ambition had to be set on hold.

Case Study
Cutting-edge technology delivers world-class content

Premiering In 2022, Viaplay Studios' production Karma and Jonar was produced using 3D character animation with state-of-the-art motion capture studio in combination with game engine technologies.

Tell us about the production of Karma and Jonar; what sets this apart from other animated productions?

Joel "Most animation productions are very labour intensive as an animator only produces a few seconds of material per week. In this production we combine motion capture and game engine technology. That allows us to capture an actor's performance and see instant results in the game engine. This gives us a lot of advantages in terms of creative freedom and time-to-market in our productions."

Jens "It really is the best of both worlds. There is a constant interplay between the technology that works for us and our talented team of creators and the actors that give the human expressions."

How does animation figure in the mix of Viaplay's original content?

Jens "Producing animated films is interesting from various perspectives. There is the obvious benefit of reaching young and family viewers that often watch the movies they love over and over again. But we also see that animated content lasts over time much more than most live-action feature films."

What is this type of animation like compared to a more traditional process?

Joel "The simple answer is that you get a more realistic and vibrant feel, it is something different to what we are used to, and we are still in the early days of developing the technology."

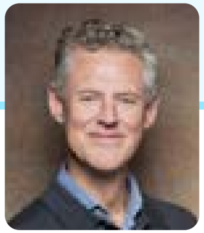
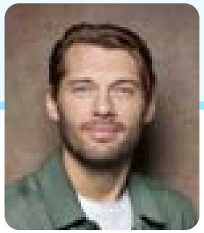
How important is it for NENT Group to be at the forefront of this kind of technical development?

Joel "NENT has a long history of being at the forefront of technical development. In the animation space, technology has very important factors in terms of speed, flexibility, and quality. Our audience is growing with Viaplay's expansion, so our technology needs to grow with it."

How does NENT Group's international expansion impact you?

Jens "We already have a bigger audience than ever and new markets and territories that are being added. While we are proud to deliver Nordic original content, animation travels well – the content feels like a local original in all languages and has the potential to become very accepted across language and cultural divides."

On a personal note

Jens Köpsén, Head of Viaplay Studios Animation and Joel Edström, Head of Production, Viaplay Studios Animation

What was your biggest challenge in 2021?

Jens "Recruitment – overall our largest challenge is finding the right people with very specialist skills. There is an international demand on talent and a lot of pull from the gaming industry. What we find is that we often find that people come to us because they also have a passion for film."

Reflecting back on 2021

Joel "Looking back at the filming, it was incredible to see the progress as the actors brought the production together in real-time. But also, all the buzz from outside with visits from interested colleagues as well as media-attention."

What is the future for Viaplay Studios Animation?

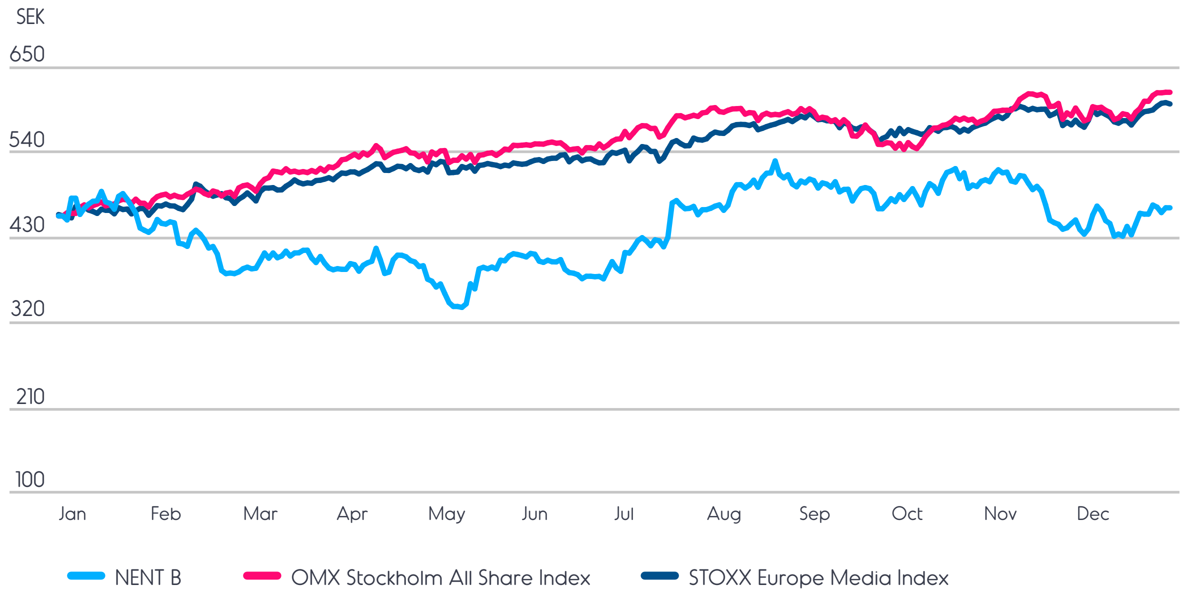
Jens "It's very gratifying to see that the focus on Viaplay supports our business. The reorganisation and rebranding of Viaplay Studios also mean that we have a more defined road map and purpose in going from being an R&D unit to becoming an integral part of the Group's core business."

The NENT Group share

The NENT Group share

The NENT Group class B share price increased by 2% during 2021 to SEK 469.2, and has increased by 114% since our shares were listed on Nasdaq Stockholm on 28 March 2019. The share price hit a high of SEK 530.0 on 25 August. The lowest recorded price during the year was SEK 340.0 on 14 May. The market capitalisation at the end of the year was SEK 36.1 billion. NENT Group's shares are listed on Nasdaq Stockholm's Large Cap list under the symbols 'NENT A' and 'NENT B'.

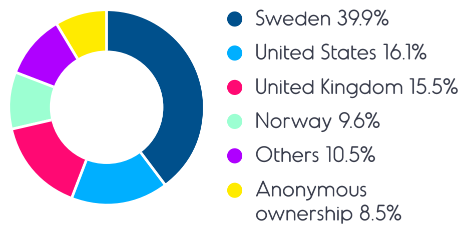
Share price development 31 December 2020–31 December 2021



Ownership structure

NENT Group had 50,741 shareholders at the end of the year, as recorded in the share register held by Euroclear Sweden AB (Swedish Securities Centre). The shares held by the 10 largest shareholders corresponded to approximately 49% of the total number of shares and 48% of the voting rights. Institutional investors owned approximately 80% of the share capital, with private individuals owning approximately 9%, and approximately 1% held as treasury shares. The remaining 10% was owned by other and anonymous investors.

Shareholders by geography



Shares and share capital

The Group's share capital amounted to SEK 157m at the end of the year. The total number of issued shares was 78,442,244, comprising 532,572 Class A shares, 77,439,153 Class B shares and 470,519 Class C shares (held in treasury). The quota value is SEK 2.00 per share.

	Class A shares	Class B shares	Class C shares	Total
Issued shares as of 31 December 2021	532,572	77,439,153	470,519	78,442,244

Voting rights

Each Class A share is entitled to 10 voting rights. Each Class B and Class C share is entitled to one voting right.

Share issues, buy-backs and reclassifications

In February 2021, NENT Group issued 10,600,000 new Class B shares and raised gross proceeds of approximately SEK 4.35 billion to finance the international expansion of Viaplay and enhance the Group's future financial flexibility. This resulted in a 15.6% increase in the total number of shares from 67,842,244 to 78,442,244 (whereof 532,572 Class A shares, 77,439,153 Class B shares and 470,519 Class C shares), and a 14.6% increase in the total number of votes from 72,635,392 to 83,235,392. The share capital increased by SEK 21,200,000 from SEK 135,684,488 to SEK 156,884,488.

Shareholders as of 31 December 2021

Owners	NENT A	NENT B	NENT Group C	Capital	Votes
Norges Bank		6,973,256		8.9%	8.4%
Swedbank Robur Funds		5,865,243		7.5%	7.0%
Schroders		4,982,333		6.4%	6.0%
Capital Group		4,263,579		5.4%	5.1%
Nordea Funds		4,041,462		5.2%	4.9%
Handelsbanken Funds		3,322,688		4.2%	4.0%
Vanguard		2,824,029		3.6%	3.4%
Marathon Asset Management		2,563,959		3.3%	3.1%
Lannebo Funds		1,801,429		2.3%	2.2%
Skandia Life Insurance	159,654	1,403,304		2.0%	3.6%
Total top 10	159,654	38,041,282		48.7%	47.6%
Others	372,918	39,397,871	470,519	51.3%	52.4%
Total	**532,572**	**77,439,153**	**470,519**	**100.0%**	**100.0%**

Source: Euroclear and Modular Finance. The table may reflect aggregate shareholdings of each shareholder.

In 2021, a total of 22,245 Class B shares were delivered to participants as part of an accelerated vesting of shares from the 2019 long-term incentive plan. The early vesting of shares was triggered by participants leaving NENT Group after the divestment of the NENT Studios assets in Q4.

Separately and in accordance with the Articles of Association, owners of Class A shares are entitled to convert their shares into Class B shares in January and July each year. No Class A shares were reclassified into Class B shares in 2021.

Share related long-term incentive plans

If all of the share rights awarded to senior executives and key employees as at 31 December 2021 were exercised, the total number of outstanding shares would increase by 511,417 Class B shares, and be equivalent to a dilution of 0.7% of the issued Class B shares and 0.6% of the related voting rights at the end of 2021. Further details about the programmes can be found in note 7 on page 102.

Outstanding share rights granted	
LTIP 2019	255,890
LTIP 2021	255,527

Analysts covering NENT Group

Company	Name	E-mail
Berenberg	Jamie Bass	Jamie.Bass@berenberg.com
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Nordea	Klas Danielsson	klas.danielsson@nordea.com
SEB	Pontus Wachtmeister	pontus.wachtmeister@seb.se

Share information

Marketplace	Nasdaq Stockholm, Large Cap segment
Ticker	NENT A, NENT B
ISIN code (A share)	SE0012324226
ISIN code (B share)	SE0012116390
Market cap as of 31 December 2021	SEK 36.1 bn
Share price as of 31 December 2021	SEK 469.2
Share price development	+2%
Highest closing price during the year	SEK 530
Lowest closing price during the year	SEK 340

Governance report

Governance and responsibility

Corporate Governance

As a public limited company with securities listed on Nasdaq Stockholm, NENT Group is obliged to comply with the Swedish Companies Act, the Rulebook for Issuers on Nasdaq Stockholm, and the Swedish Code of Corporate Governance (the "Code"). The Code is available on The Swedish Corporate Governance Board's web page www.bolagsstyrning.se. NENT Group has been compliant throughout 2021 with the Code, the Rule Book for Issuers on Nasdaq Stockholm and the generally accepted principles in the securities market.

NENT Group has established a Steering Document Framework consisting of Codes of Conduct, Group policies and directives, which express the Group's values and commitment to conduct business in full compliance with laws and regulations, standards, and initiatives.

Sustainability

NENT Group's sustainability work is a central part of the company's business and governance. It is based on, and closely aligned with, the Group's purpose, values, strategy, and culture, and includes its own sustainability strategy, policy framework, roadmap, and initiatives. Reporting is conducted in accordance with the core option of the GRI standards and is reviewed and approved by the Board of Directors. Responsibility for the overarching sustainability strategy, goals, actions and follow-up rests with the Board of Directors. The Board monitors the work through regular updates, which also include discussion about sustainability trends, risks, and developments. The business functions, as well as individual entities across the Group, have operational responsibility for implementing and meeting relevant goals and targets. Working groups have been established to drive improvement across the Group. Progress in the sustainability work is reported as an integrated part of the Annual and Sustainability Report 2021.

Shareholders

For information about NENT Group's ownership structure, share capital and shares, please refer to "The NENT Group share" on page 50.

Information regularly provided to shareholders includes interim and full year reports, Annual reports and press releases on significant events occurring during the year. All reports, press releases and other information can be found at www.nentgroup.com.

Annual General Meeting

The Swedish Companies Act (2005:551) (the "Swedish Companies Act") and the Articles of Association determine how notices to the Annual General Meeting and extraordinary general meetings shall be issued, and who has the right to participate in, and vote at, the meetings. There are no restrictions on the number of votes each shareholder may cast at general meetings.

Each Class A share entitles the holder to ten votes, and each Class B and Class C share respectively entitles the holder to one vote. The Board has the right before a General Meeting to decide that shareholders shall be able to exercise their rights to vote by post before the General Meeting.

For information about authorisations approved by the Annual General Meeting for the Board to resolve on share buy-backs, please refer to "The NENT Group share" on pages 49–52.

The Nomination Committee

The Nomination Committee consists of representatives of some of NENT Group's largest shareholders, and its responsibilities include:

- To evaluate the Board of Directors' work and composition
- To submit proposals to the Annual General Meeting regarding the election of the Board of Directors and the Chair of the Board
- To prepare proposals regarding the election of Auditors in cooperation with the Audit Committee (when applicable)
- To prepare proposals regarding the fees to be paid to the Board of Directors and to the Company's Auditors
- To prepare proposals for the Chair of the Annual General Meeting
- To prepare proposals for the administration and order of appointment of the Nomination Committee for the Annual General Meeting.

In accordance with the applicable procedures of the Nomination Committee, the Chair of the NENT Group Board convened a Nomination Committee to prepare proposals for the 2022 Annual General Meeting.

The Nomination Committee comprises Vegard Torsnes, appointed by Norges Bank; Joachim Spetz, appointed by Swedbank Robur Funds; Erik Durhan, appointed by Nordea Funds; and Pernille Erenbjerg, Chair of the NENT Group Board. The three Shareholders who have appointed representatives to the Nomination Committee held approximately 20.3% of the total voting rights in NENT Group as per 31 December 2021. The members of the Nomination Committee appointed Joachim Spetz as Committee Chair at their first meeting.

Information about how shareholders can submit proposals to the Nomination Committee is available at www.nentgroup.com/about/corporate-governance/nomination-committee, where the Nomination Committee's motivated statement regarding its proposal to the Annual General Meeting and a brief presentation of its work will also be published well in advance of the Annual General Meeting on 18 May 2022.

In its work, the Nomination Committee applies Section III, 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Nomination Committee gives particular consideration to the importance of increased diversity in Board representation, including gender, age, and nationality, as well as depth of experience, professional background, and skillset.

The Board of Directors

Board members are elected at the Annual General Meeting for a period ending at the close of the next Annual General meeting. The Articles of Association contain no restrictions regarding the eligibility of Board members. According to the Articles of Association, the number of Board members can be no less than three and no more than nine, all of which are to be elected at the Annual General Meeting.

The Board of Directors of Nordic Entertainment Group AB has comprised six Non-Executive Directors during 2021. The members of the Board of Directors were David Chance (Chair, resigned at AGM 2021), Pernille Erenbjerg (Chair, elected at AGM 2021), Natalie Tydeman, Simon Duffy, Kristina Schauman, Anders Borg and Andrew House.

The Board has complied with the Code's provision that the majority of members shall be independent of the company and its management, and that at least two of the members shall also be independent of the company's major shareholders (i.e., those with a holding exceeding 10%). Biographical information about each Board member can be found on pages 65–66.

Responsibilities and duties of the Board of Directors

NENT Group's Board of Directors is responsible for the overall strategy of the Group, and for organising its administration in accordance with the Swedish Companies Act.

The Board's work and delegation procedures, instructions for the Chief Executive Officer, and reporting instructions are updated and approved at least once annually. A Remuneration Committee and an Audit Committee have been established within the Board as subsidiary bodies of the Board, and do not reduce the Board's overall responsibility for the governance of the Company and the decisions taken.

The work of the Board

During the year, the Board of Directors held ten (10) ordinary Board meetings. Prior to each meeting, the members receive a written agenda, based on the Board's established procedures, and a complete set of documents for information sharing and decision making. Recurring items on the Board's agenda include the company's financial performance and position, market conditions, investments, and adoption of the financial statements. Reports by the Audit and Remuneration Committees, as well as reports on internal controls and financing activities, are also regularly addressed. Important issues addressed during the year included strategic expansion plans, major investments, mergers and divestments, the response to the Coronavirus pandemic, key market developments and commercial partnering decisions. The Chief Executive Officer presents matters for discussion at the meetings, and the Company's Chief Financial Officer and other members of management also participate and present specific matters. The Group General Counsel is the Board secretary.

The attendance of Board members at Board and committee meetings during 2021 is presented on page 66.

Ensuring quality in Financial Reporting

The reporting instructions approved annually by the Board include detailed instructions about the type of financial reports and other information to be submitted to the Board. In addition to the interim and full year reports, the Board reviews and evaluates financial information regarding the Group as a whole, as well as the entities within the Group.

The Board also reviews, primarily through its Audit Committee, the most important accounting principles applied by the Group in its financial reporting, as well as any major changes in these principles. The tasks of the Audit Committee also include reviewing reports regarding internal controls and financial reporting processes, as well as internal audit reports submitted by the Group's internal audit function. The Group's external auditors report to the Board, as and when required. The external auditor also reports to the Audit Committee. Minutes are taken at all meetings and are made available to all Board members and the external auditor.

Evaluation of the Board of Directors and the Chief Executive Officer

The Board conducts an annual performance review process to assess how well the Board, its committees and processes are functioning, and how they might be further improved.

The review focuses on whether the Board is adding value to the organisation, and on enhancing its performance by examining the Board structure and composition, its operation and effectiveness, and its role in monitoring the execution of agreed strategies. The review also includes an individual performance review, a quantitative ranking system, and the opportunity to provide comments, particularly in relation to ideas for improvement. At the Q4 Board meeting, the Chair provides the full Board with a report of the outcome of the Board evaluation process. A summary is also presented by the Chair to, and discussed with, the Nomination Committee. In addition, a more extensive Board evaluation is undertaken by an external consultant at least every three years. NENT Group carried out such an independent evaluation in 2021.

Remuneration Committee

The Remuneration Committee is comprised of Natalie Tydeman (Chair), Andrew House and Anders Borg. The Remuneration Committee's assignments are stipulated in Section III, 9.1 of the Code, and cover salaries, pension terms and conditions, incentive programmes, and other conditions of employment for senior executives. The guidelines applied by the Group in 2021 are presented in note 7. Minutes are kept of the Remuneration Committee's meetings and reported to the Board at its next meeting.

The Audit Committee

The Audit Committee is comprised of Simon Duffy (Chair), Kristina Schauman, Andrew House, Anders Borg. The Audit Committee's assignments are stipulated in Chapter 8, Section 49 b of the Swedish Companies Act. The Audit Committee's tasks include monitoring NENT Group's financial reporting and the efficiency of internal controls and internal audits, as well as maintaining frequent contact with the external and internal auditors. The Audit Committee's work primarily focuses on the quality and accuracy of the Group's financial accounting and accompanying reporting, as well as its internal financial controls. The Audit Committee also evaluates the auditors' work, qualifications, and independence. The Audit Committee monitors the development of relevant accounting policies and requirements, discusses other significant issues connected with NENT Group financial reporting, and reports its observations to the Board. Minutes are kept of the Audit Committee's meetings and are reported to the Board at its next meeting.

Remuneration of Board Members

The remuneration of Board members for Board work and work in the committees of the Board is proposed by the Nomination Committee and approved by the Annual General Meeting. The Nomination Committee proposal is based on benchmarking of peer group company compensation. Information about the remuneration of Board members is provided in note 7. Board members do not participate in the Group's incentive plans.

External Auditors

KPMG was elected as NENT Group's auditor for the financial year 2021 until the end of the 2022 Annual General Meeting. KPMG was appointed in 2018 as the Group's external auditor in connection with the company's formation and was re-elected in connection with the Group's listing in 2019. Tomas Gerhardsson, Authorised Public Accountant, has been responsible for the audit on behalf of KPMG since 2021. Audit assignments have involved the examination of the Annual Report and financial accounting, the administration by the Board and the CEO, other tasks related to the duties of a company auditor, and consultation or other services that may have resulted from observations noted during such examination or the implementation of other tasks. All other tasks are defined as other assignments.

The auditor reports its findings to the shareholders by means of the auditor's report, which is presented to the Annual General Meeting. In addition, the auditor's report detailed findings at ordinary meetings of the Audit Committee and to the full Board as necessary.

KPMG provided certain additional services in 2021. These services mainly comprised tax compliance work, advice on accounting issues, and other assignments of a similar kind and closely related to the audit process. For more detailed information about the auditor's fees, please see note 30.

Pre-approval of policies and procedures for Non-audit related services

In order to ensure the auditor's independence, the Audit Committee has established pre-approval policies and procedures for non-audit related services to be performed by the external auditor. The policy was approved in November 2021 by the Audit Committee.

Executive Management

As at the end of 2021, the members of the Executive Management team were Chief Executive Officer, Chief Financial Officer and nine other members. Biographical information, including shareholdings as of 31 December 2021, for each member of the Executive Management team is provided on pages 67–69.

Chief Executive Officer

The CEO is responsible for the ongoing management of the Company in accordance with the instructions established by the Board.

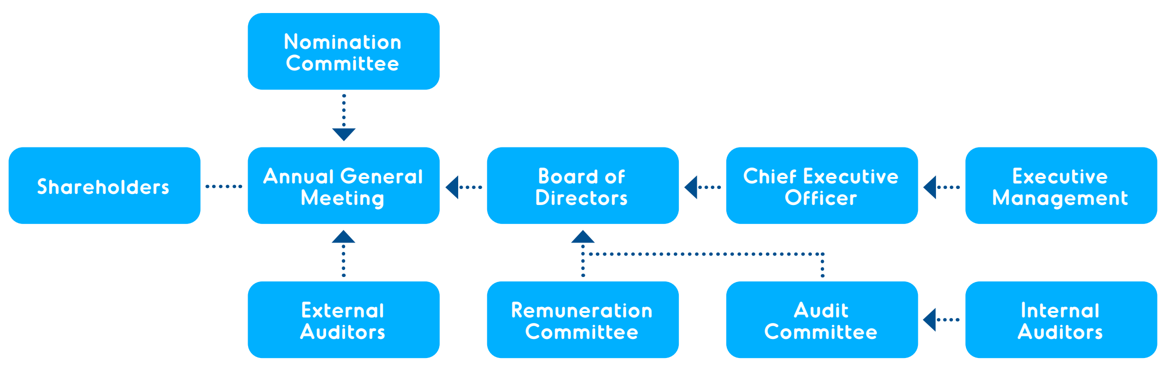
In consultation with the Chairperson of the Board, the CEO prepares the information and documentation required as the basis for the work of the Board and to enable Board members to make well-informed decisions. The CEO is supported by the Executive Management team.

The Board evaluates the performance of the CEO on a regular basis. The Board also holds a meeting once a year to evaluate the CEO's performance, without the attendance of the CEO or any other member of the executive management team. The CEO and the Executive Management team – supported by the various employee functions – are responsible for adherence to the Group's overall strategy, financial and business controls, financing, capital structure, risk management, mergers, divestments, and acquisitions. This includes the preparation of financial reports and information to, and communication with shareholders and capital markets participants. NENT Group has established a Steering Document Framework consisting of Codes of Conduct, Group policies and directives, which express the Group's values and commitment to conduct business in full compliance with laws and regulations, standards, and initiatives.

Executive remuneration

The existing guidelines for the remuneration of the Group Executive Management team, which were approved at the 2020 Annual General Meeting, can be found in note 7. Included in note 7 is also further information regarding the application of, and deviation from, the existing guidelines, as well as the remuneration paid during 2021. It is the Board and Remuneration Committee's intentions that the guidelines shall apply for four years from approval in 2020. Therefore no changes have been proposed for 2022.

Governance structure



Internal controls

The processes for the internal control, risk assessment, communication and monitoring of financial reporting are designed to ensure reliable overall financial reporting and external financial statements, in accordance with International Financial Reporting Standards, applicable laws and regulations and other requirements for companies listed on Nasdaq Stockholm. This process involves the Board, Executive Management, and other personnel.

Control environment

The Board has specified a set of instructions and working processes regarding the roles and responsibilities of the Chief Executive Officer and the Board committees. The Board also has a number of established guidelines and policies, which are important for its internal control activities. This includes the monitoring of performance against plans and prior years. The Audit Committee assists the Board in overseeing various issues, such as monitoring internal audits and establishing accounting policies for the Group.

The responsibility for maintaining an effective control environment and internal control over financial reporting is delegated to the Chief Executive Officer. Other Executive Managers at various levels have respective responsibilities. The Executive Management team regularly reports to the Board according to established routines and in addition to the Audit Committee's reports. Defined responsibilities, instructions, guidelines, manuals, and policies, as well as laws and regulations, together comprise the control environment. All employees are accountable for compliance with these policies and guidelines.

Risk assessment and control activities

The Company has developed a risk management framework defined to identify and quantify risks in all group functions, which are reviewed by the Board of Directors and the Audit Committee. More information about NENT Group's risk management process and the top risks can be found in the section Risk Management and Risks on page 60.

Corporate compliance

The corporate compliance function's responsibilities are to review, evaluate and raise awareness about corporate compliance issues within the organisation, in order to ensure that the company through its management and employees complies with the laws and regulations in the most significant risk areas, such as sanctions, anti-bribery and corruption. The Head of Corporate Compliance also manages NENT Group's Codes of Conduct and ensures implementation through e-learnings and targeted trainings. The Head of Corporate Compliance presents the progress made with the compliance programme to each audit committee meeting, and also reports on any incidents and ongoing investigations.

Information and communication

Guidelines used in the Company's financial reporting are updated and communicated to the employees concerned on an ongoing basis. There are both formal and informal communication channels to the Executive Management team and Board of Directors for information from employees identified as significant. Guidelines for external communication ensure that the Company applies the highest standards in providing accurate information to the capital markets and its broader stakeholders.

Follow-up

The Board of Directors regularly evaluates the information provided by the Executive Management and the Audit Committee. The Board receives regular updates about the Group's development between its meetings. The Group's financial position, strategies and investments are discussed at every Board meeting. The Audit Committee reviews the quarterly reports prior to publication and is also responsible for following up on internal control activities. This work includes ensuring that measures are taken to deal with any inaccuracy and following up suggestions for actions emerging from the internal and external audits.

The Company has an independent internal audit function responsible for the evaluation of risk management and internal control activities. This work includes scrutinising the application of established routines and guidelines. The internal audit function plans its work in cooperation with the Audit Committee and reports the result of its reviews to the Audit Committee. The external auditors report to the Audit Committee at ordinary meetings of the Committee.

Risks and risk management

Risks are a natural and integrated part of NENT Group's business. The purpose of risk management is to understand the risks we are facing and to decide how to best manage these.

NENT Group's strategy lays the foundation for setting short-term and long-term objectives. The risk management process is used for 1) identifying risks to the successful delivery of these objectives, 2) classifying the extent to which individual risks are acceptable or perhaps even desirable and 3) defining mitigation actions to ensure an optimum balance between risk and return. All risks identified are analysed to establish their financial and non-financial impacts, the likelihood of the occurrence, and cause. Unacceptable risks are thereafter addressed. The process is led by NENT Group's risk management function, but the responsibility of managing the risks lies with the operational business functions. Once the risks are assessed, they are consolidated, evaluated and their mitigations monitored at group level by the Group Executive Management team. The top risks are presented to the Audit Committee on a regular basis and to the Board of Directors at least twice per year.

NENT Group has divided its risks into four different categories, of which three regard the impact on NENT Group's financials whilst the fourth regards the impact on employees, society and the environment. On the following pages, the top risks within each category is described but not prioritised within the category. The development of the risk picture in 2021 is also presented, i.e. whether the likelihood or/and impact of each risk has increased, decreased or stayed unchanged during the year.

Risk categories

Market risks

Events that can have a direct impact on NENT Group's strategy and growth

- Competition for subscribers and content
- Content and sport rights' attractiveness
- Linear TV viewing
- Piracy
- Changes in regulation

Financial risks

Risks associated with financing, including financial transactions and tax.

- Currency movements
- Financing and refinancing
- Credit risk
- Interest rate changes
- Taxation levels

Operational risks

Risks that can have a significant impact on NENT Group's daily operations caused by inadequate processes, systems or external events

- Cyber attacks
- Competition for skilled employees
- Coronavirus pandemic
- Corporate compliance

Sustainability risks

Risks that NENT Group's activities have a negative impact on employees, society and the environment[1]

- Discrimination and harassment (human rights)
- Privacy (human rights)
- Work environment
- Protection of kids/ vulnerable groups

Risks with financial impact on NENT Group (Market, Financial and Operational risks)

Risks with impact on employees, society, and the environment (Sustainability risks)

Note: The invasion of Ukraine by Russia in February 2022 has created adverse geo-political, market and other potential risks that can impact NENT Group. NENT Group is monitoring the situation closely and will act to mitigate any risks as far as possible and as they arise.

1 The risk that NENT Group has a negative impact on the environment is not considered as one of the top sustainability risks and therefore not included in this list.

Market risks

Risk and description	Mitigation	Development during 2021
Competition for subscribers and content NENT Group competes for subscribers, content, viewers and listeners against local and international players, both in our current markets but also in the new markets we are entering. There is a risk NENT Group sees a higher and tougher competition in the next coming years.	• Comprehensive content offering with a unique mix of own productions (local and international), and top-class sport rights. • 70 Viaplay originals (scripted shows and documentaries) are set to premiere in 2022 (compared to 46 Viaplay Originals in 2021), which will also broaden our original slate across genres. • Secure long-term sport deals in order to avoid extending contracts in competitive markets. • Several multi-year agreements secured in 2021 with a wide range of Hollywood and independent studios. • Ensure superior user experience maintained and enhanced.	Increased Competition has intensified during 2021
Content and sports rights' attractiveness NENT Group's ability to generate sales from subscriptions and advertisement is dependent on the ability to develop, produce and procure high quality content attracting a large number of viewers. There is a risk that the procured content, originals or sports rights do not attract the expected number of viewers.	• Continue assessing and understanding subscriber and viewer trends. • Further diversification of the portfolio, with new sport rights, an increased number of Viaplay originals and new innovative partnerships • Key sport rights are secured for each relevant market in addition to an extensive portfolio, to avoid dependency on single rights.	Unchanged
Linear TV viewing NENT Group generates ad sales from TV in Sweden, Norway and Denmark. NENT Group has several partners which distribute its content. In the Nordics, TV viewership has seen a steady decline for the last few years, with an exception during 2020 due to the pandemic. If the decline continues at a higher pace than expected going forward, there is a risk that NENT Group's ad sales decrease. There is also a risk that third party distributors will have a lower willingness to pay for our content, channels and services.	• Continue to provide an attractive TV offering e.g., by placing selected attractive sports and local content on basic channels. • Continuously finding ways to increase ad revenue through digital advertising opportunities (e.g. PlutoTV).	Unchanged TV consumption decline continued again following the pandemic's initial positive effect on linear TV viewing. However, given the trend prior to 2020 this was expected.
Piracy Tech development, global growth of high-speed broadband and the fact that streaming content is divided between several distributors increases the risks of piracy. Partly because it is easier to copy and distribute content, partly because piracy sites often collect content from several streaming sites which increases the value of the piracy site. NENT Group's attractive content including premium sports rights combined with NENT Group's global growth also increase the value of NENT Group's content.	• Dedicated resources working with this risk on an ongoing basis to find new innovative ways to fight piracy. • Lobbying initiatives against piracy at EU and national level. • Partnership with Nordic Content Protection and other organisations fighting piracy.	Increased The threat of piracy has increased during 2021
Changes in regulation NENT Group's business is regulated in many different jurisdictions. The regimes that regulate NENT Group's business include both European Union and national laws and regulations related to audio-visual media services, telecommunications, competition (antitrust) and taxation. Changes in such laws and regulations, particularly in relation to advertising requirements, geo-blocking requirements, licensing requirements, access requirements, programming transmission and spectrum specifications, consumer protection, taxation, or other aspects of NENT Group's business, or those of any of its competitors, could have a materially adverse effect on NENT Group's business, financial condition, or operational results.	• Continue monitoring and being on top of regulatory development across NENT Group markets and lobby where possible. • Support from Public Affairs agency to assist with intelligence gathering and early warning on problematic legislative developments. • Regular meetings with key external stakeholders in ministries and regulators in all markets. • Participation in industry meetings to capture NENT Group's interest and ensure fair discussions are held. • Formation of coalitions in Brussels (EU VOD Coalition) and Sweden to exchange intelligence, draft industry responses and lobby.	Unchanged

Financial risks

Risk and description	Mitigation	Development during 2021
Currency movements Foreign exchange risk is the risk that fluctuations in exchange rates will adversely affect NENT Group's income statements, financial position and/or cash flows. Foreign exchange risk is divided into transaction exposure and translation exposure. Translation exposure arises from the conversion of NENT Group's subsidiaries and associated companies' earnings and balance sheets into the Swedish Krona reporting currency from other currencies. The transaction exposures in NENT Group occur when the subsidiaries have external and internal transactions such as import or export in currencies other than the subsidiary's functional currency. Since many of the subsidiaries' report in currencies other than Swedish Krona and transact in foreign currencies NENT Group is exposed to exchange rate fluctuations.	• Transaction exposure is hedged mainly for contracted programme acquisition outflows through forward exchange agreements based on a maximum of 36 months forward. • Translation exposure is not hedged.	Increased Transaction exposure will increase due to international expansion and investments in content for the Nordic markets
Financing and refinancing NENT Group is reliant on access to financing and is therefore exposed to risks associated with disruptions in the capital markets, which could make it more difficult and/or more expensive to obtain financing in the future. Potential events affecting this may include (i) the adoption of new regulations and laws, (ii) the stability of the financial markets or the financial services industry, (iii) and the perceived credit worthiness of NENT Group, all of which could result in a reduction in the amount of available credit or equity or increases in the cost of credit. The Group's existing cash balances and credit facilities are currently considered sufficient. Please see note 23 for further information.	• External borrowing is managed centrally in accordance with the Group's financial policies. • Loans are primarily taken up by the parent company and transferred to subsidiaries via cash pools, internal loans or capital injections. • Diversified funding sources and maturities • Refinancing of all loans are initiated 12 months prior to maturity • In February 2021, NENT Group raised approximately SEK 4.35 billion to finance the international expansion of Viaplay which has strengthen the Group's financial position.	Unchanged International expansion is fully funded, but funding of remaining business unchanged.
Credit risk Credit risk is defined as the risk that the counterparty in a transaction will not fulfil its contractual obligations and any collateral will not cover the claim of NENT Group. The credit risk in NENT Group consists of financial credit risk and customer credit risk.	• The credit risk with respect to NENT Group's trade receivables is diversified among a large number of customers, both private individuals and companies. • High credit ratings are required for all material credit sales and solvency information is obtained to reduce the risk of bad debt.	Unchanged
Interest rate changes Interest rate risk is the risk that changes in the market interest rates will adversely affect cash flow, financial assets and liabilities. NENT Group's sources of funding are primarily shareholders' equity, cash flows from operations and external borrowing. Interest-bearing debt exposes NENT Group to interest rate risk as a result of interest rate fluctuations in the financial markets.	• The largest part of the interest-bearing debt has variable interest rate. • The interest rate could be transformed to fixed with the use of Interest rate swaps.	Unchanged
Taxation levels NENT Group has operations in several countries, of which the majority is run through the use of subsidiaries. The business is conducted in accordance with NENT Group's understanding and interpretation of applicable tax laws, tax treaties, other tax regulations and requirements from relevant tax authorities and international bodies. Amended laws, agreements and other regulations may affect the tax position of NENT Group, as would any disagreement of the tax authorities with NENT Group's interpretation of existing tax rules.	• Close monitoring of developments in the tax segment in current markets as well as thorough assessment of tax regulations in new markets. • NENT Group analyses complex tax issues and new market tax regulations with the help of external consultants.	Unchanged

Operational risks

Risk and description	Mitigation	Development during 2021
Cyber attacks The cyber threat environment is becoming increasingly sophisticated, especially for companies with high digital presence like NENT Group. The attacks could for example be intrusion to access confidential or sensitive data or interrupting critical business processes for NENT Group. It is also reasonable to assume that Viaplay is facing increased risk exposure to cyber-attacks considering its expansion in new market territories, i.e., the more market penetration the higher the risk of Viaplay being targeted by malicious actors.	• Continued investments in cyber threat intelligence, security architecture, systems & tools, expertise and processes to identify, protect and respond to cyber threats. • Risk awareness training and proactive communication to all employees. • Participating in relevant forums to share ideas and contribute with information and experience.	Unchanged The number of sophisticated cyber attacks have increased during 2021. Robust IT security systems in place keep the risk on a steady level.
Competition for skilled employees Our people are our most important resource. The ability to attract and retain skilled people is prerequisite for our success and growth. The general digital transformation in society and the wave of tech adaptation during the Coronavirus pandemic has increased the demand for tech talents. As NENT Group is expanding we will need to recruit a high number of employees within the next coming years, both within tech and other specialist areas.	• Continuous improvements to ensure we provide a culture where people can develop and perform at their best. • Implementation of NENT Group's hybrid working model. • To broaden the talent search area, among others, NENT Group has developed tools that enable certain tech positions to work from anywhere in Sweden.	Increased Increased competition for tech talents and certain other specialist roles.
Coronavirus pandemic Live and high qualitative sport shows such as English Premier League, NHL, NFL, Formel 1, Bundesliga, Ice-hockey World Championship and FIS are critical for NENT Group's continued success. The spread of the Coronavirus had a big impact on sport events during 2020 and could have an impact also in the future. If the sport rights for some reason are cancelled it could have a significant impact on NENT.	• Continue to monitor the situation closely and constantly reviewing different scenarios for the ongoing development of the Coronavirus pandemic, its impact on the Group, and potential contingency plans and measures. This includes temporarily reducing prices for customers and implementing wide ranging cost saving programmes, similar actions as taken in 2020.	Decreased Vaccination programmes, good procedures in place and planning of events allowed all NENT Group's key sport events to go ahead in 2021.
Corporate Compliance Adherence to laws and regulations related to anti-bribery & corruption and sanctions is a key element of NENT Group's compliance programme. Breaching such rules could have significant negative impact in terms of loss of reputation, brand value, shareholder value, as well as the imposition of financial or criminal penalties.	• An effective compliance program in place including training for all employees as well as targeted training for functions with a higher risk exposure. • Mandatory signing of Code of Conduct and e-learning for all employees. • Active cross-functional collaboration with key functions to agree on improvement steps and ensure continued compliance. • Screening of business partners and third parties to identify potential risks.	Decreased Improved processes in place

Sustainability risks

Risk and description	Mitigation	Development during 2021
Discrimination and harassment (human rights) Discrimination regards unfair treatment of a person or group due to e.g. gender, sexual orientation, ethnicity, and age during hiring and employment practices. Harassment is defined as unwanted conduct that affects a person's dignity in the workplace or that creates an intimidating, hostile, degrading, humiliating or offensive work environment. NENT Group condemns all forms of discrimination and has zero tolerance for any form of harassment within NENT Group or the supply chain. For further information, see page 29, 32–33 and 38–41.	• Human rights are included in NENT Group's Code of Conduct, Human Rights Statement, and Sustainability Policy. • Employees are required to sign the Code of Conduct when joining NENT Group, and thereafter every other year, and complete the associated e-learning course. • Suppliers are required to sign the Supplier Code of Conduct. • Third party onsite audit programme established for review of sustainability issues including potential human rights in productions.	Decreased Improved processes in place
Privacy (human rights) NENT Group handles substantial volumes of personal data. Loss, alteration, or unauthorised disclosure of personal data due to either mishandling or cyber attacks violates the human right of privacy, protection of personal data and applicable data protection legislation. For further information, see page 41.	• Dedicated Data Privacy team in place working on supporting the business in the identification and mitigation of identified risk. • Data Protection Governance Framework established to prevent, detect and investigate data privacy issues. • Continued investments in cyber threat intelligence, security architecture, systems & tools, expertise and processes to identify, protect and respond to cyber threats.	Decreased Improved processes and framework in place
Work environment NENT Group defines unhealthy working environment as unrealistic workload, unprofessional or dishonest behaviour, negative communication, or unclear goals. This could lead to stress, mental illness, depression or disengagement. For further information, see page 34–36.	• In our everyday work we ensure to involve and emphasise NENT Group's values of Bravery, Equality, Appreciation and Trust. This helps us create a mutual understanding of how we want to behave in our work and with our colleagues. • Clear, sound and well-communicated work-life balance principles. • Implementation of NENT Group's hybrid working model. • Onsite audit programmes on productions which is thereafter followed up with corrective action plans.	Unchanged
Protection of kids/vulnerable groups Kids and vulnerable groups are active users of NENT Group's services and are vulnerable to inappropriate content. If NENT Group's services are not managed correctly, this can lead to physical or emotional harm. For further information, see page 46–47.	• Dedicated Content Compliance team that screens all content and applies scheduling restrictions to ensure children and vulnerable groups are protected from potentially harmful material. • Provision of on-screen warnings if a series or film contains potentially offensive, sexual or violent content. • Parents can set the Viaplay kids' section as a default, control access to other content via a pin code, and create dedicated kids' profiles that filter out unsuitable content.	Unchanged

Board of Directors

Pernille Erenbjerg

Elected Chair of the Board at AGM 2021 (member of the Board since 2020)
Danish, born 1967

Background: BSc and Master of Science from Copenhagen Business School. Deputy Chair of the Board of Directors of DFDS, member of the Board of Directors of the Royal Danish Theatre and Nordea. Senior positions at TDC including Group CEO and President from 2015 to 2018 and Group CFO from 2011 to 2015.

Other current board positions: Board member of RTL Group, Nordic Connectivity (Global Connect) AB, Deputy Chair of Genmab, and Millicom International Cellular.

Independent of the Company, management, and the major shareholders.
Ownership (including closely associated persons): 3,980 Class B shares.

Simon Duffy

Non-Executive Director since 2018, Chair of the Audit Committee
British, born 1949

Background: Master´s degree from the University of Oxford, MBA from Harvard Business School. Executive Chair of Tradus plc, Executive Vice-Chair of ntl:Telewest, CEO of ntl, CFO of Orange SA, CEO of End2End AS, CEO and Deputy Chair of WorldOnline International BV, and senior positions at EMI Group plc and Guinness plc. Chair of Bwinparty digital entertainment plc and Mblox Inc. Non-Executive Director of Millicom International Cellular SA and Avito AB.

Other current Board positions: Non-Executive Chair of YouView TV Ltd and Telit Communications Plc, Non-Executive Director of Wizz Air Holdings Plc and Modern Times Group MTG AB.

Independent of the Company, its management, and major shareholders.
Ownership (including closely associated persons): 1,750 Class B shares.

Natalie Tydeman

Non-Executive Director since 2018, Chair of Remuneration Committee
British, born 1971

Background: Graduate of the University of Oxford and Harvard Business School. Senior Investment Director at Kinnevik AB, Managing Partner of v | t Partners, and Senior Partner at GMT Communications Partners. Senior executive roles at Excite in Europe, Discovery Communications' European internet operations, Fox Kids Europe's Online & Interactive division, and Senior Vice President at Fremantle Media.

Other current board positions: Non-Executive Director of Modern Times Group MTG AB, Betterment, Jobandtalent, and Vay.

Independent of the Company, management, and the major shareholders.
Ownership (including closely associated persons: 562 Class B shares.

Kristina Schauman

Non-Executive Director since 2018, member of the Audit Committee
Swedish, born 1965

Background: Degree in Business Administration and Economics from Stockholm School of Economics. Partner and owner of advisory firm Calea AB, Board member of state-owned Apoteket AB from 2009 to 2018, acting CEO and CFO during 2010 and 2011. CFO of Carnegie Investment Bank AB from 2008 to 2009 and of OMX AB from 2004 to 2008. Various finance roles for Investor AB, ABB and Stora.

Other current board positions: Member of the Board of Coor Service Management Holding AB, BillerudKorsnäs AB, AFRY AB and BEWi ASA.

Independent of the Company, management, and the major shareholders.
Ownership (including closely associated persons): 3,000 Class B shares.

Anders Borg

Non-Executive Director since 2018, member of the Remuneration Committee and Audit Committee
Swedish, born 1968

Background: Economics, economic history, political science, and philosophy at the universities of Stockholm and Uppsala. Sweden's Minister of Finance from 2006 to 2014. Served on the boards of a number of companies in the telecommunication, fintech and public administration sectors. Previously worked for Citigroup, ABN AMRO, SEB, Tele2 and Millicom and has been an active member of the World Economic Forum for many years.

Other current board positions: Chair of Sehlhall Fastigheter AB's, Checkin.com and DanAds, member of the Board of Directors of Stena International and Rud Pedersen Group, Senior Advisor to East Capital, Amundi, Kinnevik and Nordic Capital.

Independent of the Company, management, and the major shareholders.

David Chance

Chair of the Board since 2018, member of the Remuneration Committee (resigned at AGM 2021)
American and British citizen, born 1957

Background: BA in Psychology, BSc in Industrial Relations, and MBA from the University of North Carolina. Deputy Managing Director of the BSkyB Group between 1993 and 1998. Non-Executive Director of ITV plc and O2 plc.

Other current board positions:
Chair of Modern Times Group MTG AB, non-Executive Director of PCCW Limited (Hong Kong) and Chair of its NOW TV media group

Independent of the Company, management, and the major shareholders.
Ownership (including closely associated persons): 3,565 Class B shares.

Andrew House

Non-Executive Director since 2021, member of the Audit Committee and Remuneration Committee
British citizen, born 1965

Background: BA Hons degree in English Language and Literature from Oxford University. Various senior roles at Sony Corporation from 1990 to 2017 including President and CEO of Sony Interactive Entertainment, President and CEO of Sony Computer Entertainment Europe, and Chief Marketing Officer for Sony Corporation. Also works with private equity investment in the interactive entertainment space.

Other current board positions: Independent Non-Executive Director of Nissan Motor Limited, and advisory Board member of the leading hospitality technology provider Intelity, Executive Mentor with the Exco Group (formerly Merryck & Co)

Independent of the Company, management, and the major shareholders.
Ownership (including closely associated persons): 0 Class B shares.

Board of Directors and attendance at Board and Committee meetings 2021

Board of Directors	Board meeting attendance[1]	Audit Committee attendance[2]	Remuneration Committee attendance[3]	Independent of major shareholders	Independent of company and its management
David Chance[4]	3/3	–	3/3	Yes	Yes
Natalie Tydeman	10/10	–	6/6	Yes	Yes
Simon Duffy	9/10	7/7	–	Yes	Yes
Kristina Schauman	10/10	7/7	–	Yes	Yes
Anders Borg	10/10	7/7	6/6	Yes	Yes
Pernille Erenbjerg[6]	10/10	4/4	1/1	Yes	Yes
Andrew House[5]	7/7	4/4	4/4	Yes	Yes

1 The total number of Board meetings during 2021 were ten (10), of which three (3) were held prior to the Annual General Meeting held on 19 May 2021 and seven (7) were held following the 2021 Annual General Meeting.

2 The total number of Audit Committee meetings during 2021 were seven (7), of which three (3) were held prior to the Annual General Meeting held on 19 May 2021 and four (4) were held following the 2021 Annual General Meeting.

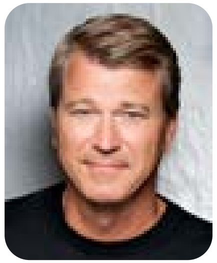
3 The total number of Remuneration Committee meetings during 2021 were six (6), of which two (2) were held prior to the Annual General Meeting held on 19 May 2021 and four (4) were held following the 2021 Annual General Meeting.

4 David Chance resigned as Chair of the Board of Directors at the 2021 Annual General Meeting and only attended meetings prior to that.

5 Andrew House was elected as new Director of the Board of Directors at the 2021 Annual General Meeting and only attended meetings following that.

6 Pernille Erebjerg resigned from the Audit Committee and the Remuneration Committee after being elected as Chair of the Board at the Annual General Meeting 2021, and only attended meetings prior to that.

Group Executive Management



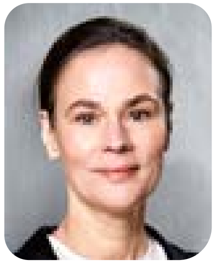
Anders Jensen

President & CEO, joined the Group in 2014
Swedish, born 1969

Background: President and CEO since March 2018. EVP & CEO of Nordic Entertainment at MTG. Senior EVP and CEO of the consumer division at TDC Group, CEO of Telenor Hungary, CEO of Grameenphone in Bangladesh, and Chief Marketing Officer of Vodafone/Telenor in Sweden.

Other current positions: Non-Executive director of Guardian Media Group, Board member of Los Angeles-based studio PictureStart and a member of the International Academy of Television Arts & Science.

Ownership (including closely associated persons):
52,168 Class B shares.



Åsa Regen Jansson

Acting Chief Financial Officer, joined the Group in 2002
Swedish, born 1970

Background: BSc in Business and Economics, Business Administration from Stockholms University. Acting CFO since 30 November 2021. VP Group Business Control & Commercial Finance of NENT Group and several leadership roles including SVP Head of Finance of NENT Group Sweden and Chief Financial Officer of MTG Sweden.

Ownership (including closely associated persons):
200 NENT Class B shares.

Sahar Kupersmidt

EVP & Chief People & Culture Officer, joined the Group in 2009
Swedish, born 1977

Background: Studied at Linnéuniversitetet. EVP and Chief People & Culture Officer since 2019. Previous leadership positions including SVP and Head of Nordic DTH TV. Member of Viasat Sweden's leadership team from 2012 to 2018 and MTG Sweden's leadership team from 2015 to 2018. Sponsor of NENT Group's Challengers talent program, named Female Role Model of the Year at Sweden's 2018 Telekomgala industry awards.

Ownership (including closely associated persons):
2,578 Class B shares.

Kim Poder

EVP & Chief Commercial Officer, joined the Group in 1999
Danish, born 1968

Background: Master´s degree in Economics and Business Administration from Copenhagen Business School. EVP and Chief Commercial Officer since 2019. EVP, Group Chief Commercial Officer and CEO of NENT Group Denmark, CEO of Viasat Denmark and Finland, CEO of TV3 Denmark, and CEO of MTG Denmark. Media Director at Omnicom Media Direction and a Media Analyst at Gallup.

Ownership (including closely associated persons):
12,136 Class B shares.

Filippa Wallestam

EVP & Chief Content Officer, joined the Group in 2014
Swedish, born 1983

Background: MSc in Economics and Business Administration from Stockholm School of Economics. EVP and Chief Content Officer since 2019. EVP and CEO of NENT Group Sweden, and Head of Strategy for free-TV and radio in Sweden, Norway, and Denmark. Previously worked at Boston Consulting Group in London and New York, and at Daily Mail General Trust.

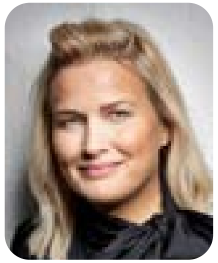
Ownership (including closely associated persons):
7,026 Class B shares.

Peter Nørrelund

EVP & Chief Sports Officer, joined the Group in 2003
Danish, born 1971

Background: Graduate of the Danish School of Media & Journalism, EVP and Chief Sports Officer since 2020. Advisor to NENT Group's President and CEO on sports rights, EVP and Head of Product Development & Incubation at MTG, Head of Sports from 2013, and responsible for sports rights acquisitions since 2006. While at MTG, Peter was CEO of DreamHack Sports Games, and COO of Turtle Entertainment. Worked as a reporter, commentator, host and Editor in Chief at Danmarks Radio.

Ownership (including closely associated persons):
6,155 NENT Class B shares.



Mia Suazo Eriksson

EVP & Chief Marketing Officer, joined the Group in 2015
Swedish, born 1977

Background: International Marketing at Pace University. EVP and Chief Marketing Officer since 2019. VP of Marketing & Communications at NENT Group Sweden. Spent 14 years in New York in a range of marketing, production and creative roles at VIACOM.

Ownership (including closely associated persons):
1,000 Class B shares.

Matthew Hooper

EVP & Chief Corporate Affairs Officer, joined the Group in 2011
British, born 1970

Background: Master's degree from the University of Oxford. EVP and Chief Corporate Affairs Officer since 2019. EVP and Group Head of Corporate Affairs and CEO of NENT Group UK, EVP and Head of Corporate Communications at MTG. Co-founder and Managing Partner of Shared Value Limited, Board Director of Shandwick Consultants Limited.

Ownership (including closely associated persons):
20,467 Class B shares.

My Perrone

SVP, Group General Counsel & Company Secretary, joined the Group in 2011
Swedish, born 1977

Background: Master of Law from Lund University and specialisation in Intellectual Property from Malmö University. Appointed SVP, Group General Counsel & Company Secretary in 2020. Previously acting General Counsel and Board Secretary NENT Group. Attorney at law firms such as Magnusson and Setterwalls, and inhouse legal counsel at V&S Group.

Ownership (including closely associated persons):
520 NENT Class B shares.

Roberta Alenius

SVP, Head of Corporate Communications, joined the Group in 2020
Swedish, born 1978

Background: Appointed SVP and Head of Corporate Communications in 2020. Head of Communications Sweden at Telia, various communications positions for Sweden's Prime Minister in 2006–2014, including Head of Press and Spokeswoman for the Swedish Government. Head of External Communications for Nordea Group.

Ownership (including closely associated persons):
2,509 NENT Class B shares.

All shareholdings reported as per 31 December 2021.

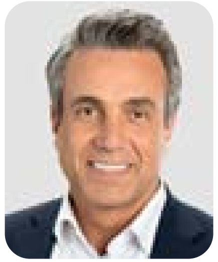
Kaj af Kleen

EVP & Chief Technology & Product Officer, joined the Group as a Management Trainee in 2007
Swedish, born 1982

Background: Master's degree in industrial engineering from Luleå University of Technology and an MBA from the University of Oxford. EVP and Chief Technology & Product Officer since 2019. SVP and Group Chief Technology & Product Officer and CTO of Viaplay.

Other current positions: Board member of the online music creation service Soundation and advisor to the professional talent network Goodwall.

Ownership (including closely associated persons):
5,209 Class B shares.



Gabriel Catrina

EVP & Chief Financial Officer and Head of Strategy & M&A until he sadly passed away in December 2021 after a short period of illness. Joined the Group in 2013
Argentinian citizen, born 1974

Background: MBA from Stockholm School of Economics and an MSc in Business Administration from UCC in Argentina. Joined MTG in 2013 and served as Chief Strategy Officer. Previous roles include Head of Booz & Company's Media, Communications and Technology Practice in the Nordic region; CFO and COO of Educ.ar; and VP of Business Development (Europe & Latin America) for TCS.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Nordic Entertainment Group AB, corporate identity number 559124-6847

Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance statement for 2021 on pages 53–69 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 'The auditor's examination of the corporate governance statement'. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6, section 6, the second paragraph points 2–6 of the Annual Accounts Act and chapter 7, section 31, the second paragraph of the same law are consistent with the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 4 April 2022
KPMG AB

Tomas Gerhardsson
Authorised Public Accountant

Remuneration report

Remuneration report

Introduction

This remuneration report[1] provides an outline of how NENT's Remuneration Guidelines for executive remuneration (the "guidelines"), adopted by the 2020 Annual General Meeting (the "AGM"), have been implemented in 2021. The report also provides details of the President & CEO's remuneration in the year and a summary of the Group's outstanding share programs.

Key developments 2021

2021 can be summarised as a year of acceleration and recovery. Following the announcement of the Viaplay expansion plan in late 2020 and the 3m subscriber target being met, this year started with a successful equity issue to raise SEK 4.35 billion to fund the next phase of high growth and high investment.

Impact on remuneration: The President & CEO's base salary was adjusted with 12% effective January 2021. The adjustment is part of a two-year plan to bring the total remuneration package closer to European levels. To better align remuneration with the new strategy and transformation of NENT Group, the Remuneration Committee and Board proposed a new long-term incentive plan to shareholders at the 2021 AGM. The adopted plan, "LTIP 2021", has ambitious three-year targets focused on the growth in Total Shareholder Return ("TSR") and in the number of Viaplay subscribers. The plan and performance targets are outlined in more detail in the section "Share-based remuneration".

NENT Group has made substantial progress towards the 2025 targets in 2021. The Viaplay streaming service was successfully launched in Estonia, Latvia, Lithuania, Poland and the US while preparing to enter another six markets by the end of 2023. The year closed with a 33% growth in the number of Viaplay subscribers, exceeding four million, beating Nordic and international targets. This resulted in Group net sales of SEK 12,661 million and an organic growth of 16.7%.

Impact on remuneration: The 2021 short-term incentive (STI) targets for the President & CEO focused on growth in sales, operating income and Viaplay subscribers (80% weight). The remaining targets (20%) focused on increasing employee engagement and meeting key strategic objectives and milestones linked to the expansion. The 2021 STI targets were met in full, as outlined in the section "Application of performance criteria 2021".

In its annual review of remuneration arrangements, the Remuneration Committee concluded that the 2021 LTIP design and grant levels remain appropriate and that a comparable plan, "LTIP 2022", should be proposed by the Board at the 2022 AGM. Furthermore, the Board implemented a cash-based growth focused incentive plan for 2022 with a potential pay-out in 2023. The plan addresses the gap and retention risks resulting from not proposing a long-term incentive plan in 2020, due to the Coronavirus pandemic, and ensures that NENT Group is well positioned to deliver on the expansion strategy. The plan covers key employees (including the President & CEO) with maximum total cost of SEK 85 million including social security contributions. Full details of the plan will be published in the 2022 Remuneration Report.

Information on shareholder vote

The 2020 Remuneration Report was approved with >99% shareholder support. NENT Group maintains an ongoing dialogue with shareholders and investors and welcomes feedback on remuneration arrangements and disclosure throughout the year.

Total remuneration of directors

NENT Group's remuneration policy is designed to i) drive and reward sustainable company and individual performance, ii) be market competitive to attract and retain best-in-class talent, and iii) to incentivise the creation of long-term shareholder value in a rapidly changing industry. Total remuneration shall be on market terms and may include base salary, pension, benefits and performance-linked elements in the form of short-term ("STI") and long-term incentive ("LTI") plans. The guidelines, adopted by the 2020 AGM, can be found in note 7 of the 2021 annual report. The auditor's report stating whether the guidelines have been complied with is available on the company's website no later than three weeks before the 2022 AGM.

In addition to the remuneration elements covered by the guidelines, NENT Group has two outstanding long-term share-based incentive plans ("LTIP 2019" and "LTIP 2021") and the AGM anually resolves on remuneration to the Board which is not covered by this report. Such remuneration is disclosed in note 7 of the annual report 2021.

1 The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Remuneration Rules (dated December 1 2020) issued by the Swedish Corporate Governance Board. Information required by Chapter 5, Sections 40–44 of the Annual Accounts Act (1995:1554) is available in note 7 on pages 98–103 in the company's annual report for 2021 (the "annual report 2021"). Information on the work of the remuneration committee in 2021 is set out in the corporate governance report, which is available on pages 55–72 in the annual report 2021.

Total remuneration of the CEO (in SEK)

The table below sets out the total remuneration earned by the President & CEO in 2021. Disbursement of any payments may or may not have been made the same year.

		Fixed remuneration		Variable remuneration					
Name of director, position	Financial year	Base salary	Other benefits[1]	One-year variable[2]	Multi-year variable	Extraordinary items	Pension expense[3]	Total remuneration	Proportion of fixed and variable[4]
Anders Jensen, President & CEO	2021	8,960,000	55,200	8,960,000	–	–	480,486	18,455,686	51/49

1 Other benefits include car allowance.
2 One-year variable remuneration for 2021 refers to the payout under the 2021 NENT STI plan due to be paid in Q1 2022.
3 Pension expense is in the form of a defined contribution plan based on a percentage of base salary.
4 Base salary, benefits and pension expense are considered fixed remuneration for the purpose of this calculation.

Share-based remuneration

Outstanding share-based programs

NENT Group has two outstanding long-term incentive plans: LTIP 2019 and LTIP 2021 which were approved by shareholders at the 2019 and 2021 AGMs respectively. These plans are directed to the President & CEO, other members of Group Executive Management (GEM), senior executives and key employees within the Group. Within the scope of these plans, participants were granted performance share awards free of charge, which after a three-year vesting period entitle them to NENT shares.

Vesting of performance share awards under LTIP 2019 was conditional upon the achievement of two equally weighted performance targets: (i) organic sales growth, and (ii) operating income for the 2019 financial year. In addition, vesting is subject to continued employment throughout the vesting period, with certain customary exceptions. The 2019 performance targets were achieved in full, as disclosed in the 2019 Annual Report, and the performance share awards are due to vest in Q2 2022.

Vesting of performance share awards under LTIP 2021 is conditional upon the achievement of two performance targets: (i) Total Shareholder Return ("TSR") with 70% weight, and (ii) Viaplay subscribers with 30% weight. Threshold and maximum target levels have been established by the Board at grant and disclosed to shareholders. If the minimum threshold level is achieved, 25% of the Performance Share Awards will vest. If the maximum level is achieved, 100% of the Performance Share Awards will vest. The TSR threshold target level is 19% and the maximum target level is 64%, measured over a three-year period from the 2021 AGM to the 2024 AGM. For Viaplay subscribers, the threshold target level is 6.0 million and the maximum target level is 7.0 million, measured over a three-year period from 2021 to 2024. Vesting of shares in 2024 is subject to continued employment throughout the vesting period, with certain customary exceptions.

To further incentivise the creation of long-term shareholder value, the CEO and members of GEM are required to build and maintain a significant shareholding in NENT Group. The CEO is required to hold shares worth a minimum of 150% of net salary. The value of the CEO's current share ownership is above that threshold at c. 450% of net salary. based on the share price as of 30 December 2021.

Remuneration of the President & CEO in shares

The table outlines the details of the LTIP 2019 and LTIP 2021 performance share awards granted to the President & CEO.

	The main conditions					Information regarding the reported year					
						Opening balance	During the year		Closing balance		
Name of director, position	Plan	Performance period[1)]	Grant date	Vesting date[2)]	End of retention period[3)]	Shares held at the beginning of the year[3)]	Shares granted	Shares vested	Shares subject to a performance condition[4)]	Shares granted and unvested at year end	Shares subject to a retention period
Anders Jensen, President & CEO	LTIP 2021	2021–2024	2021-05-19	Q2 2024	–	–	39,215	–	39,215	39,215	–
	LTIP 2019	2019	2019-05-19	Q2 2022	–	42,700	–	–	42,700	42,700	–
Total						**42,700**	**39,215**		**81,915**	**81,915**	

1 The performance targets are measured over a three-year performance period in LTIP 2021 and measured over a one-year performance period in LTIP 2019.
2 The awards under LTIP 2021 vest after the 2024 AGM and the awards under LTIP 2019 vest post publication of NENT's interim report for the first quarter in 2022.
3 The shares are not delivered to the President & CEO until the date of vesting and there is no requirement to retain the shares post vesting.
4 The applicable performance conditions for LTIP 2019 were confirmed fulfilled in Q1 2020 and are reported in the 2019 Annual Report.

Application of performance criteria 2021

Short term incentive plan ("STI")

The performance measures for the STI plan are reviewed and selected annually to incentivise and reward the achievement of annual financial and, when appropriate, non-financial performance measures clearly linked to the strategic priorities and sustainable development of the Group. In the selection of performance measures for 2021, key objectives in the five-year expansion strategy and short-term and long-term business priorities for 2021 have been considered. The non-financial performance measures further contribute to alignment with company values.

Performance of the President & CEO in the reported financial year: Variable cash remuneration

Set out in the table below is a description of how the criteria for payment of short-term compensation "STI" have been applied during the 2021 financial year.

Name of director, position	Description of the criteria related to the perfomance component	Relative weighting of the performance criteria	Performance Targets[1] Threshold	Performance Targets[1] Maximum	Measured performance and outcome[1] One-year variable
Anders Jensen, President & CEO	Group Net Sales continuing operations	20%	11,443	12,714	12,720 MSEK 1,792 KSEK
	Operating Income before IAC and associated income	30%	590	656	669 MSEK 2,688 KSEK
	Viaplay paying subscribers closing balance end year ('000)	30%	3,308	3,675	4.005 M 2,688 KSEK
	Improve NENT Group's Engagement Index (EI) score and improve the Engaged Quadrant ("EQ") result in the EI matrix[2]	10%	N/A	EI: 82% EQ: 35%	896 KSEK
	Strategy execution target: Continued implementation of four key strategic objectives and milestones	10%	N/A	N/A	896 KSEK

1 The performance targets and the outcome for Sales & Income were adjusted by the Board in accordance with the pre-approved adjustment framework. Adjustments were made for significant exchange rate fluctuations outside budgeted levels and additional approved investments in the international expansion.
2 The targets were set above the EI external benchmark level at 79% and the EQ external benchmark level at 29%.

The 2021 STI targets for the President & CEO included both financial and non-financial targets, in line with the Remuneration Guidelines.

NENT Group Long-term incentive ("LTI")

The performance and vesting period for the 2021 LTIP is from the 2021 AGM until the 2024 AGM. As such, no long-term incentive award was earned during the year.

Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

The Remuneration Committee and Board have concluded that there were no derogations or deviations from the 2020 guidelines in 2021.

Comparative information on the change of remuneration and company performance (SEK million)

	2020	2021
President & CEO remuneration	12	18
Group Operating Income[1]	1,077	647
Average remuneration employees NENT Group[2]	0.9	1.0
Average remuneration employees of parent company[3]	1.5	1.5

1 Unadjusted outcome. Results between 2020 and 2021 are not directly comparable year-over-year given the deconsolidation of Viasat Consumer Business and the increased investments into the international expansion.
2 Included as considered a better reference group of employees than the parent company.
3 The number of parent company employees is limited and have been reduced further this year resulting in a decrease in average remuneration.

Administration report

Administration report

The Board of Directors and President and CEO of Nordic Entertainment Group AB (publ), corporate registration number 559124-6847 and registered office in Stockholm Sweden, hereby submit the annual accounts and consolidated accounts for 2021.

Operations and market

NENT Group operates video streaming services in Sweden, Denmark, Norway, Finland, Iceland, Estonia, Latvia, Lithuania, Poland, and the US; pay-TV channels in all Nordic countries except Iceland; commercial free-TV channels in Sweden, Denmark, and Norway; and commercial radio networks and audio streaming services in Sweden and Norway.

The Group will launch its Viaplay streaming service in an additional six markets by the end of 2023. Viaplay will launch in Netherlands in the first quarter 2022 and in the UK during the second half of 2022 and then in Canada, Germany, Austria, and Switzerland during 2023. Viaplay will then be present in a total of 16 countries.

During the year NENT reorganised and rebranded its studios operations, previously known as NENT Studios, as Viaplay Studios. Viaplay Studios focus primarily on delivering original content for NENT Group's Viaplay streaming service.

Viaplay Studios comprises NENT Group's Swedish production companies which produce original and animated content exclusively for Viaplay. The Group also have a Central & Eastern European-focused production company, Paprika Studios, headquartered in Budapest and with a presence in ten markets. Viaplay Studios also manage NENT Group's UK-based joint venture with FilmNation Entertainment and investment in Los Angeles-based studio Picturestart.

Together with Telenor Group, NENT Group owns Allente. Allente is a satellite pay-TV and broadband operator offering content from multiple providers. NENT Group holds a 50% share of the company.

NENT Group primarily generates its revenues from the sale of subscriptions and advertising. Subscriptions to the Group's streaming services are sold directly to consumers or made available by third-party distributors in return for fees or revenue shares. The Group also generates subscription revenues from the sales of its TV channels through third-party network operators in the form of revenue shares or carriage fees. Advertising revenues are generated by the selling of advertising time on the Group's TV and radio channels and streaming services.

The majority of NENT Group's broadcasting and streaming licences were held in the UK until the end of 2020. The Group moved all of its UK registrations for its streaming platforms and UK broadcast licences for its TV channels to Sweden from 1 January 2021.

The Group's average number of employees was 1,328 (1,379) in continuing operations. Total number of employees as per December 31 (as defined in the Sustainability report) amounted to 1,453 (1,708 including discontinued operations).

Significant events during the year

- **12 January** Nomination Committee proposes new Chair of the Board
- **19 January** Appointments to Group Executive Management team
- **11 February** NENT Group carries out directed new share issue and raises SEK 4.35bn
- **6 April** Sale of Splay One
- **19 May** NENT Group's 2021 Annual General Meeting
- **11 June** NENT Group sells NENT Studios UK to All3Media
- **22 September** Capital Market Day – announcement of intent to launch Viaplay in five new markets and targets 12 million subscribers by end of 2025
- **30 September** Sale of 12 production labels to Fremantle
- **30 November** NENT Group appoints acting CFO

Significant events after the reporting period

Significant events after the reporting period are described in note 32.

Financial performance 2021

2021 – the first year of the Group's five-year strategic expansion period

2021 was a year in which the Group made substantial progress towards its 2025 targets, further raised these targets, and continued to recover from the initial impact of the Coronavirus pandemic.

The Group has doubled the number of markets that Viaplay is available in after launching Viaplay in Estonia, Latvia, Lithuania, Poland and the US during the year.

NENT Group delivered total organic sales growth of 17%, with Group operating profits before associated company income and items affecting comparability of SEK 607m (978). The number of Viaplay subscribers, which is the Group's single most important key performance indicator, was up 33%.

Net sales and sales by category

Organic net sales were up 16.7% when excluding the contribution of the deconsolidated Viasat Consumer business and changes in exchange rates, which reflected the growth in Viaplay, wholesale subscription and advertising businesses. Reported sales grow by 5.5% and amounted to SEK 12,661m (12,003).

(SEKm)	2021	2020	Change %
Viaplay	4,386	3,625	21.0%
Other subscription[1]	4,195	4,657	–9.9%
Advertising	3,777	3,433	10.0%
Studios & other	304	289	5.3%
Total	**12,661**	**12,003**	**5.5%**

1 The Viasat Consumer business was deconsolidated from 1 May 2020 and contributed total sales of SEK 961m 2020.

Financial overview

(SEKm)	2021	2020
Continuing operations		
Net sales	**12,661**	**12,003**
Organic growth	16.7%	0.1%
Operating income before ACI and IAC	607	978
Associated company income (ACI)	40	100
Operating income before IAC	647	1,077
Items affecting comparability (IAC)[1]	–74	2,109
Operating income	**573**	**3,186**
Net income, continuing operations	365	2,869
Net income, discontinued operations[2]	–40	–643
Net income, total operations	**325**	**2,226**
Basic earnings per share (SEK)	4.23	33.06
Adjusted net income from continuing operations[3]	864	957
Adjusted earnings per share from continuing operations (SEK)[3]	11.26	14.21

1 Including the impact of the divestment of the NENT Studios UK content distribution business in Q2 2021, impairment charges related to the studios assets and the result of the combination of the Viasat Consumer and Canal Digital businesses to form Allente in Q2 2020. The Viasat Consumer business was deconsolidated from 1 May 2020 and contributed sales of SEK 961m and operating income of SEK 129m in 2020.
2 Discontinued operations comprised NENT Group's non-scripted, branded entertainment and events businesses. Splay One was divested in April 2021 and the sale of the remaining businesses was completed in September 2021. This annual report refers to NENT Group's continuing operations unless otherwise indicated.
3 Adjusted net income and earnings per share from continuing operations exclude items affecting comparability and the amortisation of acquisition-related intangibles by NENT Group and Allente (see page 142 for reconciliaiton of adjusted net income from continuing operations and adjusted earnings per share from continuing operations).

Viaplay was the largest revenue contributor during the year and accounted for 35% (30) of Group revenues. Viaplay sales were up 22% on an organic basis and 21% on a reported basis. The total subscriber base grew by 33% to 4,005k (3,020). Viaplay added 985k (748) paying subscribers. The Nordic subscriber base grew by 15% YoY to end the year at 3,458k and meet the full year target of adding at least 400k net new subscribers, while the Viaplay Nordic revenue growth also reflected the price-adjustments introduced earlier in the year. Viaplay was launched in the Baltics in March, Poland during August, and the US in December. The international Viaplay subscriber growth to 547k exceeded the year-end target of 500k and reflected the continued strong growth in Poland in particular. International revenues were limited given the introductory offers during the year and relatively early stage of development.

Other subscription sales accounted for 33% (39) of Group sales. Sales were up 15% on an underlying organic basis when excluding changes in exchange rates and the 2020 revenue from the deconsolidated Viasat Consumer business. The underlying growth reflected the increase in wholesale subscription sales from Allente in particular as well as extended distribution agreements and higher prices to reflect the enhanced content offerings. Sales were down 10% on a reported basis.

Advertising sales accounted for 30% (29) of Group sales. Sales were up 10% on a reported basis and 10% on an organic basis which reflected the recovery from the impact of the Coronavirus pandemic. NENT Group's TV audience shares in Sweden and Denmark were down and up in Norway. NENT Group's Swedish radio audience share declined while the Norwegian share grow.

Studios and other sales accounted for 2% (2) of total sales and improved 5% on a reported basis. On an organic basis sales increased 51% as the recovery from the pandemic continued with higher demand and production levels for the continuing studios businesses throughout the year. These businesses are now primarily focused on the production of content for Viaplay. The 2020 sales included the contribution from the NENT Studios UK business that was sold and deconsolidated in Q2 2021.

Operating income

Operating expenses before items affecting comparability were up 8% to SEK 12,124m (11,177). Operating expenditure was up 17% on an underlying basis when excluding the costs for the deconsolidated Viasat Consumer business in 2020. The operating expenses included the costs for the international expansion of Viaplay, as well as investments in new sports rights and additional Originals in the Nordic region.

Operating income before ACI and IAC amounted to SEK 607m (978) and included the SEK –505m impact of the international expansion of Viaplay. The 2020 result included SEK 129m contribution from the now deconsolidated Viasat Consumer business. Operating income before IAC was SEK 647m (1,077) and included SEK 40m (100) of associated company income, which primarily comprised the Group's 50% share in the earnings of Allente. Operating income amounted to SEK 573m (3,186).

Items affecting comparability (IAC) was SEK –74m (2,109) and comprised the impact from the divestment of the NENT Studios UK content distribution business in June 2021 and impairment of studio assets. The 2020 IAC comprised a non-cash capital gain of SEK 2,383m arising from the merger of the Viasat Consumer and Canal Digital businesses and the difference between the carrying value of the Viasat Consumer business and the fair value of the business in the transaction. In addition, the 2020 IAC included a non-cash impairment charge relating to the NENT Studios UK business amounting to SEK –268m.

Net financials and net income

Net interest and other financial items totalled SEK –97m (–100). Net interest amounted to SEK –62m (–70), of which SEK –12m (–13) related to the interest on net lease liabilities.

Other financial items amounted to SEK –35m (–30) and mainly comprised financing arrangement fees and the impact of currency exchange rates on the revaluation of financial items.

Tax charges for the period amounted to SEK –111m (–218) and net income from continuing operations totalled SEK 365m (2,869).

Net income from discontinued operations amounted to SEK –40m (–643) and comprised the income from the Studios operations that were divested during the year. Net income in 2020 included a non-cash impairment charge of SEK –620m taken in the now divested studios businesses. Total net income for the Group amounted to SEK 325m (2,226), with total basic earnings per share of SEK 4.23 (33.06). Adjusted net income and earnings per share from continuing operations amounted to SEK 864m (957) and SEK 11.26 (14.21), respectively (please see page 139–141 for details and definitions of Alternative performance measures).

Cash flow

Cash flow from operating activities

Cash flow from operating activities, including discontinued operations, amounted to SEK 1,294m (2,200) and included the receipt of SEK 500m (1,200) dividend from Allente. Changes in working capital amounted to SEK –817m (–674) and the increased outflow compared with last year mainly reflected the increased investments into the international expansion and continued investments in Originals and Sports rights.

The operating cash flow for the year amounted to SEK 477m (1,526).

Cash flow from investing activities

Total cash flow related to investing activities amounted to SEK 243m (–367). Capital expenditure on tangible and intangible assets totalled SEK –216m (–147). The divestment of the studio operations generated a net cash flow impact of SEK 443m. Other investing activities amounted to SEK 16m (2).

Cash flow from financing activities

Cash flow from financing activities amounted to SEK 2,910m (–301) and mainly reflected the SEK 4,292m net proceeds of the new share issue, and SEK –1,260m (–220) net change in Group borrowings.

The net change in cash and cash equivalents amounted to SEK 3,630m (858) and included discontinued operations.

Financial position

The Group had net cash of SEK 2,059m at the end of the period, compared to net debt (including discontinued operations) of SEK 3,026m at the end of 2020. The Group's financial net cash amounted to SEK 2,422m at the end of the period, compared to financial net debt of SEK 2,520m at the end of 2020. This included cash of SEK 5,702m (2,036). The net of lease liabilities and sublease receivables amounted to SEK 364m (505).

Parent company

Nordic Entertainment Group AB (publ.) is the Group's parent company and is responsible for Group-wide management, administration, and financing.

The Parent company reported net sales of SEK 86m (55) in 2021. Net interest and other financial items totalled SEK 58m (77). Income before tax and appropriations amounted to SEK –83m (–64). Income after tax and appropriations amounted to SEK 103m (255).

The parent company had cash and cash equivalents of SEK 5,590m (1,939) at the end of the period.

Share and share capital

Nordic Entertainment Group AB issued 10,600,000 new Class B shares in February 2021, raising gross proceeds of approximately SEK 4,346m, before transaction costs, to finance the international expansion of Viaplay and enhance the Group's future financial flexibility. This resulted in a 15.6% increase in the total number of issued and outstanding shares from 67,842,244 to 78,442,244. The share capital increased by SEK 21,200,000 from SEK 135,684,488 to SEK 156,884,488. NENT Group shares comprised 532,572 class A shares (532,572), 77,439,153 class B shares (66,839,153) and 470,519 class C shares (470,519). The total number of shares outstanding at the end of the period was 77,970,071 (67,347,526) when excluding the 1,654 Class B (24,199) and 470,519 Class C shares (470,519) that were held as treasury shares. For more information, see "The NENT Group share" on page 49–52 and note 19 Shareholders' equity.

Dividend and proposed appropriation of earnings

The following funds are available for distribution by the Annual General Meeting:

SEK thousands	2021
Share premium reserve	4,281,596
Retained earnings	2,062,337
Net income for the year	103,319
Total	**6,447,251**

The Board of Directors proposes to the Annual General Meeting of shareholders that no annual cash divided be paid for 2021 and that the Group's earnings for the period ended 31 December 2021 be carried forward into the 2022 accounts.

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

SEK thousands	2021
Carried forward	6,447,251
Total	**6,447,251**

Corporate governance and sustainability report

In accordance with the Swedish Annual Accounts Act Ch. 6 § 8 and 11, NENT Group has chosen to present the statutory corporate governance report and sustainability report separately. The corporate governance report is provided on page 53–69, and the sustainability report (including the statutory sustainability report) is provided on page 9–13, 24–48, 54, 60–61, 63–64 and 142–168.

2025 targets

NENT Group does not provide formal regular financial performance targets or guidance, but did provide a series of updated operational and financial targets at its Capital Markets Day on 22 September 2021:

1. Compound organic sales growth for the Group's total operations of approximately 18–20% between 2020 and 2025 (based on 2020 Group revenues excluding the contribution from the subsequently deconsolidated Viasat Consumer business).
2. Compound organic sales growth for the Group's Nordic operations of approximately 13–15% between 2020 and 2025 (based on 2020 Group revenues excluding the contribution from the subsequently deconsolidated Viasat Consumer business).
3. Compound organic sales growth for the Group's Viaplay Nordic operations of approximately 23–25% between 2020 and 2025.
4. Growth of the Viaplay Nordic paying subscriber base to approximately 6 million by the end of 2025, and growth of the Viaplay international paying subscriber base to approximately 6 million by the end of 2025.
5. An operating income (EBIT) margin before ACI and IAC for the Group's Nordic operations of approximately 15% for the full year 2025 and a long-term margin of approximately 20%.
6. A positive operating income (EBIT) result for the Group's Viaplay International operations for the full year 2025, with a margin of approximately 15% in 2026 and a long-term margin of approximately 25%.
7. A balance sheet leverage ratio of less than 2.5x net debt to trailing twelve month adjusted EBITDA, although NENT Group's leverage may exceed these levels temporarily from time to time.

Significant risks and uncertainties

Significant risks and uncertainties exist for the Group and the parent company. These factors include the prevailing economic and business environments in each of the Group's markets; commercial risks related to expansion into new territories; political and legislative risks related to changes in rules and regulations in the various territories in which the Group operates; exposure to foreign exchange rate movements; changes in the ability to access capital markets; and the emergence of new technologies and competitors. The increasing shift towards online entertainment consumption also makes the Group a potential target for cyber-attacks, intrusions, disruptions or denials of service. NENT Group's risks are described in more detail in "Risk and risk management" on pages 60–64, together with the risk management process. NENT Group's financial risks are also described in note 23 Financial risk and financial risk management.

The Coronavirus pandemic continues to constitute a risk for NENT Group's people and operations, with vaccination programmes gradually enabling a return to office working as part of hybrid and flexible new working arrangements. A groupwide non-essential travel limitations remains in place as the Group continues to follow the guidance of governments and international health organisations. The Group's remote access, cloud computing and video conferencing facilities have all continued to work well and enable high levels of motivation and productivity. During the year the Group has not received any Covid-19 related support within its continuing operations.

Remuneration

Principles regarding remuneration to the Board of Directors, the President and CEO, and other members of Group Executive Management are specified in note 7. Note 7 includes the executive remuneration guidelines, adopted by the 2020 Annual General Meeting, and information on how the guidelines were implemented in 2021. The Board of Directors' intention is that these guidelines will remain in place until 2024.

Financial statements

Consolidated income statement

(SEK million)	Note	2021	2020
Continuing operations			
Net sales	3, 4	12,661	12,003
Cost of sales		–9,462	–8,815
Gross income		**3,199**	**3,188**
Selling and marketing expenses		–1,030	–821
General and administrative expenses		–1,632	–1,541
Other operating income and expenses	6	70	151
Share of earnings in associated companies and joint ventures	16	40	100
Items affecting comparability	8	–74	2,109
Operating income	3, 4, 5, 6, 7, 8	**573**	**3,186**
Interest income	9	5	3
Interest expenses	9	–55	–60
Net leasing interest	9	–12	–13
Other financial items	9	–35	–30
Income before tax		**476**	**3,087**
Tax expenses	10	–111	–218
Net income for the year, continuing operations		**365**	**2,869**
Net income for the year, discontinued operations	11	–40	–643
Net income for the year		**325**	**2,226**
Items that are or may be reclassified to profit or loss net of tax			
Currency translation differences		140	–161
Cash flow hedges		289	–311
Other comprehensive income for the year		**429**	**–472**
Total comprehensive income for the year		**754**	**1,754**

(SEK million)	Note	2021	2020
Net income for the year attributable to:			
Equity holders of the parent company		325	2,236
Non-controlling interest		–	–9
Total comprehensive income for the year attributable to:			
Equity holders of the parent company		754	1,763
Non-controlling interest		–	–9
Earnings per share	12		
Basic earnings per share (SEK), continuing operations		4.76	42.60
Diluted earnings per share (SEK), continuing operations		4.74	42.40
Basic earnings per share (SEK)		4.23	33.06
Diluted earnings per share (SEK)		4.21	32.90
Number of shares	12, 19		
Shares outstanding at the end of the year		77,970,071	67,347,526
Basic average number of shares outstanding		76,731,753	67,345,231
Diluted average number of shares outstanding		77,031,536	67,664,386

Consolidated balance sheet

(SEK million)	Note	31 Dec 2021	31 Dec 2020
Non-current assets			
Goodwill	13	1,338	1,309
Other intangible assets	13	643	689
Machinery, equipment and installations	14	163	96
Right-of-use assets	24	321	360
Participation in associated companies and joint ventures	16	1,226	1,616
Other shares		102	104
Long-term sublease receivables	24	127	150
Deferred tax assets	10	44	111
Other long-term receivables		100	65
Total non-current assets		**4,064**	**4,501**
Current assets			
Inventories		3,543	2,614
Accounts receivable	17	847	789
Short-term sublease receivables	24	31	30
Prepaid programming expenses		4,475	3,496
Prepaid expenses and accrued income	18	515	502
Tax receivables		33	86
Other current receivables		317	597
Cash and cash equivalents		5,702	2,036
Assets held for sale	11	–	1,299
Total current assets		**15,463**	**11,449**
Total assets		**19,527**	**15,949**

(SEK million)	Note	31 Dec 2021	31 Dec 2020
Equity			
Equity	19	8,323	3,236
Non-controlling interest		–	1
Total equity		**8,323**	**3,236**
Non-current liabilities			
Long-term borrowings	23	2,500	3,300
Long-term lease liabilities	24	416	462
Long-term provisions	21	157	137
Deferred tax liabilities	10	238	211
Other non-current liabilities		–	148
Total non-current liabilities		**3,311**	**4,259**
Current liabilities			
Short-term borrowings	23	800	1,260
Short-term lease liabilities	24	106	104
Accounts payable	23	2,891	2,164
Accrued programming expenses		1,731	1,436
Accrued expenses and prepaid income	22	1,554	1,105
Short-term provisions	21	215	185
Tax liabilities		160	250
Other current liabilities		436	1,170
Liabilities related to assets held for sale	11	–	781
Total current liabilities		**7,893**	**8,454**
Total liabilities		**11,204**	**12,713**
Total shareholders' equity and liabilities		**19,527**	**15,949**

Consolidated statement of changes in equity

(SEK million)	Share capital	Other paid in capital	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as of 1 January 2020	**135**	–	**–25**	**50**	**1,274**	**1,435**	**7**	**1,442**
Net income for the year	–	–	–	–	2,236	2,236	–9	2,226
Other comprehensive income for the year	–	–	–162	–311	–	–472	–	–472
Total comprehensive income for the year	**–**	**–**	**–162**	**–311**	**2,236**	**1,763**	**–9**	**1,754**
Effect of share-based programmes	–	–	–	–	20	20	–	20
Share issue, Class C-shares	1	–	–	–	–	1	–	1
Share-buy-back, Class C-shares	–	–	–	–	–1	–1	–	–1
Change in non-controlling interests	–	–	–	–	–	–	3	3
Dividends to non-controlling interests	–	–	–	–	–	–	–1	–1
Transactions with shareholders in associated companies	–	–	–	–	18	18	–	18
Balance as of 31 December 2020	**136**	**–**	**–187**	**–261**	**3,547**	**3,236**	**–**	**3,236**
Balance as of 1 January 2021	**136**	**–**	**–187**	**–261**	**3,547**	**3,236**	**–**	**3,236**
Net income for the year	–	–	–	–	325	325	–	325
Other comprehensive income for the year	–	–	140	289	–	429	–	429
Total comprehensive income for the year	**–**	**–**	**140**	**289**	**325**	**754**	**–**	**754**
Effect of share-based programmes	–	–	–	–	30	30	–	30
Share issue	21	4,325	–	–	–	4,346	–	4,346
Share-issue, transaction costs net of tax	–	–43	–	–	–	–43	–	–43
Change in non-controlling interests	–	–	–	–	–	–	–	–
Balance as of 31 December 2021	**157**	**4,282**	**–47**	**28**	**3,902**	**8,323**	**–**	**8,323**

Consolidated statement of cash flow

(SEK million)	Note	2021	2020
Operating activities	**28**		
Net income for the year, continuing operations		365	2,869
Net income for the year, discontinued operations		−40	−643
Dividends from associated companies		500	1,200
Depreciation, amortisation and write-down		326	1,202
Other adjustments for non-cash items		143	−2,428
Cash flow from operations, excluding changes in working capital		**1,294**	**2,200**
Changes in working capital		−817	−674
Cash flow from operations		**477**	**1,526**
Investing activities			
Divestments of operations		443	−222
Capital expenditures in tangible and intangible assets		−216	−147
Other investing activities		16	2
Cash flow from investing activities		**243**	**−367**
Financing activities			
New borrowings	28	–	1,500
Amortisation of borrowings		−1,260	−1,720
Amortisation of lease receivables		33	32
Amortisation of lease liabilities		−116	−135
Share issue net of transaction costs		4,292	–
Other cash flow from financing activities		−39	22
Cash flow from financing activities		**2,910**	**−301**
Change in cash and cash equivalents for the year		**3,630**	**858**
Cash and cash equivalents at beginning of the year		**2,040**	**1,238**
Translation differences in cash and cash equivalents		32	−56
Cash and cash equivalents at end of the year		**5,702**	**2,040**
Of which cash and cash equivalents included in assets held for sale		–	4
Cash and cash equivalents at end of the year, continuing operations		**5,702**	**2,036**

Parent company income statement

(SEK million)	Note	2021	2020
Net sales		86	55
General and administrative expenses		–228	–190
Other operating income and expenses		1	3
Items affecting comparability	8	–	–10
Operating income	**7, 8**	**–141**	**–141**
Interest income and other financial income	9	159	167
Interest expense and other financial expenses	9	–101	–90
Income before tax and appropriations		**–83**	**–64**
Group contribution		186	364
Income before tax		**103**	**301**
Tax expenses	10	–	–46
Net income for the year		**103**	**255**
Other comprehensive income		–	–2
Total comprehensive income for the year		**103**	**253**

Parent company balance sheet

(SEK million)	Note	31 Dec 2021	31 Dec 2020
Non-current assets			
Shares and participations in Group companies	15	202	123
Long-term receivables from Group companies	28	5,931	5,926
Total non-current assets		**6,133**	**6,049**
Current assets			
Short-term receivables from Group companies		943	2,503
Other receivables		110	466
Prepaid expenses and accrued income	18	21	15
Cash and bank		5,590	1,939
Total current assets		**6,664**	**4,923**
Total assets		**12,797**	**10,972**

(SEK million)	Note	31 Dec 2021	31 Dec 2020
Equity	**19**		
Share capital		157	136
Share premium		4,282	–
Retained earnings		2,062	1,777
Net income for the year		103	255
Total equity		**6,604**	**2,168**
Non-current liabilities			
Long-term borrowings		2,500	3,300
Total non-current liabilities		**2,500**	**3,300**
Current liabilities			
Short-term borrowings		800	1,260
Short-term provisions		–	7
Accounts payable		6	4
Liabilities to Group companies		2,643	3,561
Tax liabilities		35	121
Accrued expenses and prepaid income	22	87	71
Other current liabilities		122	481
Total current liabilities		**3,693**	**5,504**
Total liabilities		**6,193**	**8,804**
Total equity and liabilities		**12,797**	**10,972**

For information about pledged assets and contingent liabilities, see note 26.

Parent company statement of changes in equity

(SEK million)	Restricted equity Share capital	Non-restricted equity Share premium reserve	Retained earnings	Total
Balance as of 1 January 2020	**135**	**–**	**1,759**	**1,894**
Net income for the year	–	–	255	255
Other comprehensive income for the year	–	–	–2	–2
Total comprehensive income for the year	**–**	**–**	**253**	**253**
Share issue, Class C-shares	1	–	–	1
Share-buy-back, Class C-shares	–	–	–1	–1
Effect of share-based programmes	–	–	20	20
Balance as of 31 December 2020	**136**	**–**	**2,032**	**2,168**
Balance as of 1 January 2021	**136**	–	**2,032**	**2,168**
Net income for the year	–	–	103	103
Total comprehensive income year	**–**	**–**	**103**	**103**
Share issue	21	4,325	–	4,346
Share issue transaction cost, net of tax	–	–43	–	–43
Effect of share-based programmes	–	–	30	30
Balance as of 31 December 2021	**157**	**4,282**	**2,165**	**6,604**

For information about changes in equity for the Parent company, see note 19.

Parent company cash flow statement

(SEK million)	Note	2021	2020
Operating activities	**28**		
Net income for the year		103	255
Adjustments for non-cash items		7	18
Cash flow from operations excluding changes in working capital		**110**	**273**
Changes in working capital		–216	–382
Cash flow from operations		**–106**	**–109**
Investing activities			
Shareholders' contribution		–60	–
Other investing activities		–	2
Cash flow from investing activities		**–60**	**2**
Financing activities	28		
New borrowings		–	1,500
Amortisation of borrowings		–1,260	–1,720
Receivables/liabilities from Group companies		413	703
Group contribution		364	597
Share issue		4,292	–
Other financing activities		8	–6
Cash flow from financing activities		**3,816**	**1,074**
Change in cash and cash equivalents for the year		**3,651**	**966**
Cash and cash equivalents at beginning of the year		**1,939**	**974**
Cash and cash equivalents at end of the year		**5,590**	**1,939**

Notes

Content

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1 Accounting and valuation principles

Nordic Entertainment Group AB (publ) (NENT) is a company domiciled in Sweden. The Company's registered office is located at Ringvägen 52, P.O. Box 2094, SE-103 13 Stockholm, Sweden.

The consolidated financial statements of the Group for the year ended 31 December 2021, presented in this Annual report, comprise the Parent company and its subsidiaries and the share of participation in associated companies and joint ventures.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as approved within the EU. The policies set out below have been consistently applied to all years presented, unless otherwise stated. In addition, Swedish Annual Accounts Act and RFR 1, Supplementary Rules for Groups, have been applied. The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value and assets held for sale measured at fair value less cost to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section entitled Parent company.

The annual report including the financial statements were authorised for issue by the Board of Directors on 4 April 2022. The consolidated income statement and balance sheet, and the income statement and the balance sheet of the parent company, will be presented for adoption by the Annual General Meeting on 18 May 2022.

New and amended standards adopted by NENT

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on "cloud computing arrangement costs", i.e. costs for configurations or adaptation of software in a cloud-based solution. This decision could result in the reclassification of previously reported intangible assets as a different type of asset or a recharge to the income statement. NENT Group has reviewed the effects of the agenda decision and concluded that there was no need for adjustments to the financial statements as the amounts attributable to these assets was not deemed significant.

The Group has not adopted any other new or changed accounting standards or interpretations during 2021, and currently there are no new endorsed IFRS standards or IFRIC interpretations that are expected to have a significant impact on the Groups financial statements.

Consolidated accounts

The consolidated accounts include the Parent company, all subsidiaries and the share of participation in associated companies and joint ventures.

Subsidiaries

Subsidiaries are companies in which the Group exercises control, meaning that the Group has power over the subsidiary and has exposure or rights to its variable returns. The Group must also have the ability to use the power to affect the return from the subsidiary. For all companies in which the Group holds more than 50% of the votes, the control criterias are fulfilled and the companies are consolidated as subsidiaries. When controlling interest has been achieved the change in ownership is recognised as a transfer in equity between the equity holders of the parent company and the non-controlling interest, without remeasuring the subsidiary's net assets.

All business combinations are accounted for in accordance with the purchase method. At the date of acquisition, the acquired assets and assumed liabilities (net identifiable assets) are measured at fair value. The difference between the acquisition value of shares in a subsidiary, and identifiable assets and liabilities measured at fair values at the date of acquisition, is recognised as goodwill.

If the cost of the acquisition is below the fair values of identifiable net assets acquired is recognised in the profit and loss in the acquisition period. Acquisition related costs are expensed as incurred. Results for companies acquired during the year are included in the consolidated income statement from the date of acquisition.

Non-controlling interest

In subsidiaries not wholly owned, the share of equity owned by external shareholders is recorded as non-controlling interest. There are two alternatives for the recognition of non-controlling interests. One alternative is to recognise the non-controlling interest at its share of fair value of the acquired company; the other is to recognise the non-controlling interests at its share of the fair value of the acquired net assets. The former method (the full goodwill methods) leads to a higher value of non-controlling

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interest and goodwill than the later method (the partial goodwill method). The choice of method is made for each acquisition separately. If partial disposal of a subsidiary results in the loss of controlling interest, any residual holding is revalued to fair value and the amount of the change is recognised in profit/loss.

Associated companies and joint ventures

Associated companies are reported based on the equity method. An associated company is a company in which the Group exercises significant influence. Normally, this means companies in which the Group holds voting rights of at least 20% and no more than 50% for each acquisition separately.

Joint ventures are arrangements in which two or more parties have joint control and have rights to the net assets of the arrangement. Joint ventures are recognised according to the equity method. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

At the beginning of May 2020, NENT Group's Viasat Consumer business was merged with Telenor Group's Canal Digital business to form a joint venture, Allente. As an effect of the merger, NENT Group lost control of the business and deconsolidated Viasat Consumer and its subsidiaries. NENT Group owns 50% of Allente and this interest was recorded at fair value at the transaction date. This resulted in a capital gain, which was the difference between the fair value of the consideration received (50% of Allente) and the carrying value of the former subsidiaries' net assets.

Assets held for sale and discontinued operations

Assets held for sale and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. This also applies for situations where the Group still continues its operations, but loses control over the operation.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the balance sheet. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparative information in statements and disclosures are restated.

Functional currency and reporting currency

The functional currency of the parent company is the Swedish krona (SEK). This is also the reporting currency for the Group and the parent company.

Financial statements of foreign operations

The balance sheets of the Group's foreign subsidiaries are translated into Swedish krona (SEK). The translation is based on the exchange rates ruling at the balance sheet date, while the income statements are translated using an average rate for the period. The resulting translation differences are charged in other comprehensive income and accumulated in the translation reserve in equity. The accumulated translation differences are reclassified to the income statement when the foreign operation is divested.

Inventories

A significant portion of the amount reported as inventory by the Group refers to the TV channels' catalogue of programme rights. Programme rights are reported as inventory when the license period has begun, the programme itself is available for its first broadcast, the cost of the programme is known, and the programme content has been approved by the TV channel. Programme rights invoiced, but where the license period has not started and the programme cannot be reported as inventory, is reported as prepaid expenses. Programme rights are normally acquired for a specific number of runs, which can be played out during a determined license period in certain territories. The programme rights are expensed per run according to how the programme is expected to be broadcasted during the license period. The recognition of sports rights begins when the contractual period starts or when an advance payment is made. Sports rights are allocated over the seasonal year and on a yearly basis. The programme inventory is valued at amortised costs. Future payment commitments in respect of contractual programme rights or sports rights that have not yet been reported as inventory or prepaid expenses are reported as other commitments, see note 25.

Other inventories, including the Group's Originals, are valued at the acquisition cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Government grants

Grants and support from Governments and public authorities are recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and that the grant will be received.

Parent company

The Parent company has prepared the Annual Report according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. RFR 2 involves application of all IFRSs and interpretations endorsed by the European Commission, except where the possibility to apply IFRS is restricted by the Swedish Company Act and due to tax rules. Holdings in subsidiaries are recognised in the Parent Company according to the purchase method, which means that the transaction costs are included in the recognised value of shares in subsidiaries. The Group recognises these costs in the income statement immediately when occurred.

Group contributions

Group contributions received and paid are recognised as appropriations in the income statement.

2 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Board of Directors and the 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 circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these 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. The development, selection and disclosure of the Group's critical accounting policies, and estimates and the application of these policies, and estimates are reviewed by the Audit Committee.

Key sources of estimation uncertainty

Note 13, Intangible assets, contain information of the assumptions and the risk factors relating to goodwill impairment. Litigations and provisions made are reported in note 21 Provisions.

Goodwill and other intangible assets

Intangible assets, except goodwill and intangible assets with indefinite useful lives, are amortised over their useful lives. These useful lives are based on management's estimates of the period that the assets will generate revenue.

Goodwill and intangible assets with indefinite useful lives are subject to impairment tests yearly or when triggered by events. The impairment review requires management to determine the fair value of the cash generating units on the basis of cash flow projections and internal forecasts and business plans. For further information, see note 13 Intangible assets.

Beneficial rights and programme rights inventory

Beneficial rights and programme rights inventory are expensed in accordance with the estimated broadcasting period. A higher proportion of the costs are expensed in the beginning of the broadcasting period than the following periods. The estimated broadcasting period could change, and, as a result of this, affect net income for the period and the financial position.

Provisions and contingent liabilities

A provision is recognised when a present obligation exists as a result of a past event, it is probable that economic resources will be transferred, and reliable estimates can be made of the amount of the obligation. In such a case, a provision is calculated and recognised in the balance sheet. A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group's control, or when it is not possible to calculate the amount. Realisation of any contingent liability which is not disclosed or for which no amount is not currently recognised, could have a material impact on the Group's financial position.

The Group regularly reviews significant outstanding litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, claims, legal processes and potential level of damages, the opinions and views of the legal counsellors, and the management's intentions to respond to the litigations or claims. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the income for the period and the financial position. For further information, see note 21 Provisions.

3 Revenue by category and geographical area

During 2020 NENT Group announced the initiation of a process to divest its non-scripted production, branded entertainment and events companies. The remaining NENT Studios operations, focused on scripted content production and distribution, have been integrated with the previous Broadcasting and streaming segment. As a consequence NENT Group reports only one segment with four net sales categories in line with how performance is monitored internally.

Group (SEK million)	2021	2020
Viaplay	4,386	3,625
Other subscription	4,195	4,657
Advertising	3,777	3,433
Studios & other	304	289
Total	**12,661**	**12,003**

Viaplay: Revenue generated by the Viaplay streaming service including subscription payments and customers purchasing content on a pay-per-view basis. Viaplay revenue are generated directly from end-customers and from distributor or partner organisations.
Other subscription: Revenue generated from the Group's traditional TV channels and channel packages when sold through wholesalers, fees received from distributors for carriage of the Group's TV channels, and other subscription related revenues.
Advertising: Advertising and sponsorship revenue generated by the Group's TV channels, radio stations and streaming services.
Studios & Other: External revenue primarily generated by the Group's scripted content production and distribution businesses.

NENT Group discloses revenue for Viaplay separately. Viaplay revenue are generated primarily as subscription or transaction fees, either directly from end-customers or indirectly from partner organisations. Viaplay may be purchased as a standalone product or as part of bundled offers by partner organisations. When Viaplay is sold as a part of a bundled offer, and no standalone selling price is explicitly referenced in the partner contract, NENT Group allocates a part of the total revenue to Viaplay based on Viaplay's relative standalone selling price in relation to the bundle offering. NENT Group uses the recommended retail price as the reference point for the standalone selling price.

Geographical area

The Group operates mainly in Europe. Net sales and intangible and tangible assets are shown below by geographical area. Sales are shown per country from which the revenue are derived.

	Net sales		Intangible and tangible assets	
Group (SEK million)	2021	2020	2021	2020
Sweden	4,565	5,871	1,271	1,312
Norway	2,193	1,841	693	603
Denmark	4,624	3,278	145	141
Finland	683	541	–	1
United Kingdom	163	185	32	34
Other	433	288	3	3
Total	**12,661**	**12,003**	**2,144**	**2,094**

4 Revenue

Revenue recognition

Revenue from external customers is mainly derived from sale of subscription, advertising air time, content production as well as licenses. The accounting principles for the main revenue streams are described in further detail below.

Advertising revenue

Revenue derived from the sale of advertising air time as well as sponsoring. Revenue generated from advertising is generally recognised over time in a pattern that best depicts the service performed (e.g. as the ad is played out).

For yearly contracts, which typically contain several performance obligations (such as different campaigns or spots), the transaction price is allocated to each performance obligation based on their standalone selling price.

Barter transactions

Barter entails the exchange of air time on TV or radio for other goods or services. Revenue from barter transactions is recognised at an amount equal to the fair value of the goods or services received from the customer. If the fair value of the good or service received cannot be reasonably estimated, the Group recognises revenue equal to the standalone selling price of the service promised to the customer. Revenue is recognised over time in a way that depicts the transfer of control of the good or service as provided to the customer.

Subscription revenue

The Group generates subscription revenue from subscription fees for pay-TV and streaming services.

4 cont.

Streaming services

For streaming services, the customer pays a fee to access content which the customer has subscribed for. Each customer pays for the streaming service in advance on a monthly basis. The streaming period usually consists of a trial period, during which the customer is not committed to start a subscription. The transaction price is not allocated to the trial period. The performance obligation is satisfied over time as the Group provides access to the content over a period of time (in practice per month).

In addition to the fee for the streaming service, the customer can add other services to the contract such as rental or purchase of films and series. The services added are regarded as separate performance obligations as the customer can benefit from these separately. Each service added has a separate price and the revenue is recognised at a point in time.

The subscription contracts are mainly without a binding period, and have a notice period of one month. Both the Group and the customer have the right to terminate the contract and the parties have no enforceable rights and obligations beyond that month. The contracts for streaming services are therefore accounted for as a month-to-month contract.

Revenue can be generated directly from end-customers, and from distributors and partner organisations.

Subscriptions for pay-TV

Viasat Consumer contributed to revenue until being deconsolidated in May 2020. Its revenue came mainly from subscriptions usually consisting of a main subscription fee, hardware (a box) and card fee. Since the customer cannot benefit from the subscription fee, hardware and card fee on its own, these products and services were bundled into one performance obligation. Revenue was recognised over time over the binding period of the contract.

Production revenue

Revenue in the Studio business is generated by production of films and TV series. The contracts normally consist of one performance obligation. Revenue for production of films and TV series is recognised over time.

Licenses and royalty

A license arrangement establishes the customer's right related to the Group's intellectual property and the obligation of the Group to provide those rights. The Group is granting licenses to format and broadcasting rights. Licenses mainly exist within the Studio business. All licenses are classified as "right-to-use-licenses" and revenue is recognised when the license period begins.

Significant judgement in revenue recognition

Agent or principal

The Group assesses whether it is acting as a principal or agent in all transactions where another party is involved in providing products or services to the customer. In transactions where the Group is acting as an agent, revenue is recognised net in the income statement. In transactions where the Group is acting as a principal, revenue is recognised gross in the income statement.

Revenue from performance obligations satisfied in previous periods

Within free-TV, third-party distribution fees occur related to third-party agreements for end-customers' usage of TV channels. This fee is estimated based on historical data for the previous period. When the actual usage is received from the customer, an adjustement is made for revenue recognised to date.

Unsatisfied performance obligations

The Group does not disclose any information regarding unsatisfied performance obligations as at December 31, since the performance obligations refer to contracts where the contract term is 12 months or less.

Disaggregation of revenue

Revenue from external customers is mainly derived from sale of advertising air time, subscription, content production, and licenses.

Group (SEK million)	2021	2020
Revenue stream		
Advertising	3,777	3,433
Subscription	7,932	7,575
Production	258	153
Licenses, royalities and other	694	843
Total	**12,661**	**12,003**
Timing of revenue recognition		
At a point in time	694	843
Over time	11,967	11,160
Total	**12,661**	**12,003**

4 cont.

Cost to obtain or fulfill a contract

Part of the sales acquisition costs within pay-TV was defined as cost to obtain or fulfill a contract. Cost to obtain a contract consisted of external fees paid to third parties for the provision of new subscriptions and were incremental costs to obtaining contracts the Group would not had incurred if the contracts had not been obtained. Cost to fulfill a contract were cost related to installation, cost for hardware or freight. Cost to obtain or fulfill a contract were recognised as an asset and amortised over the expected contract lifetime. Cost to obtain or fulfill a contract were included in prepaid expenses. The opening balance in 2020 of SEK 351m was disolved in 2020 as an effect of the divestment of Viasat Consumer. As at 31 December 2021 the group has no cost to obtain or fulfill contracts.

Contract asset

Contract assets consists of accrued revenue, when the Group is entitled to compensation for completed work, but the invoice has not been sent on the closing date. The change during the year represents the net reclassification between accrued revenue and accounts receivable.

Group (SEK million)	2021	2020
Opening balance 1 January	311	709
A change in the timeframe for a right to consideration to become unconditional	67	−94
Divestment of operations	–	−94
Reclassification to assets held for sale	–	−210
Closing balance 31 December	**378**	**311**

Contract liability

Contract liabilities consist of the following prepaid income:

- Prepaid advertising revenue within free-TV and radio occurs when the customer has been invoiced in advance of service delivery
- Prepaid subscription revenue as customers within pay-TV pay one month in advance
- Prepaid revenue related to content production as the revenue is recognised over time

Group (SEK million)	2021	2020
Opening balance 1 January	615	1,040
Net change in contract liability during the year	19	−341
Reclassification to liabilities related to assets held for sale	–	−84
Closing balance 31 December	**634**	**615**

Contract liabilities reported at the beginning of 2021 and 2020 has been recognised as revenue during each year.

5 Nature of expenses

Nature of expenses

A function-based income statement is presented as part of the financial statements of the Group. The table below presents how the operational costs are classified based on the nature of expense.

Group (SEK million)	2021	2020
Net sales	12,661	12,003
Other operating income[1)]	155	2,620
Cost of goods and services	–8,875	–8,563
Personnel cost	–1,559	–1,381
Depreciation and amortisation	–268	–267
Impairment charges	–28	–189
Other external expenses	–1,553	–1,137
Share of earnings in associated companies and joint ventures	40	100
Operating income	**573**	**3,186**

1) Of which SEK 2,383m in 2020 relates to capital gain from Viasat Consumer / Allente.

6 Other operating income and expenses

Accounting principle

Other operating income and expenses refers to income and expenses that does not derive from the Group's core operations, such as government grants, gains or losses on the sale of intangible and tangible assets as well as foreign exchange gains, or losses on operating receivables and payables.

Group (SEK million)	2021	2020
Other operating income		
Gain from exchange rate differences	62	129
Government grants / tax incentives	39	33
Loss of revenue compensation due to Covid-19	–	9
Other	54	66
Total	**155**	**237**
Other operating expenses		
Loss from exchange rate differences	–78	–82
Other	–7	–4
Total	**–85**	**–86**

7 Salaries, other remuneration and social security expenses

Group (SEK million)	2021	2020
Wages and salaries	1,134	1,019
Social security expenses	249	193
Pension costs	121	112
Share-based payments	30	20
Social security expenses on share-based payments	14	11
Total	**1,548**	**1,354**

Group (SEK million)	2021	2020
Board of Directors, CEO and Group Executive Management	116	71
of which variable salary	*57*	*25*
Other employees	1,432	1,283
Total	**1,548**	**1,354**

Parent company (SEK million)	2021	2020
Board of Directors, CEO and Group Executive Management	83	51
of which variable salary	*42*	*17*
Other employees	84	86
Total	**167**	**137**

Remuneration to the Board of Directors and the Group Executive Management

Remuneration to the Board of Directors

The remuneration to the Board of Directors has been paid in accordance with the resolution approved at the 2021 Annual General Meeting (AGM). The remuneration includes fees for ordinary Board work and fees for work within the committees of the Board. For 2021, and the period leading up to the 2022 AGM, the Board fees amounted to SEK 4.9m.

Remuneration to the Group Executive Management

The Remuneration Committee's evaluation has resulted in the conclusion that there has been compliance with the guidelines for remuneration to the senior executives resolved by the 2020 Annual General Meeting.

The Remuneration Guidelines for the Group Executive Management

The following Remuneration Guidelines (the "guidelines") were approved by the Annual General Meeting 2020 and apply until the Annual General Meeting 2024 unless any changes are proposed. The guidelines apply to the President & CEO and other members of the Group Executive Management ("GEM"), currently comprising ten members. The guidelines are forward looking, i.e., they are applicable to remuneration agreed and amendments to remuneration already agreed, after the adoption of the

7 cont.

guidelines by the 2020 Annual General Meeting. The intention of the Board of Directors ("the Board") and its Remuneration Committee ("the Committee") is that the guidelines will remain in place for four years from the date of approval. These guidelines do not apply to any remuneration decided or approved by the general meeting, for example share-related long-term incentive plans.

Our approach to remuneration

NENT Group's remuneration policy is designed to i) drive and reward sustainable company and individual performance, ii) be market competitive to attract and retain best-in-class talent, and iii) to incentivise the creation of long-term shareholder value in a rapidly changing industry. Specifically, our strategic priorities and our vision are reflected in the design of executive remuneration as set out below

- Deliver profitable growth: A substantial proportion of remuneration is variable and linked to our key drivers of performance. Performance measures in our short- and long-term incentive plans are carefully selected to promote growth through stretching and relevant incentive targets.
- Create long-term shareholder value: Incentive plans are designed to reward sustainable company performance and value creation. Resulting outcomes are intended to reflect shareholder experience and contribute to increased alignment as executives are required to build and maintain a significant shareholding in NENT Group.
- Be the leading Nordic streaming service provider and content producer with a global appeal: A remuneration structure and mix that provides agility to quickly adapt to business needs in a fast-moving industry and highly competitive talent market.

Remuneration guidelines by element

Total remuneration shall be on market terms and may include base salary, pension, benefits and performance-linked elements in the form of short-term ('STI') and long-term incentive ('LTI') plans. The long-term incentive plans are approved by the general meeting and are not governed by these guidelines. A summary is included for completeness. The table below provides more detail on the individual elements, their purpose and their link to the business strategy.

Elements	Purpose and link to strategy	Description and operation
Base salary	To recruit, reward and retain executives.	Base salary shall be fair and competitive reflecting the individual executive's responsibilities, skills and performance.
Pension	To provide local market competitive pension.	Pension arrangements, including health insurance, shall be competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration. The pension arrangements shall be provided in the form of a defined contribution or as a cash allowance and shall amount to not more than 30% of the fixed base salary. Pension arrangements may evolve year-on-year. Variable cash remuneration shall not qualify for pension benefits.
Benefits and allowances	To provide local market competitive benefits and support recruitment and retention.	Benefits shall be competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration. Benefits may include but are not limited to car allowance, travel allowance, tax support, life insurance and medical insurance. Premiums and other costs of such benefits shall constitute a limited proportion of total remuneration. Additional benefits may be provided in specific individual situations including changes in individual circumstances such as health status and changes in roles such as relocation, if considered appropriate. Any resolution on such remuneration shall be made by the Board based on a proposal from the Committee.
Annual short-term incentive (STI) plan	To incentivise and reward the achievement of annual financial and, when appropriate, non-financial performance measures clearly linked to the strategic priorities and sustainable development of the Group and the executives' area of responsibility.	The maximum payment under the STI shall not exceed 150% of base salary. The satisfaction of criteria for awarding STI shall be measured over a period of one year. The Board approves the corporate performance measures, targets and relative weightings at the start of each year, on recommendation by the Committee. The Board ensures that there is strong alignment with the business strategy and that the targets are clear and sufficiently stretching. STIs will also take into account the individual executives' performance against pre-determined and measurable objectives within their area of responsibility defined to promote the Group's sustainable development in the short- and long-term. Such objectives are agreed with the President & CEO (or, in the case of the President & CEO, the Chairman of the Board) and may be functional, operational, strategic and non-financial and include, inter alia, objectives relating to environmental, social and governance issues. Payment under this plan is made after year-end following the Committee's and Board's determination of achievement against the annual corporate targets and the achievement of annual individual objectives for the President & CEO. The President & CEO determines the achievement of annual individual objectives for other executives. The terms for the STI shall be structured so that the Board has the possibility to; (i) limit or refrain from paying variable remuneration, if such payment is considered unreasonable and incompatible with the company's responsibility in general to the shareholders, employees and other stakeholders, (ii) to adjust payments before they are made ('malus') if special circumstances exist that warrant this, such as financial mis-statement (iii) to claw back payments that have already been made on incorrect grounds and (iv) to adjust the targets retroactively for extraordinary circumstances.

7 cont.

Elements	Purpose and link to strategy	Description and operation
Long-term incentive (LTI)	The LTI shall be linked to certain pre-determined financial and/or share or share-price related performance criteria and shall ensure a long-term commitment to the development of NENT Group and align the senior executives' incentives with the interest of shareholders.	The LTI is generally delivered in shares, resolved upon separately by the general meeting and therefore excluded from these guidelines.
Extraordinary arrangements	To aid recruitment or retention required to ensure successful implementation of the company's strategy and safeguarding its long-term interests.	By way of exception, additional one-off arrangements can be made on a case-by-case basis, when deemed necessary, subject to Board approval on recommendation from the Committee. Each such arrangement shall be capped at two (2) times the individual's annual base salary.
Share Ownership Requirement	To ensure that executives build and maintain a significant shareholding in NENT Group and are aligned with the interest of shareholders.	The President & CEO and members of GEM are required to accumulate NENT Group shares towards target ownership levels that are based on a percentage of net base salary. Target ownership levels: President & CEO: 150%, and other members of GEM: 75%. The Committee has the authority to adjust these requirements if considered appropriate in individual cases.

Service contracts and payments upon termination of employment

In general, executive contracts have indefinite duration. However, the contracts may be issued on a fixed-term basis if warranted by certain circumstances, such as for interim positions or for executives close to retirement age. Upon termination of employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and any severance pay may combined not exceed an amount equivalent to two years' fixed salary. In addition, executives may be compensated for non-compete restrictions invoked post termination. Such compensation shall be based on the base salary at the time of notice of termination of employment and be awarded during the restriction period which cannot exceed twelve months. Such payment cannot be combined with severance payments.

Remuneration governance and decision-making

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on guidelines for executive remuneration. The Board shall prepare a proposal for new guidelines at least every four years and submit these to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Committee shall prepare, for resolution of the Board, remuneration-related matters concerning the President & CEO and any proposals on share-based or share-related long-term incentive plans in the company. In addition, the Committee shall monitor and evaluate programmes for variable remuneration for GEM, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. In order to avoid any conflict of interest, the Committee shall consist of non-executive members only. Remuneration is managed through well-defined processes ensuring that no individual is involved in the decision-making process relating to their own remuneration.

Salary and employment terms for the broader population/company's employees

In preparing and applying these guidelines, the Committee considers the pay and conditions elsewhere in the company, which in turn are informed by general market conditions and internal factors such as the performance of the Group or relevant business unit. The Committee regularly consults with the President & CEO and P&C to be mindful of employee pay, conditions and engagement across the broader employee population.

Deviation from the guidelines

The Board may temporarily resolve to deviate from the guidelines, in full or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Committee's tasks include preparing the Board's resolutions in remuneration related matters. This includes any resolutions to deviate from the guidelines.

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Remuneration and terms of employment for the President and CEO in 2021

The remuneration to the President & CEO includes fixed salary, variable components in the form of STI and LTI plans, pension in the form of defined contribution and other benefits/allowances. For 2021, the base salary was set at SEK 8.96m. In 2021, the President & CEO participated in the NENT Group STI plan. The maximum STI pay out amounts to 100% of the annual base salary. The President & CEO participates in two long-term incentive plans, LTIP 2021 and LTIP 2019, which are described in detail below. A notice of termination period of one year applies for the President & CEO if such notice is given by the Company or the President & CEO respectively. The agreement does not provide for any severance pay.

Remuneration and terms of employment for other members of Group Executive Management in 2021

The remuneration to the Group Executive Management members included fixed salary, variable components in the form of STI and LTI plans, pension in the form of defined contribution and other benefits/allowances. In addition to participating in the 2021 NENT Group STI plan, Group Executive Management members participate in the two long-term incentive plans, LTIP 2021 and LTIP 2019. A notice of termination period of six to twelve months applies to the Group Executive Management members if such notice is given by the Company or the Group Executive Management member respectively. Any severance pay is limited to six months' base salary.

Group Executive Management

At year-end 2021, the Group Executive Management included the President & CEO and ten other executives. The Group Executive Management is described on pages 67–69.

Remuneration to the Board of Directors

(SEK thousand)	2021[1]	2020[1]
Pernille Erenbjerg, Chair of the Board[2]	1,283	394
David Chance, Chair of the Board[2]	376	1,503
Anders Borg	661	582
Henrik Clausen[3]	–	52
Simon Duffy	746	735
Andrew House[4]	523	–
Kristina Schauman	641	630
Natalie Tydeman	651	640
Total	**4,882**	**4,536**

1 Board fees consist of remuneration for ordinary Board work SEK 4,044,000 (3,810,000) and remuneration for work in the committees SEK 838,000 (726,000).
2 Pernille Erenbjerg was elected Chair of the Board at the 2021 AGM on 19 May, succeeding David Chance who stepped down from the Board of Directors on this day.
3 Henrik Clausen stepped down from the Board of Directors on 4 February 2020.
4 Andrew House joined the Board of Directors as a Non-Executive Director at the 2021 AGM on 19 May.

7 cont.

Remuneration and other benefits to the Group Executive Management 2021

(SEK thousand)	Base salary	Variable remuner-ation[1]	LTIP cost[2]	Other benefits	Pension	Total
Anders Jensen, President & CEO	8,960	8,960	4,701	55	480	23,156
Group Executive Management (11 members)[3]	30,939	24,487	8,552	628	3,043	67,649
Total	**39,899**	**33,447**	**13,253**	**683**	**3,523**	**90,805**

1 Variable remuneration refers to the STI earned during 2021.
2 Share-based incentive programme (non-cash) for LTIP 2019 and LTIP 2021 in accordance with IFRS 2.
3 The 2021 amounts disclosed for the Group Executive Management relate to the full year for: Matthew Hooper, Kaj af Kleen, Sahar Kupersmidt, Peter Nørrelund, Kim Poder, Mia Suazo Eriksson and Filippa Wallestam. Part-year for for My Perrone, Roberta Alenius (mid-Jan–Dec), Gabriel Catrina (Jan–Nov) and Åsa Regen Jansson (Dec).

Remuneration and other benefits to the Group Executive Management 2020

(SEK thousand)	Base salary	Variable remuner-ation[1]	LTIP cost[2]	Other benefits	Pension	Total
Anders Jensen, President & CEO	8,000	3,520	2,899	55	487	14,961
Group Executive Management (8 members)[3]	23,124	9,474	4,481	183	2,590	39,852
Total	**31,124**	**12,994**	**7,380**	**238**	**3,077**	**54,814**

1 Variable remuneration refers to the STI payments earned during 2020.
2 Share-based incentive programme (non-cash) for LTIP 2019 in accordance with IFRS 2.
3 The 2020 amounts disclosed for Group Executive Management relate to the full year for: Anders Jensen, Gabriel Catrina, Matthew Hooper, Kaj af Kleen, Sahar Kupersmidt, Kim Poder, Mia Suazo Eriksson and Filippa Wallestam. Part-year for Peter Nørrelund (Aug–Dec).

Decision process

The remuneration to the President & CEO is decided by the Board of Directors on recommendation by the Remuneration Committee. The remuneration policy for the Group Executive Management is determined by the Remuneration Committee and the Board.

Share-based compensation

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is based on the Group's estimate of shares that will eventually vest and is expensed on a straight-line basis over the vesting period. The expense is reported in the income statement with the corresponding increase in equity. The social security costs are revalued on a quarterly basis. The current plans have a three-year vesting period and payment depends on the fulfilment of certain stipulated performance conditions.

Long-term incentive plan

The Annual General Meetings in 2019 and 2021 approved share-based long-term incentive plans, LTIP 2019 and LTIP 2021. The plans are performance-based and directed to around 100 participants across NENT Group including the Group Executive Management, other senior executives and key employees. The plans are designed to attract, motivate and retain key talent within the Group, and to align participants' interests with shareholders. To ensure that senior executives build and maintain a significant shareholding in the Group, vesting is conditional on a share ownership requirement for the President & CEO and Group Executive Management (Tiers 1 to 3). They are required to accumulate shares towards target ownership levels that are based on a percentage of net salary. For the President & CEO,

7 cont.

the target ownership level is 150% and, for the members of the Group Executive Management, amounts to 75% or 50% depending on Tier. For the current Group Executive Management members, 33% of the requirement must be met each year over three years.

LTIP 2019

The number of shares that are due to vest in 2022 was dependent on the achievement of two equally weighted targets; (i) organic sales growth (organic sales growth refers to growth excluding the effects of acquisitions/divestments and adjusted for currency effects), and (ii) operating income (operating income before Items Affecting Comparability (IAC) may be adjusted for extraordinary or non-budgeted items or events not related to the ordinary course of business including acquisitions/divestments) for the 2019 financial year. The performance outcome for LTIP 2019 was 100% of the maximum number of shares that may vest and are to be allocated to participants in Q2, 2022. Vesting is conditional upon that the participant, with certain customary exceptions, at the time of the publication of the interim report for the first quarter of 2022, is still employed by the NENT Group. The participants' maximum profit per Performance Share Award in LTIP 2019 is limited to four times the volume-weighted average of the market price of NENT Group's shares on Nasdaq Stockholm during the five trading days immediately following the publication of the company's interim report for the first quarter 2019 (the "Share Price Cap"). If the value of the share exceeds the Share Price Cap at vesting, the number of shares that each right entitles the participant to receive at vesting will be reduced correspondingly.

LTIP 2021

The number of shares that vest in 2024 is dependent on the achievement of two 3-year targets linked to profitable growth objectives; (i) Total Shareholder Return ("TSR") (refers to the total share price increase and dividends paid during the period from the 2021 AGM to the 2024 AGM) and (ii) Viaplay subscribers (refers to the number of Viaplay paying subscribers by end of 2023). Target (i) has a weighting of 70% and target (ii) a weighting of 30%. Threshold and maximum target levels have been established by the Board at grant. If the minimum threshold level is achieved, 25% of the Performance Share Awards will vest. If the maximum level is achieved, 100% of the Performance Share Awards will vest. The TSR threshold target level is 19% and maximum target level is 64%, measured over a three-year period from the 2021 AGM until the 2024 AGM. The Viaplay subscriber threshold target level is 6.0 million and maximum target level is 7.0 million.

Cost effects of the incentive programme

LTIP 2019 and LTIP 2021 are equity-settled. The initial fair value at grant date of the share programme, is expensed during the vesting period. The cost for the programme is recorded as an operating expense with the corresponding increase in equity. The cost is based on the fair value of the NENT Group Class B share at grant date and the number of shares expected to vest. The cost recognised for the programmes in 2021 amounts to SEK 21m for LTIP 2019 and SEK 9m for LTIP 2021, excluding social charges. Social charges amounted to SEK 14m for LTIP 2019 and LTIP 2021 and are included in accrued expenses in the balance sheet. There were no share rights exercisable at the end of 2021.

Dilution

If all the share rights awarded to senior executives and key employees as at 31 December 2021 were exercised, the outstanding shares of the Company would increase by 511,417 Class B shares, and be equivalent to a dilution of 0.7% of the issued shares and 0.6% of the related voting rights at the end of 2021.

	Maximum number of B shares[1]		Maximum value (SEKm)[2]	
Category	LTIP 2021	LTIP 2019	LTIP 2021	LTIP 2019
President & CEO (Tier 1)	39,215	42,654	18	20
Group Executive Management (Tier 2 and 3)	87,711	71,064	40	33
Senior executives and key employees (Tier 4 and 5)	130,601	142,172	62	67
Total outstanding 31 December 2021	**255,527**	**255,890**	**120**	**120**

1 Representing 100% of the number of shares granted in May 2019 and May 2021.
2 Calculated based on a share price of SEK 469 on 30 December 2021.

No of share awards outstanding	LTIP 2021	LTIP 2019
Share awards outstanding at beginning of year	–	300,094
Share awards allotted during the year	261,989	–
Share awards vested during the year[1]	–	−22,545
Share awards forfeited during the year	−6,462	−21,659
Total outstanding 31 December 2021	**255,527**	**255,890**

1 A total of 22,245 Class B shares were delivered to participants as part of an accelerated vesting of shares from the 2019 long-term incentive plan. The early vesting of shares was triggered by participants leaving NENT Group after the divestment of NENT Studios assets.

8 Items affecting comparability

Accounting principle

Items affecting comparability (IAC) refers to material items and events related to changes in the Group's structure or line of business, which are relevant to understanding the Group's development on a like-for-like basis.

Separate reporting of items affecting comparability provides a better understanding of the Group's underlying result and offers more comparable figures between periods.

Group (SEK million)	2021	2020
Capital loss from divestment of NENT Studio UK and write down of Studio assets	−74	−268
Capital gain as a result of VCB merger transaction	–	2,383
Transaction and advisory costs	–	−8
Total	**−74**	**2,109**

Items affecting comparability classified by function

Group (SEK million)	2021	2020
Cost of sales	–	−268
General and administrative expenses	–	−8
Other operating income and expenses	−74	2,383
Total	**−74**	**2,109**

The parent company had no items affecting comparability during the year compared to SEK –10m in 2020.

9 Financial items

Group (SEK million)	2021	2020
Interest income	5	3
Total interest income	**5**	**3**
Interest expense on borrowings	−57	−55
Interest expense, other	2	−5
Total interest expenses	**−55**	**−60**
Leasing interest income	6	7
Leasing interest expense	−18	−20
Leasing net interest	**−12**	**−13**
Net exchange rate differences	6	−13
Effect from discounting	1	1
Other borrowing expense	−42	−18
Other financial items	**−35**	**−30**
Net financial items	**−97**	**−100**

Parent company (SEK million)	2021	2020
Interest income from external parties	2	1
Interest income from Group companies	155	164
Net exchange rate differences	2	2
Total interest income and other financial income	**159**	**167**
Interest expense to external parties	−58	−65
Interest expense to Group companies	−1	−4
Other borrowing expense	−42	−18
Exchange rate differences	–	−4
Total interest expense and other financial costs	**−101**	**−90**
Net financial items	**58**	**77**

10 Taxes

Accounting principle

Tax expenses included current Swedish and foreign corporate income taxes and deferred tax. Other taxes such as non-deductable VAT, withholding tax and property tax are reported as operating expense based on the function of the underlying transaction.

Deferred tax refers to temporary differences between an asset's or a liability's carrying amount and its tax base. A deferred tax asset is recognised corresponding to the tax value for loss carry-forwards if it is judged likely that the loss carry-forward will be used for taxable income in the foreseeable future.

Distribution of tax expense

Group (SEK million)	2021	2020
Current tax expense	−89	−228
Adjustment for prior years	−1	10
Total current tax	**−90**	**−218**
Deferred tax	−21	–
Total	**−111**	**−218**

Parent company (SEK million)	2021	2020
Current tax expense	−11	−43
Adjustment for prior years	10	−1
Deferred tax	1	−2
Total	**–**	**−46**

Distribution of tax expense

	2021				2020			
Group (SEK million)	Tax base	Current tax	Deferred tax	Total tax	Tax base	Current tax	Deferred tax	Total tax
Income before tax – Nominal tax rate, 20.6% (21.4)	476	−98	–	−98	3,087	−661	–	−661
Share of earnings in associated companies and JVs	−40	8	–	8	−100	21	–	21
Capital gain, Viasat Consumer / Allente	–	–	–	–	−2,383	510	–	510
Other non-taxable income	−3	1	–	1	−54	12	–	12
Non-deductable expenses	126	−24	–	−24	308	−64	–	−64
Temporary differences	−75	16	−16	–	86	−18	18	–
Tax losses, capitalised	2	–	–	–	65	−13	13	–
Tax losses, not capitalised	1	–	–	–	73	−14	–	−14
Tax losses carry-forward, previously capitalised	−16	3	−3	–	–	–	–	–
Tax losses carry-forward, not previously capitalised	−2	–	–	–	–	–	–	–
Revaluation of deferred tax	–	–	−2	−2	–	–	−31	−31
Effects from foreign tax rates	–	5	–	5	–	−2	–	−2
Under/over provided in prior years	–	−1	–	−1	–	10	–	10
Total	**–**	**−90**	**−21**	**−111**	**–**	**−218**	**–**	**−218**

	2021				2020			
Parent company (SEK million)	Tax base	Current tax	Deferred tax	Total tax	Tax base	Current tax	Deferred tax	Total tax
Income before tax – Nominal tax rate, 20.6% (21.4)	103	−21	–	−21	301	−64	–	−64
Non-taxable income	−57	12	–	12	−97	21	–	21
Non-deductible expenses	2	–	–	–	6	−1	–	−1
Temporary differences	6	−1	1	–	−11	2	−2	–
Under/over provided in prior years	–	9	–	9	–	−1	–	−1
Total	**–**	**−1**	**1**	**–**	**–**	**−43**	**−2**	**−46**

10 cont.

Unrecognised tax losses carry-forward by expiry date

Group (SEK million)	2021	2020
Continuing operations		
Within 1 year	2	3
1–2 years	1	2
3–4 years	–	1
4–5 years	1	1
Over 5 years	1	1
No expiry date	–	30
Total	**5**	**38**

Tax losses carry-forward in 2020 does not include NENT Studios UK which is reported as continuing operations, but assets held for sale. In 2021 NENT Studios UK was divested.

There were no tax losses carry forward in 2021 and 2020 in the parent company.

Deferred tax is attributable to

Group (SEK million)	Opening balance 1 January 2020	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	Translation differences	Reclassified as assets held for sale	31 Dec 2020/ 1 Jan 2021	Deferred tax recognised in the P&L	Divestment of subsidiary	Deferred tax recognised in OCI	Translation differences	Reclassified as assets held for sale	Closing balance 31 Dec 2021
Tax losses carried forward	29	−14	–	−2	–	13	−5	−7	–	–	–	2
Intangible assets	−272	1	–	2	60	−209	2	–	–	–	–	−207
Tangible assets	7	−1	–	–	–	6	−1	–	–	–	–	5
Right-of-use assets	1	1	–	–	–	2	−1	–	–	–	–	1
Financial assets	−21	7	78	–	–	64	−6	–	−75	–	–	−17
Inventory	3	2	–	–	–	5	1	–	–	–	–	6
Current receivables	2	–	–	–	–	2	0	–	–	–	–	2
Provisions	14	6	–	–	–	19	−11	–	–	2	–	10
Current liabilities	2	−2	–	–	–	–	–	−2	3	2	–	3
Untaxed reserves	−2	2	–	–	–	–	–	–	–	–	–	–
Total	**−239**	**–**	**78**	**–**	**60**	**−101**	**−21**	**−9**	**−72**	**5**	**–**	**−195**
of which Deferred tax asset	64					111						44
of which Deferred tax liability	−303					−211						−238

Parent company (SEK million)	Opening balance 1 January 2020	Deferred tax recognised in the P&L	Deferred tax recognised in the P&L	Deferred tax recognised in OCI	Translation differences	31 Dec 2021 / 1 jan 2022	Deferred tax recognised in the P&L	Divestment of subsidiary	Deferred tax recognised in OCI	Translation differences	Reclassified as assets held for sale	Closing balance 31 Dec 2021
Financial assets	1	−2	–	–	–	−1	1	–	–	–	–	–
Total	**1**	**−2**	**–**	**–**	**–**	**−1**	**1**	**–**	**–**	**–**	**–**	**–**
of which Deferred tax asset	1					–						–
of which Deferred tax liability	–					−1						

11 Discontinued operations and assets held for sale

Accounting principles

Discontinued operations refer to companies that have been disposed of or have been classified as held for sale. The net income from the operations is reported in a separate line in the income statement, and historical figures have been restated accordingly. The assets and liabilities related to the operations are reported on separate lines in the consolidated balance sheet.

Discontinued operations

The discontinued operations comprised the non-scripted production, branded entertainment and events business that have now been sold. These businesses were part of the Studios segment and reported as assets held for sale and discontinued operations since Q2 2020. The net income, assets and liabilities of the operations were reported in a separate line in the consolidated income statement and balance sheet, with historical figures restated accordingly. Splay One was divested on 6 April 2021 and the remaining discontinued studios businesses were divested on 30 September 2021. The capital loss including transaction costs from the divestments was reported as an item affecting comparability within discontinued operations.

Income from discontinued operations

(SEK million)	2021	2020
External sales	615	1,108
Internal sales	60	135
Net sales	**675**	**1,242**
Cost of sales	–548	–1,018
General and administrative expenses	–123	–244
Items affecting comparatbility[1]	–45	–620
Other income and expenses	3	7
Financial expenses	–1	–13
Net income before tax	**–39**	**–645**
Tax expenses	–1	2
Net income from discontinued operations	**–40**	**–643**

1 Capital loss including transaction costs of SEK –45 m from the divestments, 2020 included a write-down of assets SEK –610 m and SEK –10 m related to transaction and advisory cost.

Cash flow from discontinued operations

Group (SEK million)	2021	2020
Cash flow from operating activities	47	24
Cash flow from investing activities[1]	–6	–880
Cash flow from financing activities[1]	–11	817
Cash flow from discontinued operations	**30**	**–39**

1 Refers mainly to intra-group transactions.

Assets held for sale

During 2020 the non-scripted production, branded entertainment and events businesses and NENT Studios UK were reported as assets held for sale. NENT Studio UK was divested on 11 June 2021.

Group (SEK million)	2020
Net assets held for sale	
Non-current assets	686
Accounts receivable and other receivables	609
Cash and cash equivalents	4
Assets held for sale	**1,299**
Interest-bearing liabilities	120
Accounts payable and other liabilities	661
Liabilities related to assets held for sale	**781**
Net assets	**519**

12 Earnings per share

Group (SEK million)	2021	2020
Weighted average number of shares, basic	**76,731,753**	**67,345,231**
Net income attributable to the equity holders of the parent company, continuing operations	365	2,869
Net income attributable to the equity holders of the parent company	325	2,236
Basic earnings per share, SEK, continuing operations	4.76	42.60
Basic earnings per share, SEK	4.23	33.06
Weighted average number of shares, diluted	**77,031,536**	**67,664,386**
Net income attributable to the equity holders of the parent company, continuing operations	365	2,869
Net income attributable to the equity holders of the parent company	325	2,236
Diluted earnings per share, SEK, continuing operations	4.74	42.40
Diluted earnings per share, SEK	4.21	32.90

Potentially dilutive instruments

Nordic Entertainment Group AB has two outstanding long-term incentive plans. The potential dilution is calculated in order to determine the number of shares that can be excercised at fair value based on the value of the share awards. Performance share awards are included in the potentially dilutive shares from the start of the program, and in accordance with the performance targets achieved. The Company has two outstanding programmes from 2019 and 2021 where the vesting has not occured, but that might have a diluting effect. As per 31 December 2021 the number of share awards amounted to 511,417 (see note 7).

13 Intangible assets

Accounting for intangible assets

Intangible assets are reported net after deductions for accumulated amortisation according to plan and impairment losses. Amortisation according to plan is normally calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The intangible assets are classified in the following categories:

Asset	Amortisation period
Capitalised development expenditure	3–10 years
Trademarks	Trademarks being part of a purchase price allocation are normally judged to have indefinite lives with impairment tests annually or if triggered by events
Beneficial rights/ broadcasting licenses	Estimated amortisation period based on the terms of the license
Goodwill	Indefinite lives with impairment tests annually or if triggered by events

Capitalised development expenditure

Expenditure on development activities, aiming at new or substantially improved products and processes, are capitalised if the process is technically and commercially feasible and the Group has sufficient resources to complete the development. The development expenditure capitalised includes the direct costs and, when appropriate, cost of direct labour and an appropriate proportion of overheads. Other development expenditure is expensed in the income statement as incurred. Capitalised development expenditure are stated at cost less accumulated amortisation and impairment charges.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of an acquired business. Goodwill is recognised as an asset and tested for impairment losses at least annually. Any impairment is recognised immediately in the income statement and cannot be reversed. Goodwill arising from acquisitions of associated companies is included in the reported value of shares in associated companies. Impairment tests are made on the total cash generating unit.

13 cont.

Other intangible assets

Other intangible assets, such as acquired beneficial rights, broadcasting licenses and trademarks, are stated at cost less accumulated amortisation and impairment charges.

	Koncernen									
	2021					2020				
(SEK million)	Goodwill	Trademarks	Capitalised expenditure	Other[1]	Total other intangible assets	Goodwill	Trademarks	Capitalised expenditure	Other[1]	Total other intangible assets
Acquisition values										
Opening balance 1 January	**3,208**	244	616	518	**1,378**	**4,224**	545	560	695	**1,800**
Investments during the year	**–**	–	106	–	**106**	**–**	–	101	–	**101**
Sales and disposals during the year	**–**	–	–255	–18	**–273**	**–**	–	–90	–2	**–92**
Change in Group structure, reclassifications etc	**–**	–	–	–	**–**	**–**	–	54	–	**54**
Reclassification to assets held for sale	**–**	–	–	–	**–**	**–954**	–271	–7	–164	**–442**
Translation differences	**27**	16	–	7	**23**	**–62**	–30	–1	–10	**–41**
Closing balance 31 December	**3,235**	**260**	**467**	**507**	**1,233**	**3,208**	**244**	**616**	**518**	**1,378**
Accumulated amortisation and impairment charges										
Opening balance 1 January	**–1,899**	–13	–425	–252	**–689**	**–1,913**	–18	–398	–310	**–726**
Sales and disposals during the year	**–**	–	255	18	**273**	**–**	–	77	2	**79**
Amortisation during the year	**–**	–	–102	–52	**–154**	**–**	–	–93	–54	**–147**
Impairment charges during the year	**–**	–	–15	–	**–15**	**–187**	–	–2	–	**–2**
Change in Group structure, reclassifications etc	**–**	–	–	–	**–**	**–**	–	–16	–	**–16**
Reclassification to assets held for sale	**–**	–	–	–	**–**	**202**	5	7	99	**111**
Translation differences	**2**	1	–	–8	**–7**	**–1**	–	–	10	**10**
Closing balance 31 December	**–1,897**	**–12**	**–286**	**–293**	**–591**	**–1,899**	**–13**	**–425**	**–252**	**–689**
On 1 January	**1,309**	231	192	266	**689**	**2,311**	526	161	385	**1,072**
On 31 December	**1,338**	248	181	214	**643**	**1,309**	231	192	266	**689**

1 Other refers to broadcasting licenses and beneficial rights.

13 cont.

Amortisation by function

Group (SEK million)	2021	2020
Cost of sales	−135	−131
Selling and marketing expenses	−7	–
General and administrative expenses	−12	−15
Total	**−154**	**−147**

Impairment charges by function

Group (SEK million)	2021	2020
Cost of sales	−15	−2
Items affecting comparability	–	−187
Total	**−15**	**−189**

Intangible assets with indefinite useful lives

NENT Group has goodwill, trademarks and other intangibles assets with indefinite lives amounting to SEK 1,586m (1,540).

Impairment testing

Impairment testing of goodwill and other intangible assets with indefinite lives, are based on calculations of the recoverable amount (value in use), using a discounted cash flow model. The Group's operations is considered as one cash generating unit. If there is signs of impairment within the organisation further tests are made at lower levels. The cash flows of the cash generating unit are discounted at a pre-tax interest of 10.6% (9.3) considering the cost of capital, territory, the economic environment and risk. The model involves key assumptions such as sales, growth rates, sales prices and cost growth together with working capital requirements. These cash flow projections, calculated over a minimum of a five-year period, are based on actual operating results, forecasts and financial projections, using historical trends, general market conditions, industry trends and other available information. After the five-year period, a growth rate of 2% (2) is applied.

Impairment

The impairment tests are carried out on a regular basis, annually or when triggered by events. There were no impairment needs within the operations 2021. During Q4 2020 the Group impaired goodwill and other assets within its discontinued operations, as well as within the NENT Studios UK operations. The impairment charge was based on a calculation of the fair value less costs to sell using indicative offers from potential buyers.

Sensitivity

The operations, which do not indicate an impairment requirement, have such a margin that reasonably possible adverse changes in individual parameters would not cause the value in use to fall below the book value. However, cash flow projections are by their nature more uncertain and may also be influenced by factors outside the control of the company. Such factors could be political risks and general market conditions, which might quickly deteriorate due to a financial crisis such as crisis due to instability in the financial sector.

14 Tangible assets

Accounting for tangible assets

Tangible assets are reported at cost less accumulated depreciation and write-downs. Depreciation is normally calculated using the straight-line method over the asset's estimated useful life. Where parts of an item of machinery and equipment have different useful lives, they are accounted for as separate items of machinery and equipment. Machinery and equipment are depreciated over a period of three to five years.

	Equipment, tools and installations	
Group (SEK million)	**2021**	**2020**
Acquistion value		
Opening balance 1 January	457	655
Investments during the year	105	41
Sales and scrapping during the year	−37	−53
Change in group structure, reclassifications etc	–	−54
Sold to company reported as assets held for sale	–	−10
Reclassification to assets held for sale	–	−111
Translation differences	7	−12
Closing balance 31 December	**532**	**457**
Accumulated depreciation and write-downs		
Opening balance 1 January	−361	−489
Sales and scrapping during the year	37	47
Depreciation during the year	−41	−45
Change in group structure, reclassifications etc	–	16
Sold to company reported as assets held for sale	–	7
Reclassification to assets held for sale	–	93
Translation differences	−4	10
Closing balance 31 December	**−369**	**−361**
Carrying amount		
On 1 January	96	165
On 31 December	163	96

Depreciation by function

Group (SEK million)	2021	2020
Cost of sales	−23	−25
General and administrative expenses	−18	−20
Other operating expenses	−1	–
Total	**−41**	**−45**

15 Long-term financial assets

Group companies

The following companies are included in the Group. The share capital and voting rights represent the 31 December 2021.

Shares and participations in Group companies

Company name	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
Bacademy AB	556970-5899	Sweden	100	100
Kilohertz AB	556444-7158	Sweden	100	100
Matador Film AB	556793-6637	Sweden	100	100
NENT Group International AB	556840-9287	Sweden	100	100
Nordic Entertainment Group Africa AB	556170-2217	Sweden	100	100
Nordic Entertainment Group Radio AB	556365-3335	Sweden	100	100
Nordic Entertainment Group Radio Sales AB	556490-7979	Sweden	100	100
Nordic Entertainment Group Services AB	556711-0290	Sweden	100	100
Nordic Entertainment Group Sweden AB	556304-7041	Sweden	100	100
Nordic Entertainment Group Sweden Holding AB	556057-9558	Sweden	100	100
Paprika Holding AB	556896-1444	Sweden	100	100
Strix Drama AB	556419-9544	Sweden	100	100
Viaplay Studios AB	556264-3261	Sweden	100	100
Viaplay Studios Sweden AB	556783-6704	Sweden	100	100
Viastrong Holding AB	556733-1086	Sweden	100	100
Paprika Studios EOOD		Bulgaria	100	100
L.I. Paprika AVC Ltd		Cyprus	100	100
Paprika Studios s.r.o.		Czech Republic	100	100
Epiq Films Aps		Denmark	100	100
Nordic Entertainment Group Denmark A/S		Denmark	100	100
TV3 Sport A/S		Denmark	100	100
Paprika Studios OÜ		Estonia	100	100
Nordic Entertainment Group Finland Oy		Finland	100	100
MTG Africa Management Ltd		Ghana	100	100
Paprika Production Kft.		Hungary	100	100
Paprika Scripted Kft.		Hungary	100	100
Paprika Services Kft.		Hungary	100	100

15 cont.

Shares and participations in Group companies

Company name	Co. Reg.no.	Registered office	Share capital (%)	Voting rights (%)
Paprika Studios Kft.		Hungary	100	100
UAB Paprika filmai		Lithuania	100	100
UAB studija Paprika		Lithuania	100	100
Nordic Entertainment Group Norway AS		Norway	100	100
P4 Radio Hele Norge AS		Norway	100	100
P5 Radio halve Norge AS		Norway	100	100
Nordic Entertainment Group Poland sp. z o.o.		Poland	100	100
Paprika Studios Sp. z o.o.		Poland	100	100
S.C. Paprika Studios S.A.		Romania	100	100
MTG Senegal SA		Senegal	100	100
Paprika Studios s.r.o		Slovakia	100	100
Paprika Studios d.o.o.		Slovenia	100	100
NENT Group Netherlands B.V.		The Netherlands	100	100
Modern Times Group Uganda Ltd		Uganda	100	100
Nordic Entertainment Group UK Limited		United Kingdom	100	100
Nordic Entertainment Group US Inc.		USA	100	100

Parent company	Co. Reg.no.	Registered office	Share capital (%)[1]	Voting rights (%)[1]
Nordic Entertainment Group Sweden Holding AB	556057-9558	Stockholm	100	100
Total				

1 Number of shares 5,000

Shares and participations in Group companies

Parent company (SEK million)	2021	2020
Opening balance 1 January	123	110
Long-term incentive plan related to employees in Group companies	18	14
Shareholder contribution	60	–
Closing balance 31 December	**202**	**123**

16 Associated companies and joint ventures

Accounting principle

Associated companies and joint ventures are reported based on the equity method. The share of earnings is equal to the Group's share of net income in each associated company or joint venture after conversion into Swedish krona.

Participation in associated companies

Group (SEK million)	2021	2020
Opening balance 1 January	1,616	34
Acquisitions	–	2,680
Share of earnings in associated companies	40	100
Dividend from associated compaines	–500	–1,200
Write-down	–8	–
Translation differences	78	2
Closing balance 31 December	**1,226**	**1,616**

Share of equity

Group (%)		2021	2020
Allente Group AB	Stockholm	50%	50%
FilmNation	United Kingdom	40%	40%
Other		20–50%	20–50%

Carrying amount

Group (SEK million)	2021	2020
Allente Group AB	1,180	1,563
FilmNation	31	30
Other	15	23
Total	**1,226**	**1,616**

Allente

In May 2020 Viasat Consumer, NENT Group's satellite pay-TV and broadband-TV business, was combined with Canal Digital, Telenor Group's satellite pay-TV business, into a new joint venture company called Allente

NENT Group and Telenor Group each own 50% of the shares in the company. Viasat Consumer and its subsidiaries were deconsolidated from NENT Group after the closing of the merger. NENT Group reports its 50% share of Allente's net income as income from associated companies within its operating income. The transaction gave rise to a non-cash capital gain for NENT Group, which has been reported within items affecting comparability.

Allente, income statement (condensed)

100% of operations (SEK million)	2021	2020
Net sales	6,817	4,595
EBITDA before IAC	1,328	808
Depreciation and amortisation	–433	–351
Operating income before IAC	**895**	**458**
Items affecting comparability	–736	–202
Operating income	**159**	**256**
Financial items	–55	–4
Tax expense	–22	–54
Net income for the year	**82**	**198**
Other comprehensive income for the year	152	12
Total comprehensive income for the year	**234**	**210**
NENT Group 50% share of net income	41	99

Allente, balance sheet (condensed)

100% of operations (SEK million)	31 Dec 2021	31 Dec 2020
Non-current assets	5,304	5,488
Cash and cash equivalents	196	1,242
Other current assets	1,692	1,592
Total assets	**7,192**	**8,322**
Equity	**2,359**	**3,126**
Borrowings	2,313	2,500
Other non-current liabilities	528	586
Current liabilities	1,992	2,110
Total liabilities	**4,833**	**5,196**
Total equity and liabilities	**7,192**	**8,322**
Net debt	**2,156**	**1,301**

17 Accounts receivable

Group (SEK million)	31 Dec 2021	31 Dec 2020
Accounts receivable		
Gross accounts receivable	924	858
Allowances for expected credit losses	–77	–69
Total	**847**	**789**
Allowance for expected credit losses		
Opening balance 1 January	68	75
Provision for potential losses	12	19
Actual losses	–1	–1
Reversed write-offs	–3	–4
Divested operations	–	–12
Reclassification to assets held for sale	–	–6
Translation differences	1	–2
Closing balance 31 December	**77**	**69**
Aging analysis of accounts receivable		
Not due	740	665
30–90 days	84	95
> 90 days	100	98
Total	**924**	**858**

The credit risk is diversified among a large group of customers. The credit risk is assessed based on historical data. The recognised values are judged to be reasonable approximations of the fair values.

18 Prepaid expenses and accrued income

Group (SEK million)	31 Dec 2021	31 Dec 2020
Prepaid expenses		
Personnel	1	–
Production	5	8
Other	100	111
Total	**106**	**119**
Accrued income		
Advertising	39	54
Subscription	252	145
Production	85	111
License and royalty	2	1
Other	31	72
Total	**409**	**383**
Total prepaid expenses and accrued income	**515**	**502**

Parent company (SEK million)	31 Dec 2021	31 Dec 2020
Prepaid expenses	21	14
Accrued income	–	1
Total	**21**	**15**

19 Shareholders' equity

Share capital

The holder of a NENT Class A share is entitled to 10 voting rights, the holder of a NENT Class B and NENT Class C share one voting right. Class C shareholders are not entitled to dividend payments. The quota value is SEK 2 per share.

Group (SEK million)	2021	2020
Opening balance 1 January	136	135
Bonus Issue	–	–
New share issue, Class C-shares (500,000)	–	1
New share issue, Class B-shares (10,600,000)	21	–
Closing balance 31 December	**157**	**136**

Shares issued

	2021		2020	
Parent company	Number of shares	Quota value (SEK million)	Number of shares	Quota value (SEK million)
NENT Class A	532,572	1	532,572	1
NENT Class B	77,439,153	155	66,839,153	134
NENT Class C	470,519	1	470,519	1
Total on 31 December	**78,442,244**	**157**	**67,842,244**	**136**
Treasury shares	−472,173	–	−494,718	–
Total outstanding on 31 December	**77,970,071**	**157**	**67,347,526**	**136**

Out of the totally issued shares, 1,654 (24,199) Class B shares and 470,519 (470,519) Class C shares are held as treasury shares. A total of 22,245 Class B shares were delivered to participants as part of an accelerated vesting of shares from the 2019 long-term incentive plan. The early vesting of shares was triggered by participants leaving NENT Group after the divestment of NENT Studios businesses.

Other paid-in capital / Share premium reserve

The paid-in capital arises when shares are issued at a premium, i.e. shares were paid at a higher price than the quota value.

Group / Parent company (SEK million)	2021
Share issue (10,600,000 shares with subscription price SEK 410)	4,346
Share capital (10,600,000 shares with quota value SEK 2)	−21
Transaction costs	−43
Share premium reserve	**4,282**

Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations to Swedish krona in the consolidated accounts.

Group (SEK million)	2021	2020
Opening balance 1 January	−187	−25
Currency translation differences, net of tax	140	−162
Closing balance 31 December	**−47**	**−187**

Hedging reserve

The hedging reserve 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. Hedging positions are taken to protect the Group against the effects of transaction exposures in the contracted outflow for the main part of programme acquisitions in foreign currency.

Group (SEK million)	2021	2020
Opening balance 1 January	−261	50
Cash flow hedges, net of tax	289	−311
Closing balance 31 December	**28**	**−261**

Retained earnings

Retained earnings comprise previously earned income.

20 Proposed treatment of unappropriated earnings

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

The following sum in the parent company is available for disposal by the Annual General Meeting:		
Share premium reserve	SEK	4,281,595,907
Retained earnings	SEK	2,062,336,609
Net profit for the year	SEK	103,318,617
Total	**SEK**	**6,447,251,134**

The Board of Directors proposes that the unappropriated earnings be allocated as follows:		
Carried forward	SEK	6,447,251,134
Total	**SEK**	**6,447,251,134**

Read more about the Board's statement on proposed treatment of unappropriated earnings on page 132.

21 Provisions

Accounting principle

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the moment the payment takes place is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the anticipated liability.

Royalties

The Group pays compensation for the music used in the Group's productions to the holders of the music rights. As the final compensation is unknown at the end of the period, the best estimate of the cost is reported.

Pensions

There are mainly defined contribution pension plans within the Group. The Group's payments to defined contribution plans are reported as costs in the period when the employee performed the services to which the fee relates. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group has defined benefit pension plans in Norway and Sweden. The plans relate to a few employees and the amount is immaterial. In Sweden there is a multi-employer defined benefit plan. The Group reports these pension costs in the same way as defined contribution plans.

Group (SEK million)	Restructuring provisions	Royalties and other provisions	Total
Opening balance 1 January 2020	**151**	**263**	**414**
Provisions during the year	7	275	282
Used during the year	–83	–181	–264
Reversed during the year	–21	–22	–43
Reclassification to assets held for sale	–11	–42	–53
Translation differences	–5	–9	–14
Closing balance 31 December 2020	**38**	**284**	**322**
Of which long-term	38	99	137
Of which short-term	–	185	185
Opening balance 1 January	**38**	**284**	**322**
Provisions during the year	–	262	262
Used during the year	–18	–155	–173
Reversed during the year	–15	–28	–43
Translation differences	–	4	4
Closing balance 31 December 2021	**5**	**367**	**372**
Of which long-term	5	152	157
Of which short-term	–	215	215

22 Accrued expenses and prepaid income

Group (SEK million)	31 Dec 2021	31 Dec 2020
Accrued expenses		
Personnel	288	239
Production	93	27
Distribution	44	6
Royalty	38	15
Marketing	121	57
Other	294	121
Total	**879**	**465**
Prepaid income		
Advertising	144	79
Subscription	327	385
Production	14	6
License and royalty	149	146
Other	41	24
Total	**675**	**639**
Total accrued expenses and prepaid income	**1,554**	**1,105**

Parent company (SEK million)	31 Dec 2021	31 Dec 2020
Accrued personnel expenses	50	40
Other accrued expenses	38	32
Total accrued expenses and prepaid income	**87**	**71**

23 Financial instruments and financial risk management

Capital management

The primary objective of the Group's capital management is to ensure financial stability, manage financial risks and secure the Group's short-term and long-term need of capital. The Group defines its capital as equity including non-controlling interest as stated in the balance sheet.

The Group manages its capital structure and makes adjustments when necessary due to economic conditions in its environment. To maintain or adjust the capital structure, the Group may change the dividend payment to shareholders, buy back shares or issue new shares.

The Group monitors capital efficiency using different ratios, such as net debt, return on capital employed and equity to assets ratio.

Financial risk management

In addition to business operational risks, the Group is exposed to various financial risks in its operations. The most important financial risks are refinancing-, currency-, credit-, and interest rate risk. The risks during 2020–2021 were regulated by the financial policy adopted by NENT's Board of Directors in 2020.

The Group's financial policy constitutes a framework of guidelines and rules for financial risk management and financial activities in general. The policy is subject to a yearly review. The Group financial risks are continuously compiled and followed up at corporate level by the Group's treasury function to ensure compliance with the financial policy. The parent company's treasury function is responsible for managing the financial risks. It is aimed to limit the Group's financial risks, and ensure that the Group has appropriate and secure financing for its current needs. Liquidity in the Group is concentrated with the Group's treasury function and in local cash pools. Surplus liquidity may be invested during a period of a maximum twelve months. The financial policy includes a special counterparty regulation by which a maximum credit exposure for various counterparties to minimise the risk is stipulated.

Financing and refinancing risk

Financing risk is the risk of not being able to meet the need for future funding requirements. The Group's sources of funding are primarily shareholders' equity, cash flows from operations and borrowing. To reduce the refinancing risk the Group strives to diversify the funding sources and maturity tenors, and normally initiates refinancing of all loans 12 months before maturity. The Group shall strive for relevant key ratios equal to investment grade rating, although NENT Group's leverage may deviate temporarily from time to time. External borrowing is managed centrally in accordance with the Group's financial policy. Loans are primarily taken up by the parent company, and transferred to subsidiaries as internal loans or capital injections. There are currently no subsidiaries with external loans and/or overdraft facilities connected directly to these companies.

The Group has a corporate bond of SEK 800m maturing May 2022, a corporate bond of SEK 150m maturing June 2023, a corporate bond of SEK 700m maturing May 2024 and a corporate bond of SEK 650m maturing June 2025, all with variable three month Stibor interest plus a margin.

The bonds have been issued under the Group's medium term note program (with a total frame of SEK 4,000m). Additionally the Group has a SEK 700m corporate bond with variable three-month Stibor interest plus a margin maturing January 2025 and a SEK 300m corporate bond with fixed interest rate maturing July 2026. In the short-term capital market, the Group has an uncommitted commercial paper program with a frame of SEK 3,500m under which certificates for SEK 0m was issued at the balance sheet date.

The Group also has a five-year committed SEK 4,000m syndicated bank facility arranged in December 2020. The facility was not utilised at the balance sheet date. The revolving credit facility is unsecured with no required amortisations and can be paid out in optional currencies. The interest varies with IBOR (not lower than 0%) depending on the currency utilised. The Group has opened a syndicated trade finance facility during the year where participating banks can issue guarantees for the Group's upcoming payments of commercial contracts. The facilities are subject to financial covenants. There are no regulatory external capital requirements to be met by the parent company or any of the subsidiaries other than the covenants. The covenants have been fulfilled. The Group's commitments are shown in the accounts or commitments for future payments. Overdraft facilities within the Group's cash-pool banks consist of one overdraft facility of SEK 150m, one of DKK 20m, and one of NOK 55m. The total is SEK 234m of which nil was drawn at the balance sheet date. On 31 December 2021, total short- and long-term borrowings amounted to SEK 3,300m (4,560) including SEK 3,300m (4,560) borrowed from the capital market. The Group has a supplier financing program where content production companies can use factoring of invoices to Group companies. The program was introduced to support and facilitate the flow of productions among the external suppliers. Invoices received under this program are treated as accounts payable in the financial statements.

23 cont.

Net debt

Group (SEK million)	31 Dec 2021	31 Dec 2020
Short-term borrowings	800	1,260
Long-term borrowings	2,500	3,300
Total financial borrowings	**3,300**	**4,560**
Cash and cash equivalents	5,702	2,036
Cash and cash equivalents included in assets held for sale	–	4
Interest bearing receivables	20	–
Financial net debt	**–2,422**	**2,520**
Lease liability	522	566
Lease liability included in liabilities related to assets held for sale	–	120
Total lease receivable	158	181
Lease liabilities net of sublease receivables	**364**	**505**
Net debt	**–2,059**	**3,026**
Cash-pool overdraft facilities	234	270
of which utilised	–	–
Revolving credit facilities	4,000	8,000
of which utilised	–	–

Group (SEK million)	31 Dec 2021	31 Dec 2020
Amount due for settlement within 12 months	800	1,260
Amount due for settlement within 13 to 59 months	2,500	3,000
Amount due for settlement after 60 months	–	300
Total	**3,300**	**4,560**

Terms and payback period, gross values

Group (SEK million)	Interest rate	Fixed interest rate	Effective interest rate	2021 Total	Maturity 2022	Maturity 2023	Maturity 2024 or later
Bond loan (floating rates)	1.62%	3 months	1.65%	2,700	500	150	2,050
Bond loan (fixed rate including interest rate swaps)	1.44%	0–5 years	1.43%	600	300	–	300
Accounts payable				2,891	2,891	–	–
Total				**6,191**	**3,691**	**150**	**2,350**

Group (SEK million)	Interest rate	Fixed interest rate	Effective interest rate	2020 Total	Maturity 2021	Maturity 2022	Maturity 2023 or later
Bond loan (floating rates)	1.57%	3 months	1.60%	2,700	–	500	2,200
Bond loan (fixed rate including interest rate swaps)	1.44%	2–6 years	1.44%	600	–	300	300
Commercial papers	0.32%	3–9 months	0.37%	1,260	1,260	–	–
Accounts payable				2,164	2,164	–	–
Total				**6,724**	**3,424**	**800**	**2,500**

The interest has been calculated using the current interest rates on 31 December.
Liabilities have been included in the period when repayment may be required at the earliest.

Market risks

Interest rate risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect cash flow, financial assets and liabilities. The Group is exposed to interest rate risk through loans, derivatives, other financial assets and utilised interest-bearing credit facilities. The Group's financial policy aims to gain financial flexibility through a balanced mix between variable and fixed interest rates and spreading maturities to match funding needs. During 2020–2021, the weighted average interest rate period was less than one year.

The Group has one interest rate swap with a nominal amount of SEK 300m, fixing part of the interest of the corporate bond maturing 2022. Short-term investments and cash and cash equivalents amounted to SEK 5,702m (2,040) as on 31 December, and the average interest rate period on these assets was around 0 month.

An increase of market rates of 1% would increase the interest cost by around SEK 20m. A 1% decrease would reduce the interest expense by around SEK 19m. The difference is due to the terms of the loans.

23 cont.

Credit risk

Credit risk is defined as the risk that the counterparty in a transaction will not fulfil its contractual obligations and any collateral will not cover the claim of the Group. The credit risk in the Group consists of financial credit risk and customer credit risk.

Financial credit risk is the risk arising for the Group in its relations with financial counterparties. The management of the financial credit risk is regulated in the Group's financial policy, which contains a framework of risk limits for external counterparties based on credit ratings. Standardised ISDA agreements are signed with all counterparties involved in foreign exchange transactions and interest rate swaps. Transactions are made within fixed limits and exposures are continuously monitored. The credit risk with respect to the Group's accounts receivables is diversified among a large number of customers, both private individuals and companies. The Group's assessment based on historical data is that there are no write-down requirements for accounts receivable not due. Most of the current outstanding accounts receivable comprise previously known customers, who are judged to have good credit worthiness. See also note 17 Accounts receivable.

The Group's exposure to credit risk amounts to SEK 6,887m (3,171) on 31 December. The exposure is based on the carrying amount for the financial assets, the major part comprising cash and cash equivalents.

Insurable risks

The parent company ensures that the Group has sufficient insurance coverage, including business interruption, director and officer liabilities and asset losses. This is done via corporate umbrella solutions to cover most territories

Currency risk

Foreign exchange risk is the risk that fluctuations in exchange rates will adversely affect the income statement, financial position and/or cash flows. The risk can be divided into transaction exposure and translation exposure.

Derivative instruments

The Group uses forward contracts to hedge its exposure to foreign exchange arising from operational activities, and currency swaps to match the timing of foreign exchange flows. The major part of contracted programme acquisition outflows in US dollars is hedged. Derivatives that do not qualify for hedge accounting due to the rules in IFRS 9 are accounted for as financial instruments valued at fair value through profit and loss.

Derivative financial instruments are recognised initially at cost and revalued to fair value thereafter. The effective part of the gain or loss in the cash flow hedge is recognised in other comprehensive income with the aggregated changes in value in the hedge reserve in equity. When the forecasted transaction results in the recognition of programme inventory, the cumulative gain or loss is removed from equity and included in the initial cost of inventory. When a hedging instrument expires, the cumulative gain or loss is recognised in the income statement.

Transaction exposure

Transaction exposure arises when inflow and outflow in foreign currencies are not matched. According to the Group's financial policy, the Group shall hedge the major contractual future currency flows on the basis of a maximum 36 months forward. The corporate treasury department strives to match inflows and outflows in the same currency to take advantage of natural hedges. Hedging is performed to protect the Group against the effects of transaction exposures in the contracted outflow for the main part of programme acquisitions in US dollars. Around 85–100% of the contracted currency flows related to programme acquisitions for the next 12 months are hedged. The hedging reserve at year-end amounted to a total of SEK 28m (–261). Hedges with a maturity later than 12 months have a market value of SEK 26m (–128) at year-end.

The transaction exposures in the Group occur when the subsidiaries have external and internal transactions in currencies other than the subsidiary's functional currency. Below is the net of hedges and forecasted transaction exposures for the next 12 months:

Currency stated in (SEK million)	USD	EUR	DKK	NOK	GBP
Transaction flows	–3,440	–4,002	3,077	1,761	–389
Hedges due in 12 months	2,379	500	–	–	226
Net transaction flows	**–1,061**	**–3,503**	**3,077**	**1,761**	**–163**
Effect if SEK falls 5%	–53	–175	154	88	–8

23 cont.

The nominal value of the major hedge contracts amounted to:

Currency (million)	2021	2020
EUR	49	–
USD	349	452

The effect of a change in the rate by 5% on all of the outstanding positions as on 31 December would have been around SEK 198m (196) before tax.

Translation exposure

Translation exposure is the risk that arises when translating equity in a foreign subsidiary, associated company or joint venture. There are no hedging positions for translation exposure. Foreign net assets including goodwill and other intangible assets arising from acquisitions are distributed as follows.

	2021		2020	
Currency	SEK million	%	SEK million	%
NOK	708	61%	546	64%
EUR	83	7%	−109	−13%
DKK	354	31%	405	47%
Other currencies	8	1%	11	1%
Total equivalent SEK value	**1,153**	**100%**	**853**	**100%**

A 5% change in NOK/SEK would affect equity by around SEK 35m (28), in EUR/SEK the effect would be around SEK 4m (7) and in DKK/SEK around SEK 18m (12).

Accounting for financial instruments

Financial assets and liabilities include cash and cash equivalents, securities, derivative instruments, other financial receivables, accounts receivable, accounts payable, contingent considerations and loan liabilities.

Financial assets at fair value through profit and loss

Shares

The Group's shareholdings in other companies is non listed. Changes in the fair values of these shares will impact the Income statement.

Derivatives

Derivates are recognised as a financial asset at fair value and changes in the value is recognised in profit and loss, or other comprehensive income when the hedged cash-flow is not yet recognised.

Financial assets at amortised costs

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as current assets, with the exception for receivables with maturities later than 12 months after the balance-sheet date. These receivables are classified as non-current assets. These assets comprise accounts receivable and other receivables and cash and cash equivalents. Receivables are stated at amortised cost less impairment losses. The receivables are reviewed monthly to determine whether there is an indication of impairment. Such indications include receivables due for a longer period than 90 days. Doubtful accounts receivable are reported with the amount at which they are deemed likely to be paid.

Financial liabilities at fair value through profit or loss

Derivatives

Derivatives at fair value are recognised as financial liabilities and the changes in the value are recognised in profit and loss, or other comprehensive income when the hedged cash-flow is not yet recognised.

Contingent considerations and options to acquire remaining shares in subsidiaries

When a subsidiary is acquired and previous owners remain as non-controlling interest, the agreement often includes an option for the minority owners to sell their share of the acquired company to the Group at a later stage. In such cases no non-controlling interest is reported but instead a financial liability is recognised. The liability is reported at the discounted present value of the redemption amount of the shares.

Financial liabilities at amortised costs

The financial liabilities at amortised costs are recognised as liabilities to suppliers, short-term interest-bearing liabilities and long-term interest-bearing liabilities.

23 cont.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy. The carrying amount of cash and cash equivalents, other receivables, accounts receivable and receivables from associated companies and interest-bearing liabilities, accounts payable and other liabilities represent a reasonable approximation of fair value.

Group 2021 (SEK million)	Fair value hedging instruments	Fair value through profit and loss	Financial assets/ liabilities at amortised cost	Total 31 Dec 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used for hedging	109	–	–	109	–	109	–	109
Total	**109**	**–**	**–**	**109**	**–**	**109**	**–**	**109**
Financial assets measured at amortised cost								
Accounts receivable and other receivables	–	–	894	894	–	–	–	–
Cash and cash equivalents	–	–	5,702	5,702	–	–	–	–
Total	**–**	**–**	**6,596**	**6,596**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value								
Forward exchange contracts used for hedging	14	2	–	16	–	16	–	16
Total	**14**	**2**	**–**	**16**	**–**	**16**	**–**	**16**
Financial liabilities measured at amortised cost								
Long-term borrowings	–	–	2,500	2,500	–	–	–	–
Short-term borrowings	–	–	800	800	–	–	–	–
Accounts payable and other payables	–	–	2,891	2,891	–	–	–	–
Total	**–**	**–**	**6,191**	**6,191**	**–**	**–**	**–**	**–**

Book value equals fair value except for financial liabilities where the fair value is SEK 76m higher than the carrying amount.

23 cont.

Group 2020 (SEK million)	Fair value hedging instruments	Fair value through profit and loss	Financial assets/ liabilities at amortised cost	Total 31 Dec 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Accounts receivable and other receivables	–	–	819	819	–	–	–	–
Cash and cash equivalents	–	–	2,036	2,036	–	–	–	–
Total	**–**	**–**	**2,855**	**2,855**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value								
Forward exchange contracts used for hedging	445	1	–	446	–	446	–	446
Total	**445**	**1**	**–**	**446**	**–**	**446**	**–**	**446**
Financial liabilities measured at amortised cost								
Long-term borrowings	–	–	3,300	3,300	–	–	–	–
Short-term borrowings	–	–	1,260	1,260	–	–	–	–
Accounts payable and other payables	–	–	2,184	2,184	–	–	–	–
Total	**–**	**–**	**6,744**	**6,744**	**–**	**–**	**–**	**–**

Book value equals fair value except for other financial liabilities where the fair value is SEK 53m higher than the carrying amount.

23 cont.

Parent company (SEK million)	Fair value hedging instruments	Fair value through profit and loss	Financial assets/ liabilitites at amortised cost	Total 31 Dec 2021	Fair value hedging instruments	Fair value through profit and loss	Financial assets/ liabilitites at amortised cost	Total 31 Dec 2020
Financial assets measured at fair value								
Forward exchange contracts used for hedging	109	–	–	109	445	–	–	445
Interest rate swaps used for hedging	–	–	–	–	–	–	–	–
Total	**109**	**–**	**–**	**109**	**445**	**–**	**–**	**445**
Financial assets measured at amortised cost								
Receivables from Group companies	–	–	6,875	6,875	–	–	8,429	8,429
Accounts receivable and other receivables	–	–	107	107	–	–	173	173
Cash and cash equivalents	–	–	5,590	5,590	–	–	1,939	1,939
Total	**–**	**–**	**12,572**	**12,572**	**–**	**–**	**10,541**	**10,541**
Financial liabilities measured at fair value								
Forward exchange contracts used for hedging	109	2	–	111	445	1	–	446
Total	**109**	**2**	**–**	**111**	**445**	**1**	**–**	**446**
Financial liabilities measured at amortised cost								
Long-term borrowings	–	–	2,500	2,500	–	–	3,300	3,300
Short-term borrowings	–	–	800	800	–	–	1,260	1,260
Liabilities to Group companies	–	–	2,643	2,643	–	–	3,561	3,561
Accounts payable and other liabilities	–	–	16	16	–	–	38	38
Total	**–**	**–**	**5,959**	**5,959**	**–**	**–**	**8,159**	**8,159**

Book value equals fair value except for other financial liabilities where the fair value is SEK 76m (53) higher than the carrying amount.

Valuation techniques level 1, 2 and 3

Contingent consideration

Discounted cash flows at the present value of expected future payments. The discount rate is risk-adjusted. The most critical parameters are estimated future revenue growth and future operating margin.

Forward exchange contracts and interest rate swaps

The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yielded curves in the respective currencies.

Financial liabilities, level 3

Group (SEK million)	2021	2020
Opening balance 1 January	**–**	**17**
Reclassified as assets held for sale	–	−11
Changes in fair value	–	−6
Closing balance 31 December	**–**	**–**

24 Leases

Accounting principle

All leases are recognised on the balance sheet as a right-of-use asset, representing the right to use the underlying asset, and lease liability. The lease liability is initially measured at the present value of the future lease payments discounted by the implicit interest on the lease. When the interest rate cannot be easily determined, funding base rates with a risk premium are to be used.

Lease commitments

The Group has identified the following categories of leases; offices, cars and car parks. The recognition exemption for short-term leases and leases for low value items has been applied. An interest rate of 0.8%–4.28% (local IBOR rate including riskpremium) has been applied.

Right-of-use assets

Group (SEK million)	2021			2020		
	Real estate	Other leases	Total	Real estate	Other leases	Total
Acquisition values						
Opening balance 1 January	489	5	494	655	10	665
New leasing contracts	109	–	109	21	–	21
End of leasing contracts	−100	−1	−101	−4	−1	−5
Reclassification to assets held for sale	–	–	–	−166	−4	−170
Translation differences	8	–	8	−17	–	−17
Closing balance 31 December	**506**	**4**	**510**	**489**	**5**	**494**
Accumulated depreciation and impairment charges						
Opening balance 1 January	−132	−2	−134	−96	−3	−99
Amortisation and impairment charges during the year	−82	−1	−83	−73	−2	−75
End of leasing contracts	30	–	30	4	1	5
Reclassification to assets held for sale	–	–	–	30	2	32
Translation differences	−2	–	−2	3	–	3
Closing balance 31 December	**−186**	**−3**	**−189**	**−132**	**−2**	**−134**
Carrying amount						
On 1 of January	357	3	360	559	7	566
On 31 December	320	1	321	357	3	360

Change in lease liability

Group (SEK million)	2021	2020
Opening balance	566	823
New leasing contract	96	21
End of leasing contract	−75	–
Interest on lease liability	18	19
Payment lease	−114	−115
Reclassification to assets held for sale	–	−141
Translation difference	31	−41
Closing balance 31 December	**522**	**566**
of which long-term	416	462
of which short-term	106	104

Age analysis lease liability

Group (SEK million)	2021	2020
Within 1 year	98	96
1–2 years	82	92
2–5 years	238	232
Over 5 years	104	146
Total	**522**	**566**

24 cont.

Cash flows during period

Group (SEK million)	2021	2020
Amortisation of lease receivables	33	32
Amortisation of lease liabilities	–116	–135
Total	**–83**	**–103**

Contractual cash flows

Group (SEK million)	2021	2020
Within 1 year	110	109
1–2 years	93	104
2–5 years	261	259
Over 5 years	114	157
Total	**578**	**629**

Subleases

A substantial part of the London offices are subleased. As at 31 December, the sublease receivable amounted to SEK 158m (180) and sublease income during the year amounted to SEK 33m (32).

Short-term leases and leases of low value items

The Group has applied the recognition exemption for short-term leases and leases for low value items. Lease fees for these leases are reported as a cost on a straight-line basis over the lease term. Studio equipment is normally leased on a short-term basis, and most IT- and office equipment are of low value.

Group (SEK million)	2021	2020
Short-term leases		
Studio equipment	12	13
Leases for low value items		
IT and office equipment	38	22
Total expense for leases for which the recognition exemption is applied	**50**	**35**

25 Future payment commitments

Future payments for non-cancellable programme rights commitments as at 31 December.

Group (SEK million)	2021	2020
Within 1–3 years	30,381	21,228
Within 4–10 years	25,035	28,066
Total	**55,417**	**49,294**

26 Pledged assets and contingent liabilities

Pledged assets

There are no pledged assets in the Group in 2021 or 2020.

Contingent liabilities

Various companies within the group are involved in disputes, with for example collective societies, over payment of royalties for the past use of copyrights and similar rights. Further, NENT companies are parties in litigations. The Group does not believe that the outcome of these litigations are likely to have a material adverse effect on the financial position of the Group.

The parent company has guarantees mainly related to rental agreements and supplier financing amounting to SEK 759m (290). In addition the parent company issues guarantees to the benefit of the Group companies having future payment commitments (see note 25).

27 Divested operations

Accounting principles

Capital gain from divested operations arise from the difference between the fair value of the consideration received and the carrying value of the former subsidiaries' net assets. The gain or loss is recorded when NENT Group loses control over the subsidiaries. The gain or loss is recorded in the income statement within items affecting comparability.

Divestment of Studio operations 2021

NENT Group has during the year divested the non scripted production, branded entertainment and events business. Splay One was sold to Caybon on 6 April 2021, NENT Studios UK content distribution business was sold to All3Media on 11 June 2021. The divestment of the studios assets was finalised on 30 September 2021 with the sale of the remaining discontinued studios operations to Fremantle. The impact from the divestments is reported as items affecting comparability, where the sale of NENT Studios UK is reported within continuing operations and the remaining impact within discontinued operations.

(SEK million)	2021
Total consideration received, incl transaction costs	443
Carrying amount of net assets sold	–562
Capital loss before reclass of foreign currency translation reserve	**–119**
Reclassification of foreign currency translation reserve	20
Total loss on sale	**–99**
of which reported within discontinued operations	–45

Viasat Consumer Business 2020

At the beginning of May 2020, NENT Group's Viasat Consumer business was merged with Telenor Group's Canal Digital business to form a joint venture called Allente. As an effect of the merger, NENT Group no longer had control of the business and deconsolidated Viasat Consumer and its subsidiaries. NENT Group owns 50% of Allente and this interest was recorded at fair value at the transaction date. This resulted in a capital gain, which was the difference between the fair value of the consideration received (50% of Allente) and the carrying value of the former subsidiaries' net assets. The capital gain was recorded in the income statement within items affecting comparability. NENT Group's 50% share of Allente's net income is reported as income from associated companies within NENT Group's operating income.

(SEK million)	2020
Deconsolidated net assets	
Non-current assets	20
Current assets	731
Cash and cash equivalent	218
Financial debt	–
Other current and non-current liabilities	–712
Carrying amount deconsolidated net assets	**257**
Allente fair value, 50%	2,640
Less carrying amount deconsolidated net assets	–257
Capital gain	**2,383**

28 Supplementary information to the statement of cash flows

Adjustments to reconcile net income/loss to net cash provided by operations

Group (SEK million)	2021	2020
Total operations		
Depreciation and amortisation	298	314
Write-down of assets	28	888
Total	**326**	**1,202**
of which Discontinued operations	30	647
Provisions	28	–26
Share of earnings in associated companies and joint ventures	–40	–100
Capital gain, Viasat Consumer/ Allente	–	–2,383
Capital loss divestment of Studio business	99	–
Write-down of shares in other companies	20	–
Other items	35	81
Total	**142**	**–2,428**
of which Discontinued operations	27	–10

Cash paid for interest and corporate tax

Group (SEK million)	2021	2020
Total operations		
Interest paid	–57	–62
Interest received	5	2
Net interest	**–52**	**–60**
Corporate income tax	–111	–157

Parent company (SEK million)	2021	2020
Interest paid	–57	–62
Interest received	2	1
Net interest	**–55**	**–61**
Corporate income tax	–75	–1

Reconciliation of debts arising from financing activities

Group (SEK million)	Opening balance 2021	New borrowings	Amortisation	Reclassifi-cations	Closing balance 2021
Total operations					
Short-term borrowings	1,260	–	–1,260	800	800
Long-term borrowings	3,300	–	–	–800	2,500
Total	**4,560**	**–**	**–1,260**	**–**	**3,300**

Group (SEK million)	Opening balance 2020	New borrowings	Amortisation	Reclassifi-cations	Closing balance 2020
Total operations					
Short-term borrowings	2,980	–	–1,720	–	1,260
Long-term borrowings	1,800	1,500	–	–	3,300
Total	**4,780**	**1,500**	**–1,720**	**–**	**4,560**

Parent company

All external borrowings are attributable to the parent company. In addition the parent company has interest-bearing receivables from, and liabilities to, other group companies. At year-end interest-bearing receivables from group companies amounted to SEK 6,658 m (7,990) of which long-term receivables SEK 5,931m (5,926). At year-end cash pool receivables amounted to SEK 714m (2,060) and cash pool liablities amounted to SEK 2,643m (3,560).

Long-term receivables from group companies

Parent Company (SEK million)	2021	2020
Opening balance 1 January	**5,926**	**6,376**
New borrowings	1,099	1,591
Amortisation	–1,100	–2,030
Translation differences	6	–11
Closing balance 31 December	**5,931**	**5,926**

29 Average number of employees

	2021			2020		
Group	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Sweden	441	336	777	478	365	843
Norway	92	69	161	103	81	184
Denmark	153	68	221	124	79	203
Finland	17	8	25	15	8	23
United Kingdom	51	66	117	49	62	111
Other	8	19	27	5	11	16
Total	**762**	**566**	**1,328**	**774**	**606**	**1,379**

Parent company	2021	2020
Men	22	20
Women	35	37
Total	**57**	**57**

Gender distribution senior executives

	2021		2020	
Group	**Men**	**Women**	**Men**	**Women**
Board of Directors	50%	50%	50%	50%
CEO	100%	–	100%	–
Other senior executives	50%	50%	50%	50%
Total	**53%**	**47%**	**53%**	**47%**

	2021		2020	
Parent company	**Men**	**Women**	**Men**	**Women**
Board of Directors	50%	50%	50%	50%
CEO	100%	–	100%	–
Other senior executives	28%	72%	29%	71%
Total	**43%**	**57%**	**43%**	**57%**

30 Audit fees

	Group		Parent	
Group (SEK million)	**2021**	**2020**	**2021**	**2020**
KPMG, audit fees	11	15	2	3
KPMG, audit related fees	1	3	–	3
KPMG, tax related fees	–	–	–	–
KPMG, other services	–	1	–	1
Total	**12**	**19**	**2**	**7**

31 Related party transactions

The Group has related party relationships with its subsidiaries, associated companies and joint ventures (see notes 15 and 16). Allente Group is a related party since May 2020.

All related party transactions are based on market terms and negotiated on an arm's length basis.

Group (SEK million)	2021	2020
Sales		
Allente Group	1,560	917
Associated companies and joint ventures	72	72
Total	**1,632**	**990**
Cost from		
Allente Group	36	23
Associated companies and joint ventures	31	35
Total	**67**	**59**

Group (SEK million)	2021	2020
Accounts receivable and other receivables		
Allente Group	135	2
Associated companies and joint ventures	15	15
Total	**150**	**17**
Accounts payable and other liabilities		
Allente Group	2	3
Associated companies and joint ventures	9	11
Total	**11**	**14**
Dividend from Allente Group	**500**	**1,200**

Remuneration of senior executives

No other transactions than reported in note 7 have been made.

32 Significant events after the reporting period

18 February – NENT Group has raised SEK 600m by issuing 4-year unsecured bonds to more than 20 Nordic investors

The issue has been made within the framework of NENT Group's established SEK 4bn medium term note (MTN) programme, and comprised SEK 600m of notes with a floating interest rate of STIBOR 3m +1,30% and maturing on 24 February 2026. The bonds are listed on Nasdaq and the proceeds will be used to refinance existing loans and for general corporate purposes.

28 February – Change of number of votes in NENT Group

The number of votes in Nordic Entertainment Group (NENT Group) has changed due to the reclassification of 1,036 Class A shares to an equal number of Class B shares as a result of requests from shareholders during January 2022. Following the reclassification, the total number of votes in NENT Group amounts to 83,226,068, based on the number of registered shares.

NENT Group's Articles of Association include the right for Class A shareholders to request reclassification of their Class A shares to Class B shares.

The total number of registered shares in NENT Group is unchanged at 78,442,244, of which 531,536 are now Class A shares, 77,440,189 Class B shares and 470,519 Class C shares.

This total number of shares includes 1,654 Class B shares and 470,519 Class C shares held in treasury by NENT Group.

1 March – Viaplay goes live in the Netherlands

Viaplay was launched in the Netherlands on 1 March with a unique combination of premium live sports, Viaplay Originals, Hollywood films and series, and kids content. The service comprises a single package with an introductory price of EUR 9.99 per month (regular price from August: EUR 13.99 per month), and is available through distribution partners KPN, VodafoneZiggo, T-Mobile Netherlands and DELTA Fiber, and as a direct subscription. The launch takes Viaplay's footprint to 11 countries, with at least five further markets to follow by the end of 2023.

31 March – NENT Group and TV 2 Danmark agree settlement in damages case

NENT Group and TV 2 Danmark have agreed a settlement relating to NENT Group's claim for damages submitted in 2006. TV 2 Danmark will pay NENT Group DKK 430m (approximately SEK 600m) as a full and final settlement of the case. The payment from TV 2 Danmark will be reported as a positive item affecting comparability in NENT Group's 2022 Q1 financial results presented on 26 April.

Proposed appropriations of earnings

The following funds are at the disposal of the shareholders as at 31 December 2021 (SEK):

Parent company (SEK)	
The Board of Directors proposes that income for the period and earnings be distributed as follows	
To be carried forward	6,447,251,134
Total	**6,447,251,134**

The Board of Directors does not propose any dividend for 2021 to the upcoming Annual General Meeting of shareholders.

The Board of Directors declares that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU, and give a true and fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations.

The statutory Administration Report of the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, financial position and results of operations, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Signatures

The Board of Directors and the Chief Executive Officer confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated statements were approved by the Board of Directors and the Chief Executive Officer on 4 April 2022. The consolidated income statement and balance sheet, and the income statement and balance sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on 18 May 2022.

Stockholm 4 April 2022

Pernille Erenbjerg
Chair of the Board

Simon Duffy
Non-Executive Director

Natalie Tydeman
Non-Executive Director

Kristina Schauman
Non-Executive Director

Anders Borg
Non-Executive Director

Andrew House
Non-Executive Director

Anders Jensen
President and CEO

Our Audit report was submitted 4 April 2022
KPMG AB

Tomas Gerhardsson
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Nordic Entertainment Group AB, corp. id 559124-6847

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Nordic Entertainment Group AB for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 60–64 and 76–133 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of December 31, 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

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

Valuation of goodwill and other intangible assets

See note 2 and 13 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
The Group recognized goodwill and other intangible assets such as trademarks and capitalized expenditure of SEK 1,981 million as at December 31, 2021.

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. Other intangible assets are tested when there is an indication of impairment. Impairment tests are complex and involve significant judgments in determining the estimated recoverable amount.

The estimated recoverable amount of the assets is based on forecasts and discounted future cash flows where estimates of discount rate, revenue projections and long-term growth rate are dependent on the Group's judgement.

Response in the audit
We have assessed whether the impairment test has been prepared in accordance with the prescribed technique.

We have evaluated the methodology used, assumptions made and data used for the calculation. Furthermore, we have evaluated the projections of future cash flows and the underlying assumptions on which they are based, including the long-term growth rate and the discount rate used. We have considered the Group's sensitivity analyses which demonstrated the impact of reasonable changes in assumptions in determining whether an impairment charge is required.

We have also assessed the content of the disclosures on goodwill and other intangible assets in the annual accounts and the consolidated accounts.

Program rights amortization

See note 2 and 5 and accounting principles on page 93 in the annual accounts and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
Payments for program rights are accounted for as either inventories or prepaid expenses, depending mainly on the start of the license period. Program rights inventory, where the license period has commenced, amounted to SEK 3,543 million at December 31, 2021.

Determining the timing and amount to be expensed of program rights inventory requires judgment in selecting the appropriate recognition profile and ensuring that this profile meets the objective of recognizing inventory expense in a manner consistent with how the rights are used by the Group.

There is a risk that the recognition profile selected by the Group to account for inventory expense does not fairly reflect the usage.

Response in the audit
We have examined the methodology for expensing program rights inventory taking into account the different genres of programs, any significant changes in viewing patterns during the year and other factors evaluated by the Group.

In addition, we performed sample testing of contracts to evaluate acquisition cost and amortization periods. We evaluated the recoverability of the carrying amount by analyzing the assets on a portfolio basis and comparing the carrying amount as of December 31, 2021, to current year revenue and future projections to determine if any indicators of impairment exist.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–52, 71–75 and 139–172. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 company'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 and the Chief Executive Officer.
- Conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and 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 auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Nordic Entertainment Group AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Nordic Entertainment Group AB for year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordic Entertainment Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Chief Executive Officer determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Chief Executive Officer, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Chief Executive Officer.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

KPMG AB, P.O. Box 382, SE-101 27, Stockholm, was appointed auditor of Nordic Entertainment Group AB by the general meeting of the shareholders on May 19, 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2018.

Stockholm 4 April, 2022
KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

Alternative Performance Measures

The purpose of Alternative Performance Measures (APM) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. NENT Group is using the following Alternative Performance Measures:

- Change in net sales from organic growth, acquisitions/divestments and changes in FX rates
- Operating income before associated companies and IAC
- Operating income before IAC
- Net debt and Net debt / EBITDA
- Capital Employed and Return on Capital Employed (ROCE)
- Adjusted net income and earnings per share

Reconciliation of sales growth

Since the Group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Group's sales trends and performance are analysed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates.

Group (SEK million)	Reported net sales	Acquisitions/ divestments	Net sales adjusted for acquisitions/ divestments	Changes in FX rates	Net sales adjusted for acquisitions/ divestments and changes in FX rates
2021	12,661	–	12,661	129	12,790
2020	12,003	−1,045	10,958	–	10,958
Growth	**658**		**1,703**		**1,832**
Growth %	5.5%		15.5%		16.7%

Reconciliation of operating income before associated companies and items affecting comparablitiy (IAC)

Operating income before associated companies and items affecting comparability (IAC) refers to operating income after the reversal of material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis. This measure is used by management to follow and analyse the underlying profits and to offer more comparable figures between periods.

Operating income before IAC and associated companies income

Group (SEK million)	2021	2020
Operating income	573	3,186
Items affecting comparability	−74	2,109
Operating income before items affecting comparability	**647**	**1,077**
Associated companies income	40	100
Operating income before associated companies and IAC	**607**	**978**

Items affecting comparability

Group (SEK million)	2021	2020
Capital loss from divestment of NENT Studio UK and write-down of Studio assets	−74	−268
Capital gain as a result of the VCB merger transaction	–	2,383
Transaction and advisory costs	–	−8
Total	**−74**	**2,109**

Items affecting comparability classified by function

Group (SEK million)	2021	2020
Cost of sales	–	−268
Administrative expenses	–	−8
Other operating income	–	2,383
Other operating expenses	−74	–
Total	**−74**	**2,109**

Reconciliation of net debt / EBITDA ratio

Net debt refers to the sum of interest-bearing liabilities less total cash and interest-bearing assets. As from 1 January 2019, net debt also includes lease liabilities net of sublease receivables and dividend payable. Net debt is used by Group management to track the indebtness of the Group and to analyse the leverage and refinancing needs of the Group. The net debt to EBITDA ratio provides a KPI for net debt in relation to cash profits generated by the business, i.e. an indication of a business's ability to pay off all its debts. This measure is commonly used by financial institutions to rate credit worthiness. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liablities.

Group (SEK million)	2021	2020
Short-term borrowings	800	1,260
Long-term borrowings	2,500	3,300
Total financial borrowings	**3,300**	**4,560**
Cash and cash equivalents	5,702	2,036
Interest bearing receivables	20	–
Cash and cash equivalents included in assets held for sale	–	4
Financial net debt	**–2,422**	**2,520**
Lease liabilities	522	566
Lease liabilities included in liabilities related to assets held for sale	–	120
Sublease receivables	158	181
Total lease liabilities net	**364**	**505**
Net debt	**–2,059**	**3,026**

Net debt / EBITDA before IAC

Group (SEK million)	2021	2020
Operating income before IAC, continuing operations	647	1,077
Operating income before IAC, discontinued operations	8	–12
Depreciation, amortisation and write-downs, continuing operations[1)]	296	267
Depreciation, amortisation and write-downs, discontinued operations[1)]	30	48
EBITDA	**980**	**1,379**
Net debt	–2,059	3,026
Total net debt / EBITDA	**–2.1**	**2.2**

1 Refers to non-current assets only

Reconciliation of Return on Capital Employed (ROCE)

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level for which operations are responsible and comprise results before interest and tax. Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing. Capital employed thus equals the sum of equity and net debt.

Group (SEK million)	2021	2020
Inventory	3,543	2,614
Accounts receivables	847	789
Prepaid expense and accrued income	4,990	3,998
Other current assets	350	682
Other current liabilities	–6,772	–6,124
Total working capital	**2,958**	**1,959**
Intangibles assets	1,981	1,998
Machinery, equipment and installations	163	96
Right-of-use assets	321	360
Shares and participations	1,328	1,720
Other long-term receivables	124	176
Capital employed held for sale	–	635
Provisions	–372	–322
Other non-current liabilities	–238	–360
Other items included in the capital employed	**3,306**	**4,304**
Capital employed	**6,264**	**6,263**
Operating income before IAC, continuing operations	647	1,077
Operating income before IAC, discontinued operations	8	–12
Operating income before IAC, total	**655**	**1,065**
Average Capital Employed (5 quarters)	6,597	6,864
ROCE %	**9.9%**	**15.5%**
Assets held for sale	–	1,299
Cash and cash equivalents included in assets held for sale	–	–4
Liabilities related to assets held for sale	–	–781
Lease liability, included in liabilities related to assets held for sale	–	120
Capital employed held for sale	**–**	**635**

Adjusted net income from continuing operations

Adjusted net income and earnings per share are the Group's net income and EPS from continuing operations when excluding items affecting comparability and the amortisation of acquisition-related intangible assets, net of tax, for both NENT Group and its 50% share in the earnings of Allente. These performance measures provide a relevant metric to better understand the Group's underlying results and development.

(SEK million)	2021	2020
Net income, continuing operations	365	2,869
Adjustment items	499	−1,912
Adjusted net income from continuing operations	**864**	**957**
Basic average number of shares outstanding	76,731,753	67,345,231
Adjusted earnings per share from continuing operations (SEK)	**11.26**	**14.21**
Adjustment items		
NENT Group		
IAC	−74	2,109
Tax effect on IAC	–	1
Amortisations of surplus value (PPA)	−8	−8
Tax effect on amortisations of surplus value (PPA)	2	2
Allente		
IAC	−368	−101
Tax effect on IAC	80	22
Amortisations of surplus value (PPA)	−167	−145
Tax effect on amortisations of surplus value (PPA)	36	32
Total adjustments	**−499**	**1,912**

Sustainability reporting

Stakeholder engagement & materiality assessment

To build a strong foundation for our sustainability strategy, we carried out a thorough materiality assessment in 2018, which helped us set our priorities and focus our efforts. After conducting interviews with different stakeholder groups and by looking at global sustainability trends especially in the streaming sector, we developed a list of material topics. In total, we engaged 3,225 people across all internal and external stakeholder groups and landed on 18 of the most relevant topics covering our: people and culture, business, and society. We settled on three key focus areas: Diversity and Equality off and on-screen; promoting local content and the creative industry; raising awareness and engaging in social issues. For more information on all topics, see model to the right.

We review our materiality assessments on a regular basis through continued dialogue with our stakeholders. In 2021, NENT Group undertook a thorough materiality analysis and stakeholder dialogue in order to establish which issues and initiatives would be most relevant and make the most impact for its stakeholders. This stakeholder dialogue and materiality analysis lay the groundwork for NENT Group's new sustainability strategy for 2022–2026, for more information view page 10–13.

Materiality assessment

Importance to stakeholders: Low → High
Significant impact: Low → High

Respond and report

- Safe, fair and inclusive work environment
- Talent attraction, development and retention
- Respecting human rights & freedom of expression
- Reducing waste, energy use & carbon emissions

Key focus, engage and report

- Diversity and equality off and on-screen[1]
- Promoting local content and creative industry
- Raising awareness and engaging in societal issues

Monitor and address

- Anti-bribery and corruption
- Open dialogue and transparent decision making
- Responsible sourcing and content production
- Providing channels for raising concerns
- Content accessibility

Assess and communicate

- Data protection and privacy
- Responsible advertising
- Protecting minors and vulnerable groups
- Healthy digital viewing habits
- Empowering media understanding and critical thinking

1 Diversity and equality off and on-screen merges two material topics: on-screen representation of diversity, pluralism and equality, and diversity and equality in the workplace.

Identifying and engaging with our stakeholders

In the initial phase of our materiality assessment, we conducted stakeholder mapping. We identified our stakeholders as entities or individuals that can reasonably be expected to be affected by us and our activities, products, or services; and/or entities or individuals whose actions can reasonably be expected to affect us. We mapped our stakeholders by dividing them into three categories: primary internal, primary external, and secondary external stakeholders. We then mapped our stakeholder groups based on their impact and interest, ranging from low to high, and produced a stakeholder group matrix. This allowed us to target all stakeholder groups in our materiality assessment and guided our assessment of the most material sustainability topics for NENT Group. For the 2021 stakeholder dialogue we used the same process. A list of our stakeholder groups, together with the engagement methods and key topics raised by each stakeholder group during the materiality assessment in 2018 can be found below.

Dialogue channels	Key topics
Customers (B2B and B2C)	
Direct dialogue, focus groups, surveys, social media, viewing figures, audience appreciation index.	Data protection and privacy; respecting human rights; safe, fair and inclusive work environment; protecting children, minors and vulnerable groups.
Shareholder	
Annual General Meeting, Annual report, quarterly reports, Capital Markets Day.	Responsible sourcing and content production; respecting human rights, diversity and equality in the workplace.
BoD	
Board of Directors meetings and interviews.	Talent attraction, development and retention; providing channels for raising concerns.
Employees	
Annual Employee Engagement Survey, intranet, newsletters, policies and guidelines, meetings, daily dialogues in person and through dialogue tools.	Safe, fair and inclusive work environment; respecting human rights, protecting children, minors and vulnerable groups..

Dialogue channels	Key topics
Industry peers	
Continuous dialogue with colleagues and other professionals and quarterly peer meetings through the Responsible Media Forum.	Respecting human rights; protecting children, minors and vulnerable groups; anti-corruption.
Regulators	
Continuous dialogue via mail, telephone and working groups. Also information through bulletins.	Open dialogue and transparent decision making; respecting human rights and freedom of expression; data protection and privacy.
NGOs and trade associations	
Face-to-face meetings, association events with key stakeholders including political institutions and regulators, conferences.	Respecting human rights; protecting children, minors and vulnerable groups; empowering media understanding.
Business partners	
Face-to-face meetings, Supplier Due diligence process.	Respecting human rights; anti-corruption; responsible sourcing and content production.

Membership of associations

We are a member of global partnerships, various media industry associations, national and international organisations, advocacy groups and additional bodies. These memberships are focused on advancing the 2030 Agenda for Sustainable Development; engaging with EU institutions to achieve a balanced and appropriate framework that encourages investments in the media sector; advancing the use of digital and new technologies that enable transformation; promoting ethical standards and professional integrity; strengthening freedom of speech; responsible advertising; collaboration on sustainability issues in the media sector; and promoting effective anti-piracy legislation.

Organisation	RMF	UNGC	AAPA	NCP	DIMPACT
	Responsible Media Forum	United Nations Global Compact	The Audio-visual Anti-Piracy Alliance	Nordic Content Protection	
Description	Member. Partnership between leading global media companies, collaborating on both social and environmental challenges facing the sector.	Member. A global initiative based on CEOs' commitments to implement universal sustainability principles and to support UN goals.	Member. European organisation addressing media piracy issues.	Board Member. Cross-industry Nordic body addressing piracy through intelligence sharing with enforcement agencies.	Member. DIMPACT is a collaborative project comprised of academics from the University of Bristol and 18 media and technology companies aiming to measure and reduce emissions across the entire value chain of digital media content

Organisation	ACT	COBA	EGTA	EU VOD Coalition	Swedish Media Ombudsman
	The Association of Commercial Television in Europe	The Commercial Broadcasters Association	The European Group of Television Advertising	The European Video-On-Demand Coalition	
Description	Board member. Represents the interests of leading commercial broadcasters in Europe. Engages with EU institutions to achieve appropriate regulatory framework that encourages investment and growth in the media sector.	Member. Industry body for UK-based multichannel broadcasters in the digital, cable and satellite television sector, and their ondemand services.	Member. Aims to support television and radio sales houses in monetising audio and audiovisual content through advertising solutions, regardless of device or platform.	Board member. The EU VOD is a company led coalition. It brings together video-on-demand (VOD) and digital entertainment companies that share common values and invest in as well a distribute audivisual content in Europe as their core commercial activities.	Member. The Swedish Media Ombudsman provides Swedish nationals with a complaint mechanism in the event they have been unfairly treated in a programme.

Organisation	Norsk Presseforbund	FWCE	Reklamombudsmannen	MMS	IAB
		The FreeWheel Council for Premium Video Europe		Mediamätning i Skandinavien	Interactive Advertising Bureau
Description	Board Member. Joint body for Norwegian mass media that aims to promote ethical standards and professional integrity, and to strengthen and protect freedom of speech, media and information.	Member. Serves the collective interest of those in the premium video industry through leadership positions, research, and advocacy promoting the premium video economy.	Member. A self-regulatory organisation, handling complaints about advertising and provides information, guidance and training in the field of ethical marketing.	Board member and owner together with other media houses. MMS measures, and also develops methods for measuring consumption of moving images in Sweden.	Member. Aiming to optimise online marketing in Sweden. Works through specialised task forces that define various standards and guidelines.

Goals & achievements 2019–2021

Setting and following up on realistic and measurable goals that are aligned with our strategy is vital in making sure that we focus on the right things and review our goal setting, especially in the context of a fast moving and changing industry. Below we present our long-term goals for 2019–2021 and progress on the targets during 2021 together. We also align each focus area with the Sustainable Development Goal that it has an impact on. For information on our new 5-year strategy and goals (including 2022 targets) view page 149–151.

Goals 2019–2021	Targets and progress 2021		SDGs
DEVELOPING NORDIC STORYTELLING AND THE CREATIVE INDUSTRY			8 DECENT WORK AND ECONOMIC GROWTH
1. Invest in Nordic storytelling promoted globally	**Target:** Increase the number of Viaplay Originals annually from 30+ to 50. **Progress:** Reached 46 Viaplay Originals in 2021 (30 scripted and 16 documentaries).	Target partly achieved	**8.3** Promote policies to support job creation and growing enterprises
2. Promote Nordic storytelling by using our platforms and reach	**Target:** Launch recognition concept to promote emerging talents in the creative industry. **Progress:** Launched a pan-Scandinavian programme 'Student Drama Awards'.	Target achieved	
	Target: Initiate at least one project created by a debutant (director or writer). **Progress:** 3 productions from each market are currently in development, to be launched in 2023.	Target achieved	
PROMOTING AN EQUAL, DIVERSE AND INCLUSIVE SOCIETY			3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS
3. For our Nordic scripted productions, strive to reach and maintain 50/50 gender balance in the creative value chain by 2021 (baseline 44% women in 2019)	**Target:** For our Nordic scripted productions, strive to reach at least 50% women in the creative value chain by 2021. **Progress:** Reached 47% women in 2021.	Target partly achieved	**3.4** Reduce mortality from non-communicable diseases and promote mental health **5.1** End discrimination against women and girls **5.5** Ensure full participation in leadership and decision-making **10.2** Promote universal, social, economic and political inclusion **10.3** Ensure equal opportunities and end discrimination **17.16** Enhance the global partnership for sustainable development
4. Improve our EDI work and increase number of employees answering "works well" or "works excellently" from 88% in 2019 to 90% in 2021 in the engagement survey on the question: "Do you feel that all employees have the same opportunities and duties regardless of gender, gender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, or age?"	**Target:** Expand mentorship programme from 10 participants in 2020 to 30 in 2021. **Progress:** The mentorship programme expanded to 30 participants in 2021.	Target achieved	
	Target: Carry out continued Equality and Bias training with at least 75% of all teams. **Progress:** Equality and bias training has been postponed to 2022.	Target partly achieved	
	Target: Develop toolkit to increase equality in the compensation and recruitment processes. **Progress:** Achieved with the implementation of the job architecture framework.	Target achieved	
5. Raise awareness and form partnerships for increased equality, diversity and inclusion	**Target:** Review current and possible new partnerships to promote EDI (with focus on the creative business). **Progress:** NENT Group has initiated partnerships with RedLocker and Develop Diverse.	Target achieved	

● = Target achieved ● = Target partly achieved

Goals 2019–2021	Targets and progress 2021	SDGs
NURTURING OUR CULTURE		
6. Improve values awareness and increase rating on questions regarding values in engagement survey (BEAT index) from 80% in 2019 to 82% in 2021	**Target:** Launch new leadership strategy with consecutive training to increase engagement on all levels supporting both values and expansion strategy. **Progress:** NENT Group launched a new leadership strategy in 2021.	**5.5** Ensure full participation in leadership and decision-making **8.8** Protect labour rights and promote safe working environments **10.3** Ensure equal opportunities and end discrimination
7. Develop career opportunities and increase rating on the question 'Are you satisfied with the career opportunities within NENT Group' from 48% in 2019 to 60% in 2021 in engagement survey	**Target:** Review and implement process for succession planning and implement a job architecture framework covering all employees. **Progress:** The succession planning model and a job architecture framework have been implemented in 2021.	
8. Increase the perception of wellbeing among employees and increase rating on questions regarding wellbeing in the engagement survey (PAI index) from 76% in 2019 to 78% in 2021	**Target:** Review and identify challenges and enablers for healthier and safer workplaces, including safe travelling. **Progress:** NENT Group has reviewed and improved health and safety in our workplaces, amongst others at our offices and within travelling.	
COMMITTING TO OUR CONDUCT AND TO CLIMATE ACTION		
9. Ensure that awareness of our Code of Conduct, principles and values (including data privacy) are embedded in daily activities and business for all employees	**Target:** Secure the integration of CoC and group policies and directives into on-boarding process. Ensure all new employees fulfil training. **Progress:** NENT Group has strengthened the integration of the CoC and group policies into our on-boarding process, for example by including practical examples of how the CoC and policies apply to daily work.	**13.3** Build knowledge and capacity to meet climate change **16.5** Substainally reduce corruption and bribery
10. Address and engage with all identified high-risk suppliers, to ensure commitment to our ethical standards by 2021	**Target:** Continue mapping existing supply chain to identify suppliers with critical sustainability risks and data processors with GDPR risks, and initiate a process for engaging with all such high-risks entities. **Progress:** We have continued our supply chain mapping, both with regards to sustainability risks and data processors with GDPR risks. Engagement with high-risk entities has been initiated. However, we have not engaged with all our existing high-risk suppliers.	
11. Reduce total CO_2 emissions from business travel, facilities and energy use by 10% by 2021 (base year 2019)	**Target:** Continue actions to reduce total CO_2 emissions by no less than 10% compared to 2019. **Progress:** We have minimised travel, improved the energy efficiency of our facilities and reduced our climate impact from our business operations.	
	Target: Prepare and submit Science Based Targets for validation. **Progress:** Calculated full scope of emissions and submitted Science Based Targets for validation to SBTi.	
PRODUCING QUALITY CONTENT		
12. Improve the family experience of our Viaplay platform for safe and trusted digital experience	**Target:** Increase scope of kids user research to include more countries and markets to ensure a continued safe and trusted digital experience for kids and parents. **Progress:** The initiative has been postponed due to a change in priorities in 2021.	**10.2** Promote universal, social, economic and political inclusion **12.6** Encourage companies to adopt sustainable practices and sustainability reporting **12.8.** Promote universal understanding of sustainable lifestyles
13. Improve accessibility across all our platforms by exceeding regulations and increasing on accessible content (subtitling, audio description and sign language)	**Target:** Make our most popular own production titles fully accessible (incl. subtitles, sign interpretations and audio descriptions in all Nordic languages). Start with five titles in 2021. **Progress:** Due to updates and changes on the Viaplay platform, the target has been postponed to 2022.	

2026 goals & 2022 targets

To further our sustainability efforts and build upon the progress made pursuing our 2019–2021 strategy, we will introduce a more comprehensive five-year strategy and roadmap in 2022 based on a thorough materiality analysis and stakeholder dialogue conducted in 2021. The new strategy is divided into three focus areas: climate change and the environment; diversity and inclusion; and wellbeing and ethics. We have set goals and targets across each of these focus areas corresponding to each of our business' strategic priorities: delivering outstanding content, creating engaging customer experiences, empowering our people, partnering for growth. In the tables below you will find all 5-year goals that this strategy will move NENT Group towards by the year 2026 as well as the annual targets for 2022.

Our focus areas and business priorities	Goals 2026	Annual targets 2022
TAKING CLIMATE & ENVIRONMENTAL ACTION		
Delivering outstanding content	Develop NENT Group's sustainable production guide an implement in all NENT Group produced content (incl. sports productions) by end of 2026.	Create sustainable production guide and training to be implemented in 30% of all NENT Group's productions content (100+) and key sports productions by end of 2022.
Creating engaging customer experiences	Develop and implement 'NENT Group People and Planet storytelling' test in all NENT Group's scripted productions by 2026.	Develop 'NENT Group People and Planet storytelling test' and pilot two (scripted) productions in 2022.
Empowering our people	Reduce GHG emissions in absolute scope 1 (cars), scope 2 (facilities and energy) and scope 3 (business travel) by 46,2% by end of 2030 from a 2019 base year (SBTs).	Minimise carbon intensive business travel, reduce emissions by 12,6% by end of 2022, from 2019 levels.
		Review and improve energy supply and efficiency in all facilities, by 12,6% by end of 2022, from 2019 levels.
		Replace 100% of rental cars and 50% of NENT Group's fossil fuel leased cars with hybrid or electric vehicles.
Partnering for growth	Engage with 71% of our suppliers by emissions covering purchased goods and services, to set science-based targets by end of 2026 (SBTs), specifically engage with content production suppliers to measure and reduce emissions in productions.	Establish a plan to engage with productions and a programme to measure, monitor, and reduce emissions, starting with 5% of NENT Group produced content (100+) and one large sports host broadcast in 2022.
	Continue industry-wide collaboration to engage with partners and suppliers for more energy efficient products/solutions in our streaming value chain.	Engage with all the main manufacturers of end-user devices to improve energy efficiency through industry-wide collaboration in 2022.

Our focus areas and business priorities	Goals 2026	Annual targets 2022
ADVANCING DIVERSITY & INCLUSION		
Delivering outstanding content	Reach and maintain 50/50 % gender balance in the creative value chain in all NENT Group's Nordic scipted and non-scripted productions by end of 2026 (baseline 47F/53M%, 2021).	Reach 48F/52M % gender balance in the creative value chain in all NENT Group's Nordic scipted and non-scripted productions by end of 2022 (baseline 47F/53M%, 2021).
		Establish a baseline in the sports creative value chain and set a long-term gender balance goal for all of NENT Group's sports productions in 2022.
Creating engaging customer experiences	Making at least 25 Viaplay originals available on Viaplay with full accessibility (i.e. subtitling, audio description and sign language) by end of 2026.	Making the top 5 Viaplay originals available on Viaplay with full accessibility (i.e. subtitling, audio description and sign language) in 2022.
	Develop and implement 'NENT Group People and Planet storytelling test' in all productions and invest in 20 productions emphasising diverse storytelling related to underrepresented groups (i.e. gender, cultural context, languages, religion) by end of 2026.	Develop 'NENT Group People and Planet storytelling test' piloting two productions and invest in 3–5 productions emphasising diverse storytelling related to underrepresented groups i.e. gender, cultural context, languages, religion in 2022.
Empowering our people	Reach 50/50 gender balance in total workforce by 2026 (baseline 44F/56M 2021).	Increase female talents within Sports and Product, Data & Tech, and debias NENT Group's recruitment process to reach 45F/55M % gender balance in total workforce by end of 2022 (baseline 44F/56M 2021).
	Improve inclusion within NENT Group by awareness, accessibility & allyship, increasing employees' perceived inclusion to 86% (82%, 2021) in employee survey by end of 2026.	Conduct inclusive recruitment training targeting key functions; Sports and Product, Data & Tech, and rollout inclusion & bias training for all employees to increase perceived inclusion from 82% to 83%* in employee survey in 2022.

Our focus areas and business priorities	Goals 2026	Annual targets 2022
PROMOTING WELLBEING & ETHICS		
Delivering outstanding content	Ensure ethical behaviour, human rights and wellbeing in all productions by strengthened processes, trainings and third party audit programme.	Ongoing sustainability screening of all NENT Group's scripted and unscripted productions (100+) plus sports productions and onsite audits conducted of at least 4 key productions in 2022.
		Include new child welfare and participant guidelines as part of annual content compliance training for all NENT Group's Executive Producers and Contestant Managers in 2022.
		Roll-out new 'Rulebook on work environment' to all content productions (100+) and send pulse-survey to at least 70% of all productions (100+) measuring work life balance, health and safety in the workplace in 2022.
		Roll-out new Code of Conduct training for productions including updated 'whistle-blower' procedures to targeted people starting with 30% of NENT Group's productions (100+) in 2022.
Creating engaging customer experiences	Establish Privacy portal on Viaplay for all customers to access and manage their personal data by end of 2026.	Review current processes for customers exercising their rights, and implement extended trainings for customer service representatives.
Empowering our people	Strengthened ethics and compliance knowledge across the business by implementing NENT Group's business ethics programme by end of 2026.	Launched new Code of Conduct, Supplier Code of Conduct and eLearning programmes in 2022.
	Increased employees' perception of wellbeing to 83% (79%, 2021 measured in employee survey) by end of 2026.	Continue to implement NENT Group's hybrid working model and trainings in time management and self-leadership for all employees to increase employee wellbeing perception to 81% (79 %, 2021) by end of 2022.
	Reaching 75% of all employees' participating in voluntary skills development initiatives by end of 2026 (baseline 52,5 % of all employees participated in mandatory training, 2020).	Reaching 50% of employee participation in voluntary learning and development initiatives (i.e. e-learning, peer-to-peer knowledge sharing, trainer led courses and workshops) offered to 100% employees for increased skills development in 2022 (baseline 52,5 % of all employees' participated in mandatory training, 2020).
Partnering for growth	Ensure ethical behaviour and human rights by strengthened ESG due diligence process and screenings for all suppliers and partners by end of 2026.	Strengthened ESG due diligence process for major M&A, JVs and strategic partnerships in 2022.
		Screen and engage with all critical suppliers by the end of 2022.

Sustainability data

PEOPLE DATA

GRI 102-8 Information on employees & other workers

Headcount employees	2021 Men	2021 Women	2021 Total	2020 Men	2020 Women	2020 Total
Permanent	**725**	**586**	**1,311**	**797**	**694**	**1,491**
Nordics	665	500	1,165	733	613	1,346
CEE & UK	60	86	146	64	81	145
Temporary	**85**	**57**	**142**	**127**	**90**	**217**
Nordics	84	52	136	126	86	212
CEE & UK	1	5	6	1	4	5
Total	**810**	**643**	**1,453**	**924**	**784**	**1,708**
Permanent full-time	721	572	1,293	793	676	1,469
Permanent part-time	4	14	18	4	18	22
Total	**725**	**586**	**1,311**	**797**	**694**	**1,491**

Employees and workers

All people data in the sustainability reporting relates to employees only. Employees are defined as people with a permanent or temporary contract at NENT Group. Workers are people who work for NENT Group without being employees, such as consultants, contractors, freelancers and self-employed people. During 2021, NENT Group sold the majority of its studio companies. The decrease in employee numbers can largely be explained by this.

Headcount

The number of employees in the tables is expressed as headcount as of 31 December for each year and includes both permanent and temporary employees. There is only one exception:
– Data relating to full-time and part-time employees is based on permanent employees only.

Data collection

The majority of data was extracted from internal HR systems, payroll systems, and manually populated files. The remaining data was derived from employee surveys, accounting programs, and employment contracts.

Regions

'Nordics' includes Sweden, Denmark, Norway and Finland. 'CEE & UK' includes Hungary, Romania, Poland, Lithuania, Bulgaria, Slovakia, Czech Republic, the Netherlands and the United Kingdom.

Viaplay has been launched in Iceland, Estonia, Latvia, and the United States. However, NENT Group has no employees working from there.

Workers' contribution

In all regions where NENT Group operates, the workforce includes non-employees. This work includes production and post-production, casting and talent services, photography, voice-overs, logistical assistance, office coordination, production management and coordination, showrunning, project management, telemarketing, payroll support, sales, scriptwriting, editing, legal consultancy, technical assistance, market research, graphic design, finance, administration, and business development services.

NENT Group has made the assessment that during 2021, no significant part of the Group's work was performed by such non-employees. In this context, a 'significant part' means that:

i) workers performed activities that are core for NENT Group's business
ii) or: the work performed was sufficiently crucial to the business and NENT Group could not operate without it
iii) or: more than 50% of the total workforce contained workers who are not employees.

GRI 401-1 New employee hires & employee turnover

	2021						2020					
	Nordics		CEE & UK		Total		Nordics		CEE & UK		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total new hires	**300**	**23%**	**41**	**27%**	**341**	**23%**	**254**	**16%**	**22**	**15%**	**276**	**16%**
Split by gender												
Men	158	12%	14	9%	172	12%	141	16%	7	11%	148	16%
Women	142	11%	27	18%	169	12%	113	16%	15	18%	128	16%
Split by age group												
<30	99	8%	9	6%	108	7%	104	35%	10	37%	114	35%
30–50	191	15%	30	20%	221	15%	144	13%	11	10%	155	13%
>50	10	1%	2	1%	12	1%	6	4%	1	8%	7	4%
Total turnover	**178**	**14%**	**14**	**10%**	**192**	**13%**	**318**	**20%**	**43**	**29%**	**361**	**21%**
Split by gender												
Men	91	7%	4	3%	95	7%	160	19%	14	22%	174	19%
Women	87	7%	10	7%	97	7%	158	23%	29	34%	187	24%
Split by age group												
<30	39	3%	3	2%	42	3%	78	26%	7	26%	85	26%
30–50	121	10%	11	7%	132	9%	214	19%	31	28%	245	20%
>50	18	1%	0	0%	18	1%	26	18%	5	42%	31	20%

'New hires' is defined as all employees joining the company for the first time. This excludes transfers of existing employees within NENT Group, as well as job promotions which are reported separately as internal recruitment.

The total new hires rate is calculated against the total number of employees at NENT Group. The total new hires rates per region are calculated against the total number of employees for each region.

The splits by gender and age group are calculated against the total number of employees in each category.

Total turnover covers all employees who left their employment at NENT Group for any reason, including resignation, redundancy, leaving during probation period, end of temporary employment or retirement.

The total turnover rate is calculated against the total number of employees at NENT Group. The total turnover rates per region are calculated against the total number of employees for each region. The splits by gender and age group are calculated against the total number of employees in each category.

The increase in new hires in 2021 can be explained by our expansion to new markets.

Internal recruitment

	2021						2020					
	Men		Women		Total		Men		Women		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Internally recruited	100	12%	96	15%	196	13%	64	7%	53	7%	117	7%

The internal recruitment rates refer to the number of employees recruited to their current position from another position within NENT Group, and are shown in relation to the total number of employees in each category. The figures include job promotions, and internal transfers into a new role, regardless of whether the position has been externally advertised.

GRI 102-41 Employees covered by collective bargaining agreements

	2021		2020	
	Number	%	Number	%
Proportion of employees covered by collective bargaining agreement	34	2%	73	4%

The total number of employees was used as a basis for calculating the percentage of employees covered by collective bargaining agreements. The decrease from 4% to 2% is mainly explained by a majority of our studio companies being sold in 2021. About half of the studio companies had employees covered by collective bargaining agreements.

GRI 401-3 Parental leave (PL)

	2021			2020		
	Men	Women	Total	Men	Women	Total
Number of employees with right to PL	796	629	1,425	910	770	1,680
Number of employees who took PL	50	46	96	55	52	107
Proportion of employees who took PL	6%	7%	7%	6%	7%	6%
Number of employees that returned to work after PL ended	39	30	69	Not disclosed in 2020[1)]		
Number of employees still employed 12 months after PL ended	31	32	63			

Employees entitled to PL

At NENT Group, employees' entitlement to PL is recognised and followed as prescribed by law. In some companies, all employees (both permanent and temporary) are entitled to PL. In other companies, only permanent employees are entitled to PL.

Employees who took PL

This covers employees that have taken PL during the year reported. The proportion of employees who took PL is calculated against the number of employees who are entitled to PL.

Employees that returned to work after PL ended

This covers employees that returned to work between 1 January 2021 and 31 December 2021 after PL ended.

Employees still employed 12 months after PL ended

This covers employees that returned to work between 1 January 2020 and 31 December 2020 after PL ended that were still employed for at least 12 months after their return to work.

All PL numbers, apart from 'Employees with right to PL', are based on long-term PL. Long-term PL is defined as absence longer than 30 days.

1 NENT Group reports on two new indicators for Parental Leave in 2021: 'Employees that returned to work after PL ended' and 'Employees still employed 12 months after PL ended'. Therefore, no comparative figures are available for 2020.

GRI 403-9 Work-related injuries

	2021			2020		
	Men	Women	Total	Men	Women	Total
Work-related fatalities (number)	–	–	–	–	–	–
Work-related injuries (number)	3	2	5	4	3	7
Occupational diseases (number)	–	–	–	2	–	2
Lost days from work (number)	23	–	23	70	36	106
Days absent from work (number)	1,623	1,986	3,610	1,583	2,201	3,783
Work-related injury rate[1)]	**1.5**	**1.2**	**1.4**	**2.1**	**1.9**	**2.0**
Nordics	1.6	1.5	1.6	2.3	1.4	1.9
CEE & UK	–	–	–	–	5.8	3.3
Occupational disease rate[1)]	**–**	**–**	**–**	**1.1**	**–**	**0.6**
Nordics	–	–	–	1.2	–	0.6
CEE & UK	–	–	–	–	–	–
Lost days rate[1)]	**11.2**	**–**	**6.3**	**37.4**	**22.7**	**30.7**
Nordics	12.1	–	7.0	40.3	25.5	33.6
CEE & UK	–	–	–	–	–	–
Absent days rate[2)]	**0.9**	**1.4**	**1.0**	**0.7**	**1.1**	**0.9**
Nordics	0.8	1.4	1.1	0.7	1.2	0.9
CEE & UK	0.3	0.3	0.3	0.3	0.6	0.5

1 Per 1 million working hours.
2 Per 100 working hours.

Work-related injuries

This covers both employees and workers and is defined as a non-fatal injury arising from, or in the course of work duties. It includes minor (first-aid) injuries. Due to the low number of injuries, this report does not give a regional breakdown of the types of injuries.

Out of the reported injuries, no injury was a high-consequence injury. One injury resulted in an employee being absent from work and the remaining injuries were minor injuries, not leading to absence from work.

An injury can be reported by an employee, internal safety representative, manager or other. Reporting and recording of injuries is carried out in various ways, such as through internal HR, payroll or service desk systems; directly to an office, People and culture department, executive or event manager via email or word of mouth; externally by insurance funds and companies; or manually in spreadsheet files, online documents or physical files.

Occupational disease rate

This relates to employees only and covers diseases arising from a work situation or activity, or from a work-related injury in each category in relation to the total number of employees in that category and 8 hours per day and 253 working days per year.

Lost days rate

This relates to employees only and is defined as working days where an employee is unable to perform their usual duties because of an occupational disease or accident, in relation to the total number of employees in that category and 8 hours per day and 253 working days per year. Lost days are reported as scheduled working days, beginning to count the day after the accident.

Absent days rate

This relates to employees only and is defined as days of absenteeism (including sickness) in each category in relation to the total number of employees in that category and 253 working days per year. Regarding sickness, only long-term sickness is included in the data. Long-term sickness is defined as an absence lasting longer than 30 days.

GRI 404-1 Average yearly employee training

Hours	2021 Men	2021 Women	2021 Total	2020 Men	2020 Women	2020 Total
CEO, EVPs, CxOs, Sub.CEOs, SVPs	0.5	0.1	0.3	0.9	2.0	1.4
VPs, Heads of	1.0	1.5	1.3	0.8	1.5	1.1
Managers	1.0	3.3	2.0	1.8	1.3	1.5
Non-managers	0.8	1.5	1.2	0.5	0.6	0.6
Total	**0.9**	**1.6**	**1.2**	**0.7**	**0.8**	**0.8**
Total (including. training in the BEAT values)						**7.3**

Training hours are calculated against the total number of employees for each category. NENT Group did not hold training on the BEAT-values in 2021. Instead, we launched a new learning and development space and held daily teacher-led online workshops on subjects such as leadership and teambuilding during the autumn of 2021. The increase in trainings can be explained by the new learning and development space and strategy.

In 2020, it was not possible to report gender or employee category for training hours on the BEAT values. Total training hours for 2020 is therefore divided between total training hours excluding trainings in the BEAT values (783 employees were excluded), and total training hours including trainings in the BEAT values.

GRI 404-3 Performance & development appraisals (PDA)

Proportion of employees who received PDA	2021 Men	2021 Women	2021 Total	2020 Men	2020 Women	2020 Total
Managers	82%	78%	80%	80%	76%	78%
Non-managers	77%	69%	74%	77%	71%	74%
Total	**78%**	**71%**	**75%**	**77%**	**72%**	**75%**

The PDA rate is defined as the percentage of employees in each category who participated in a PDA. Data for 2021 has been collected by using information from the Employee Engagement Survey (EES). Only employees who participated in the EES-survey are included in the PDA-data (EES-participants in 2021 are 1193).

In the EES it is not possible to follow up other categories than Managers and Non-Managers. Therefore, EVPs, VPs, SVPs, CxOs, and Heads of are reported as Managers if they have supervisor responsibility; or if not, reported as Non-managers.

GRI 405-1 Diversity of governance bodies & employees

Part of total workforce	2021	2020
CEO, EVPs, CxOs, Sub. CEOs, SVPs	2%	2%
VPs, Heads of	12%	11%
Managers	6%	9%
Non-managers	80%	78%

By gender	2021	2020
Board of directors		
Women	50%	50%
Men	50%	50%
CEO, EVPs, CxOs, Sub. CEOs, SVPs		
Women	48%	47%
Men	52%	53%
VPs, Heads of		
Women	46%	44%
Men	54%	56%
Managers		
Women	44%	52%
Men	56%	48%
Non-managers		
Women	44%	46%
Men	56%	54%
Total		
Women	44%	46%
Men	56%	54%

By age	2021	2020
Board of directors		
<30	–	–
30–50	17%	17%
>50	83%	83%
CEO, EVPs, CxOs, Sub. CEOs, SVPs		
<30	–	–
30–50	80%	71%
>50	20%	29%
VPs, Heads of		
<30	2%	3%
30–50	87%	88%
>50	11%	9%
Managers		
<30	6%	5%
30–50	77%	84%
>50	17%	11%
Non-managers		
<30	21%	24%
30–50	70%	68%
>50	9%	8%
Total		
<30	18%	19%
30–50	72%	72%
>50	10%	9%

ENVIRONMENTAL DATA

NENT Group has reported on its carbon footprint since its inception, and continuously works to improve its understanding of the impact it has on the climate. The company improves upon its carbon footprint assessment each year by working to increase the resolution of data on the source of both direct and indirect GHG (greenhouse gas) emissions. In doing so, it generates insights which enable targeted actions to minimise emissions. In 2021, NENT Group began the process of measuring the full scope of emissions across its entire value chain, encompassing all indirect upstream and downstream emissions. As part of this process, GHG emissions calculations for 2019 and 2020 have been restated in order to establish a baseline in accordance with SBTi requirements. A range of factors can affect these emissions, particularly those linked to purchased goods and services which is the source of most of the company's emissions; these vary from year to year depending on the spend with the most significant suppliers.

NENT Group's baseline is in accordance with the Science Based Targets initiative (SBTi) requirements. The baseline was set using a combination of 2019 and 2020 data as the Covid-19 pandemic heavily affected business operations with most office' operations closed and minimal business travel in 2020. However, for most Scope 3 categories, the 2020 data was more relevant and complete. The baseline consists of 2019 data for Scope 1, Scope 2 and Scope 3.6 Business travel, and 2020 data for all other Scope 3 emissions (3.1, 3.2, 3.3, 3.4, 3.5, 3.7 and 3.11) see table on p. 159 for more detail. We intend to conduct a more in-depth review in the near future of our 2019 and 2020 data to ensure that our upcoming emission reporting is complete and accurate.

Operational control approach: We account for all Scope 1, 2 and 3 emissions from operations over which NENT Group has operational control, but not from emissions in which NENT Group owns an interest but does not have operational control.

NENT Group uses emission factors sourced from national government databases, academic studies, company reports, and regulatory disclosures which are regularly updated. GWPs are available in respective sources. GWP period of 100 years in accordance with the IPCC fifth assessment, all six greenhouse gases are included in the calculation and are expressed in CO_2-equivalents.

Scope 1: Vehicles and fuel use: most recent conversion factors are used. Emission factor source: UK Department for Business, Energy and Industrial Strategy (BEIS).

Scope 2: Energy, NENT Group reports both the location-based and market-based method of calculating emissions. Market-based means the supplier-specific emission factor provided by the utility provider, also including renewable certificates if these were purchased, or residual mixes where no supplier is disclosed. Location-based emissions is where the average supplier-mix of the country is used instead. Both methods are accepted by the Greenhouse Gas (GHG) Protocol. Emission factor source: Association of Issuing Bodies (AIB).

Scope 3: For spend-based calculations EXIOBASE Multi-Regional Environmentally Extended Input Output Model is used to calculate Upstream emissions from transaction data. For activity data other scientific sources and emission factor databases are used, including UK DEFRA, Idemat, Quartz and EPDs.

Scope 3: Category 11: Use of Sold Products NENT Group uses the DIMPACT Video Streaming Model to calculate emissions from the streaming value chain. DIMPACT is a collaborative project comprised of academic bodies and 18 media and technology companies.

The results show most of the emissions from streaming, are indirect use-phase emissions derived from the energy used by end-user devices, i.e., the energy used when our customers watch Viaplay on their own devices such as TV or tablets at home. According to the GHG Protocol Scope 3 Standard, these emissions are optional; the most common approach is to exclude these emissions from organisation's footprint. NENT Group has decided to include these indirect use-phase emissions in the category Use of Sold Products.

NENT Group's inclusion of these emissions is based on the GHG Protocol Standard's guiding principles (Corporate Value Chain (Scope 3) Accounting and Reporting Standard):

- Relevance: the emissions from streaming Viaplay are relevant to the customers.
- Completeness: the emissions have been assessed and are significant.
- Consistency: NENT Group have analysed the emissions and determines that this category of emissions is relevant for the future, so should be included in the reported footprint now.
- Transparency: NENT Group has assessed the emissions and decided to include in the annual report.
- Accuracy: NENT Group views the assessment that has been conducted to be of sufficient accuracy to be credible and suitable for guiding priorities in future emissions reduction efforts.

For further information on NENT Group's climate action, please refer to pages 42–44.

GRI 305 GHG emissions

	Carbon emissions (tCO_2-eq) 2021	2020	2019
Scope 1 – direct emissions			
Diesel	79	27	146[1]
Petrol	18	1	–
Natural gas	4	–	6[1]
CNG	2	17	–
Refrigerants	–	48	–
Unknown fuel type	–	–	6[1]
Total Scope 1	**103**	**93**	**158**

	2021	2020	2019
Scope 2 – indirect emissions			
Scope 2 (location-based purchased energy)			
Purchased district heating (location-based)	154	78	173[1]
Purchased electricity (location-based)	804	888	944[1]
Total Scope 2 (location-based purchased energy)	**958**	**966**	**1,117[1]**
Total Scope 1 and Scope 2 (location-based purchased energy)	**1,061**	**1,059**	**1,275[1]**
Scope 2 (market-based purchased energy)			
Purchased district heating (market-based)	157	102	140[1]
Purchased electricity (market-based)	1,407	1,188	1,663[1]
Total Scope 2 (market-based purchased energy)	**1,564**	**1,290**	**1,803[1]**
Total Scope 1 and Scope 2 (market-based purchased energy)	**1,667**	**1,383**	**1,961[1]**

	2021	2020	2019
Total operational emissions (location-based purchased energy)[2]	**2,583**	**2,555**	**5,297**
Total operational emissions (market-based purchased energy)[2]	**3,189**	**2,879**	**5,983**

	Carbon emissions (tCO_2-eq) 2021	2020	2019
Scope 3 – indirect emissions			
Scope 3 Upstream			
3.1 Purchased goods and services	78,543	73,900[1]	
3.2 Capital goods	435	420[1]	
3.3 Fuel- and Energy-Related Activities	298	125[1]	
3.4 Upstream transportation and distribution	156	78[1]	
3.5 Waste generated in operations	10	13[1]	
3.6 Business travel	1,523	1,496	4,516[1]
3.7 Employee commuting	1,269	1,500[1]	
3.8 Upstream use of leased assets	0		
Scope 3 – Downstream			
3.11 Use of sold products	3,536	4,894[1]	
Total Scope 3 Emissions	**85,770**	**82,426[1]**	

	2021	2020	2019
Scope 2 Energy use (mWh)	8,633	5,380	8,536

NENT Employees in 2021	
Energy use per employee	6 kWh
Operational emissions per employee[2]	2 tCO_2-eq

Viaplay streaming value chain 2021	Hours of streaming	Carbon emissions
Viaplay streaming in 2021	947,716,148	3,536 tCO_2-eq
1 hour of streaming in 2021	1	0,00346 $kgCO_2$-eq

1 Data included in SBTi base year. Calculation of GHG emissions for 2019 and 2020 have been updated with new calculation methods in order to determine a base year in accordance with the requirements in SBTi.
2 Total operational emissions includes Scope 1, Scope 2 and Scope 3.6 Business travel
3 There are certain gaps in the 2019 and 2020 data. Thus, NENT Group intends to conduct a more in-depth review of our 2019 and 2020 data in the near future to ensure that our upcoming emissions reporting is complete and accurate.

CORPORATE GIVING DATA

KSEK	2021	2020
Donated media time	3,401	43,783
Products & services	–	1,421
Cash donations	2,628	2,755
Total donations	**6,029**	**47,959**
Funds raised for charity	–	65
Total corporate giving	**6,029**	**48,024**

Hours	2021	2020
Volunteering hours	92	130

The value of donated media time is based on the estimated market value of the commercial media time that NENT Group has donated to charity organisations. Funds raised for charity include NENT Group's own fundraising campaigns and funds raised through joint actions with the benefitting NGOs.

In 2020, NENT Group created the BEAT Diabetes Foundation as its own and independent entity. Diabetes fundraising is therefore no longer reported as NENT Group's donation in the Annual Report. In 2021, NENT Group donated MSEK 2.5 to the BEAT Diabetes foundation.

NENT Group has decided to donate airtime that is not commercially utilized every year. Unsold airtime is donated to organisations that support our society in meaningful ways, such as the Red Cross, UNICEF and UNHCR. The donated airtime differs year to year depending on market demands. The level of commercial request explains the difference in donated media time in 2021 compared to 2020.

Products and services refer to all products or services that have been donated to a charity or a cause free of charge. In 2020, the majority of donated products and services related to NENT Group's Covid-19 campaign. This year we did not precede with the campaign, which explains the difference in donated products and services 2020 compared to 2021. Instead, we donate Christmas presents for children through the Childhood Trust Foundation

In 2020, the majority of volunteering hours stemmed from our SplayOne talents in Finland, while in 2020, they related to the Childhood Trust Foundation. During the year we shot and edited a campaign to raise donations for under privileged children in the UK.

COMPLIANCE DATA

Content compliance breakdown – TV & Streaming

Number of complaints	2021	2020
Advertising	**5**	**–**
Not in breach	3	–
Out of which relating to minors	–	–
Sponsorship	**–**	**–**
Not in breach	–	–
Out of which relating to minors	–	–
Programmes, promos & other	**5**	**9**
Not in breach	4	8
Out of which relating to minors	–	–
Total	**10**	**9**
Still pending at the end of 2020	3	1
Fines/penalties	–	–

The figures refer to the number of broadcast complaints, and are divided into various categories (advertising, sponsorship and programmes and promos). All NENT Group's Swedish licensed TV channels and streaming services are included in these figures. 'Not in breach' means that the complaint was dismissed by the Swedish regulators and that the content in question was determined to be in compliance with rules and regulations. 'Still pending' means that the complaint has yet to be ruled upon. The number of complaints still pending at the end of 2020 was restated from one to zero, since the complaints was ruled 'not in breach'.

COMPLIANCE DATA

Content compliance breakdown – Radio

Number of complaints	2021	2020
Advertising	**–**	**–**
Not in breach	–	–
Sponsorship	**–**	**–**
Not in breach	–	–
Programmes, promos & other	**–**	**–**
Not in breach	–	–
Total	**–**	**–**
Still pending at the end of 2020	–	–
Fines/penalties	–	–

All of NENT Group's radio stations hold local licences and are therefore locally regulated. No broadcast complaints relating to NENT Group's radio channels were received in 2020 or 2021.

Content compliance training

Number of people trained	2021	2020
Internally	54	189
Externally	15	14
Total	**69**	**203**

NENT Group's central Content Compliance Team provides continuous training for employees whose daily work involves NENT Group's content compliance procedures, such as those working in acquisitions, programming, scheduling, sales, on-air planning and creative services. Less people have been internally trained in 2021 compared with 2020. The difference in trainings can be explained by 2020's training numbers being unusually high, as NENT Group did a large amount of training to prepare for Brexit and the implications on our licenses. In 2021, all key functions were trained on content compliance. When necessary, the Content Compliance Team also trains external production teams who produce content for NENT Group's services or channels.

Anti-corruption

Number of cases	2021	2020
Confimed incidents of corruption	–	–
Whistleblower incidents	–	2
Total	**–**	**2**

In 2021, NENT Group had no confirmed cases of corruption or whistleblower incidents. For more information on NENT Group's whistleblowing process, see page 38–41.

GRI index

GRI 101 Foundation 2016 – General Disclosures

	Organisational Profile	Reference	Full/Partial
102-1	Name of the organisation	Administration report (p. 77)	●
102-2	Activities, brands, products, and services	At a glance (p. 1, 3, 4) Our brands (p. 15–16) Administration report (p. 77)	●
102-3	Location of headquarters	Administration report (p. 77)	●
102-4	Location of operations	Administration report (p. 77) People data (p. 152)	●
102-5	Ownership and legal form	The NENT Group Share (p. 50–52)	●
102-6	Markets served	Our markets (p.18–19) Administration report (p. 77)	●
102-7	Scale of the organisation	At a glance (p. 1) Financial performance (p. 80) People data (p. 152)	●
102-8	Information on employees and other workers	People data (p. 152)	●
102-9	Supply chain	Our approach to sustainability (p. 26)	●
102-10	Significant changes to the organisation and its supply chain	2021 highlights (p. 2) CEO's statement (p. 5–7) Our markets (p. 19) Administration report (p. 77)	●
102-11	Precautionary Principle or approach	Committing to our conduct and to climate action (p. 42)	●
102-12	External initiatives	CEO's Statement (p. 6–7, 39)	●
102-13	Membership of associations	Membership of associations (p. 145–146)	●

	Strategy	Reference	Full/Partial
102-14	Statement from senior decision-maker	CEO's Statement (p. 5–7)	●
102-15	Key impacts, risks, and opportunities	Our approach to sustainability (p. 25–27) Risks and risk management (p. 60–64) Materiality assessment (p. 143–144)	●

	Ethics and Intergrity	Reference	Full/Partial
102-16	Values, principles, standards, and norms of behaviour	Committing to our conduct (p. 38–39)	●
102-17	Mechanisms for advice and concerns about ethics	Committing to our conduct (p. 40–41)	●

	Governance	Reference	Full/Partial
102-18	Governance structure	Governance and responsibility (p. 54–58)	●
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance and responsibility (p. 54)	●
102-22	Composition of the highest governance body and its committees	Governance and responsibility (p. 65–66)	●
102-23	Chair of the highest governance body	Governance and responsibility (p. 65)	●
102-24	Nominating and selecting the highest governance body	Governance and responsibility (p. 54–55)	●
102-25	Conflicts of interest	Governance and responsibility (p. 55–56; 58–59)	●

GRI 101 Cont.

102-26	Role of highest governance body in setting purpose, values and strategy	Governance and responsibility (p. 54)	●
102-27	Collective knowledge of highest governance body	Governance and responsibility (p. 54)	●
102-30	Effectiveness of risk management processes	Governance and responsibility (p.54, 60–64)	●
102-31	Review of economic, environmental, and social topics	Governance and responsibility (p. 54)	●
102-32	Highest governance body's role in sustainability reporting	Governance and responsibility (p. 54)	●
102-33	Communicating critical concerns	Committing to our conduct (p. 40–41) Governance and responsibility (p. 59)	●
102-35	Remuneration policies	Administration report (p. 81) Financial statements (p. 98–101)	●
102-36	Process for determining remuneration	Governance and responsibility (p. 55–57) Remuneration report (p. 71–75) Financial statements (p. 98–103)	●

	Stakeholder Engagement	Reference	Full/Partial
102-40	List of stakeholder groups	Stakeholder engagement and materiality assessment (p. 144)	●
102-41	Collective bargaining agreements	People data (p. 154)	●
102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality assessment (p. 143–144)	●
102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality assessment (p. 143–144)	●
102-44	Key topics and concerns raised	Stakeholder engagement and materiality assessment (p. 144)	●

	Reporting Practice	Reference	Full/Partial
102-45	Entities included in the consolidated financial statements	Financial statements (p. 92–93) Report scope and boundaries (p. 168)	●
102-46	Defining report content and topic boundaries	Stakeholder engagement and materiality assessment (p. 143–144) Report scope and boundaries (p. 168)	●
102-47	List of material topics	Stakeholder engagement and materiality assessment (p. 144)	●
102-48	Restatements of information	Report scope and boundaries (p. 168)	●
102-49	Changes in reporting	Report scope and boundaries (p. 168)	●
102-50	Reporting period	Report scope and boundaries (p. 168)	●
102-51	Date of most recent report	Report scope and boundaries (p. 169)	●
102-52	Reporting cycle	Report scope and boundaries (p. 168)	●
102-53	Contact point for questions regarding the report	Report scope and boundaries (p. 168)	●
102-54	Claims of reporting in accordance with the GRI Standards	Report boundaries and scope (p. 168)	●
102-55	GRI content index	GRI Index (p. 162–167)	●
102-56	External assurance	Independent assurance statement (p. 169)	●

GRI 200 Economic Standard Series – Material Topics

GRI 201	Economic Performance 2016	Reference	Full/Partial	
103-1 to 103-3	Management approach	Administration report (p. 78–82) Materiality assessment (p. 143–144)	●	
201-1	Direct economic value generated and distributed	Consolidated income statement (p. 83) Consolidated balance sheet (p. 84)	◐	Excludes payments to government, community investments, and direct economic value on separate levels since it is not considered material.

GRI 203	Indirect Economic Impacts 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Developing Nordic Storytelling (p. 28) Promoting an equal, diverse and inclusive society (p. 29–30) Materiality assessment (p. 143–144)	●
203-1	Infrastructure investments and services supported	Developing Nordic Storytelling (p. 28) Corporate giving data (p. 160)	●
203-2	Significant indirect economic impacts	Developing Nordic Storytelling (p. 28) Promoting an equal, diverse and inclusive society (p. 29–30) Corporate giving data (p. 160)	●

GRI 205	Anti-corruption 2016	Reference	Full/Partial	
103-1 to 103-3	Management approach	Committing to our conduct (p. 38–40) Materiality assessment (p. 143–144)	●	
205-2	Communication and training about anti-corruption policies and procedures	Committing to our conduct (p. 40)	◐	We only disclose the total number and % of employees that were trained.
205-3	Confirmed incidents of corruption and actions taken	Committing to our conduct (p. 40) Compliance data (p. 161)	●	

GRI 300 Environmental Standards Series – Material Topics

GRI 302	Energy 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Committing to climate action (p. 42–44) Materiality assessment (p. 143–144)	●
302-1	Energy consumption within the organisation	Environmental data (p. 158–159)	●
302-3	Energy intensity	Environmental data (p. 158–159)	●

GRI 305	Emissions 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Committing to climate action (p. 42–44) Materiality assessment (p. 143–144)	●
305-1	Direct (Scope 1) GHG emissions	Environmental data (p. 158–159)	●
305-2	Energy indirect (Scope 2) GHG emissions	Environmental data (p. 158–159)	●
305-3	Other indirect (Scope 3) GHG emissions	Environmental data (p. 158–159)	●
305-4	GHG emissions intensity	Environmental data (p. 158–159)	●

GRI 400 Social Standards Series – Material Topics

GRI 401	Employment 2016	Reference	Full/Partial	
103-1 to 103-3	Management approach	Nurturing our culture (p. 32–34) Promoting an equal, diverse and inclusive society (p. 29) Committing to our conduct (p. 38–40) Materiality assessment (p. 143–144)	●	
401-1	New employee hires and employee turnover	People data (p. 153)	●	
401-3	Parental leave	People data (p. 154)	◐	Return to work and retention rates excluded – their collection method will be reviewed 2022.

GRI 403	Health and Safety 2018	Reference	Full/Partial	
103-1 to 103-3	Management approach	Nurturing our culture (p.34–36) Materiality assessment (p. 143–144)	●	
403-1	Occupational health and safety risks management system	Nurturing our culture (p. 34)	●	
403-2	Hazard identification, risk assessment and incident investigation	Nurturing our culture (p. 34) People data (p. 155)	●	
403-3	Occupational health services	Nurturing our culture (p. 36)	●	
403-4	Worker participation, consultation, and communication on occupational health and safety	Nurturing our culture (p. 35–36)	●	
403-5	Worker training on occupational health and safety	Nurturing our culture (p. 35–36)	●	
403-6	Promotion of worker health	Nurturing our culture (p. 35–36)	●	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Nurturing our culture (p. 36)	●	
403-9	Work related injuries	People data (p. 155)	◐	Our data collection procedures will be updated to fit the GRI 403 2018-standard. Currently, our method only allows for the 2016-standard.

GRI 404	Training and Education 2016	People data (p.x)	Full/Partial
103-1 to 103-3	Management approach	Nurturing our culture (p. 32–34) Committing to our conduct (p. 38, 40) Materiality assessment (p. 143–144)	●
404-1	Average hours of training per year per employee	People data (p. 156)	●
404-3	Percentage of employees receiving regular performance and career development reviews	Nurturing our culture (p. 34) People data (p. 156)	●

GRI 405	Diversity and Equal Opportunity 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Promoting an equal, diverse and inclusive society (p. 29–30) Nurturing our culture (p. 32–34) Committing to our conduct (p. 38–40) Materiality assessment (p. 143–144)	●
405-1	Diversity of governance bodies and employees	People data (p. 157)	●

GRI 400 Cont.

GRI 406	Non-discrimination 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Nurturing our culture (p. 32–34) Promoting an equal, diverse and inclusive society (p. 29) Committing to our conduct (p. 38, 40) Materiality assessment (p. 143–144)	●
406-1	Incidents of discrimination and corrective actions taken	Nurturing our culture (p. 33)	●

GRI 412	Human Rights Assessment 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Committing to our conduct (p. 38–41) Materiality assessment (p. 143–144)	●
412-2	Employee training on human rights policies or procedures	Committing to our conduct (p. 40)	●

GRI 414	Supplier Social Assessment 2016	Reference	Full/Partial	
103-1 to 103-2	Management approach	Committing to our conduct (p. 38–40) Materiality assessment (p. 143–144)	●	
414-1	New suppliers that were screened using social criteria	Committing to our conduct (p. 38–39)	◐	Data for new suppliers is not avaiable. We disclose data for total suppliers screened.
414-2	Negative social impact in the supply chain and actions taken	Committing to our conduct (p. 38–41)	●	

GRI 417	Marketing and Labelling 2016	Reference	Full/Partial
103-1 to 103-3	Management approach	Committing to our conduct (p. 38–40) Producing quality content (p. 46–47) Materiality assessment (p. 143–144) Compliance data (p. 161)	●
417-2	Incidents of non-compliance concerning product and service information and labeling	Producing quality content (p. 46–47) Compliance data (p. 160–161)	●
417-3	Incidents of non-compliance concerning marketing communications	Producing quality content (p. 46–47) Compliance data (p. 160–161)	●

Media | NENT Group Specific Indicators

	Content creation	Reference	Full/Partial
103-1 to 103-3	Management approach	Developing Nordic Storytelling (p. 28) Promoting an equal, diverse and inclusive society (p. 29–30) Committing to our conduct (p. 38, 40) Producing quality content (p. 46–47) Materiality assessment (p. 143–144)	●
M2	Methodology for assesing and monitoring adherence to content creation values	Promoting an equal, diverse and inclusive society (p. 29–30) Producing quality content (p. 46–47) Compliance data (p.160–161)	●
M3	Actions taken to improve adherence to content creation values, and results obtained	Developing Nordic Storytelling (p. 28) Promoting an equal, diverse and inclusive society (p. 29–30) Producing quality content (p. 46–47)	●

	Content dissemination	Reference	Full/Partial
103-1 to 103-3	Management approach	Developing Nordic Storytelling (p. 28) Committing to our conduct (p. 38, 40) Producing quality content (p. 46–47) Materiality assessment (p. 143–144)	●
M4	Actions taken to improve performance in relation to content dissemination issues (accesibility and protection of vulnerable audiences and informed decision making) and results obtained	Developing Nordic Storytelling (p. 28) Producing quality content (p. 46–47)	●
M5	Number and nature of responses (feedback/ complaints) related to content dissemination, including protection of vulnerable groups	Producing quality content (p. 46–47) Compliance data (p.160–161)	●

	Audience interaction	Reference	Full/Partial	
103-1 to 103-3	Management approach	Developing Nordic Storytelling (p. 28) Committing to our conduct (p. 38, 40) Producing quality content (p. 46–47) Materiality assessment (p. 143–144)	●	
M6	Methods to interact with audiences and results	Producing quality content (p. 47) Dialogue channels (p. 144)	◐	We do not disclose number of people engaged, broken down by engagement method due to such group aggregated data inavailability.

Report scope and boundaries

This is NENT Group's third Annual Report with an integrated Sustainability Report since listing independently on Nasdaq Stockholm in 2019. The scope of the Sustainability Report that also is the Statutory Sustainability Report is defined on pages 9–13, 24–48, 54, 60–61, 63–64 and 142–168.

The report was prepared in accordance with the GRI Standards (Core option), and it fulfills the requirements for sustainability reporting as stipulated by the Swedish Annual Accounts Act (ÅRL).

The report's content has been defined by the topics which were deemed material in our materiality assessment conducted in 2018, and served as a basis for our first NENT Group's sustainability strategy. To this, our work with minimising our environmental impact has been added as material in 2020 and moving forward. In 2021, we conducted a new materiality analysis and formed a new sustainability strategy, which will replace the current strategy in 2022.

The report covers NENT Group's performance in a wider sense of sustainability, assessing our impacts in the society through the sustainable development goals, and the areas where we believe we can add wider societal value.

The report boundary has been defined by using the completeness principle to reflect NENT Group's significant economic, environmental and social impacts. The reporting scope includes operations over which we have full control (i.e. subsidiaries where NENT Group AB owns more than 50%). The data covers NENT Group's companies which were active in 2021.

A notable change compared with 2020 is the decrease of number of employees in the Group. The reasons for that are a majority of NENT Group's studio companies being sold in 2021.

In 2021, NENT Group started to assess and measure the full scope of emisisons across the entire value chain, encompassing all indirect upstream and downstream emissions. GHG emission calculations for 2019 and 2020 have been restated in order to establish a baseline in accordance with SBTi requirements.

Changes in reporting

The G4 Media Supplement Standard are no longer part of the GRI standards. Therefore, the indicators are now called NENT Group Specific Indicators. 'Actions taken to empower audience through media literacy skills development and results obtained' (indicator M7) is not reported as it was not relevant in 2021.

NENT Group reports on two new indicators for GRI 401-3 Parental Leave: 401-3-c 'Employees that returned to work after PL ended' and 401-3-d 'Employees still employed 12 months after PL ended'. Therefore, there are no comparative figures for 2020.

NENT Group has updated the GRI 403 2016-standards to the GRI 403 2018-standard.

Reporting period
1 January 2021–31 December 2021

Reporting framework
GRI Standards (Core option) and NENT Group Specific Indicators

Date of most recent report
08 April 2021

Restatements of information
Content compliance complaints that were pending at the end of 2020 were ruled upon in 2021, hence restated this information.
Emission data for 2019/2020 to create SBTi baseline.

Contact details

For questions regarding NENT Group's operational sustainability work, please contact the Sustainability department (sustainability@nentgroup.com). Questions regarding NENT Group's Annual & Sustainability report should be directed to the Investor Relations department (investors@nentgroup. com). Both departments are located at NENT Group's head office at Ringvägen 52 in Stockholm.

Independent assurance statement

Auditor's Limited Assurance Report on Nordic Entertainment Group AB Sustainability Report and statement regarding the Statutory Sustainability Report To Nordic Entertainment Group AB, Corp. Id. 559124-6847.

Introduction

We have been engaged by the Board of Directors and the Chief Executive Officer of Nordic Entertainment Group AB to undertake a limited assurance engagement of Nordic Entertainment Group AB Sustainability Report for the financial year 2021. Nordic Entertainment Group AB has defined the scope of the Sustainability Report that also is the Statutory Sustainability Report in conjunction with the table of contents on the inside cover.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 168 in the Sustainability Report and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Nordic Entertainment Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Managing Director as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm 4 April 2022
KPMG AB

Tomas Gerhardsson	Torbjörn Westman
Authorised Public Accountant	Expert Member of FAR

Five-year summary

(SEK million if not otherwise stated)	2021	2020	2019	2018	2017
Income statement[1]					
Net sales	12,661	12,003	14,204	14,568	13,688
Sales growth, %	5.5	−15.5	7.6	6.5	6.1
– of which organic growth, %	*16.7*	*0.1*	*6.1*[2]	*3.8*	*5.4*
Operating income before associated companies and IAC	607	978	1,441	1,546	1,494
Operating income before IAC	647	1,077	1,445	1,544	1,495
Operating margin before IAC, %	5.1	9.0	10.2	10.6	10.9
Items affecting comparability	−74	2,109	−755	−40	75
Operating income	573	3,186	690	1,504	1,570
Operating margin, %	4.5	26.5	4.9	10.3	11.5
Net income for the year, continuing operations	365	2,869	538	1,292	1,294
Net income for the year, total operations	325	2,226	590	1,292	1,294
Cash flow					
Cash flow from operations, excluding changes in working capital	1,294	2,200	1,393	1,496	1,417
Change in working capital	−817	−674	−791	−380	−695
Cash flow from operations	477	1,526	602	1,116	722
Capital expenditures in tangible and intangible assets	−216	−147	−176	−550	−154
Acquisitions and divestments of operations	443	−222	−15	−19	−62
Net debt					
Total financial borrowings	3,300	4,560	4,780	4,373	1,110
Cash and cash equivalents	5,702	2,040	1,238	428	89
Financial net debt	−2,422	2,520	3,542	3,944	1,021
Net debt	−2,059	3,026	4,139	3,944	1,021
Key ratios					
ROCE, %	9.9	15.5	27.1	36.5	47.5
Net debt to EBITDA ratio	−2.1	2.2	2.2	2.3	0.6
Per share data					
Shares outstanding at the end of the year	77,970,071	67,347,526	67,342,244	66,980,902	66,725,249
Basic average number of shares outstanding	76,731,753	67,345,231	67,279,875	66,854,133	66,706,398
Weighted average number of shares after dilution	77,031,536	67,664,386	67,484,565	67,362,405	67,142,319
Basic earnings per share (SEK)	4.23	33.06	8.77	19.24	19.29
Proposed ordinary dividend/Cash dividend per share (SEK)	0[3]	0	0	6.50	–
Market price of Class B shares at close of last trading day (SEK)	469.20	458.60	302.80	–	–

1 As from Q2 2020 NENT Group's non-scripted, branded entertainment and events businesses was reported as discontinued operations. Periods 2019–2020 has been restated. Periods 2017–2018 has not been restated. Splay One was divested in April 2021 and the sale of the remaining businesses was completed in September 2021.
2 Sales growth year 2019 has been restated.
3 The Board propose no dividend to be paid for the year 2021. Subject to AGM approval.

Definitions & glossary

Financial key ratio definitions

Adjusted net income from continuing operations
Net income adjusted for items affecting comparability and amortisation of acquisition-related intangible assets, net of tax, for both NENT Group and its 50% share in the earnings of Allente.

Capital employed
Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing.

Cash flow from operations
Cash flow from operations comprises operating cash flow before financial items and tax payments, taking into account other financial cash flow.

Earnings per share
Earnings per share is expressed as net income attributable to equity holders of the parent company divided by the average number of shares.

EBITDA
EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation.

Items affecting comparability (IAC)
Items affecting comparability refer to material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis.

Net debt
Net debt is the sum of short and long-term interest-bearing liabilities less total cash and interest-bearing assets. A negative figure indicates that the Group has a net cash position (cash in excess of interest-bearing liabilities).

Operating income
Operating income comprises results before interest and tax. A synonym for operating income is EBIT (Earnings Before Interest and Tax).

Operating margin %
Operating profit as a percentage of net sales.

Organic growth
Organic growth is the change in net sales compared to the same period of the previous year excluding acquisitions and divestments and adjusted for currency translation and transaction effects.

Return on capital employed (ROCE) %
Return on capital employed is calculated as operating income as a percentage of average capital employed.

Return on equity (ROE) %
Return on equity is expressed as net income as a percentage of average shareholders' equity.

Financial calendar

Q1 Results Announcement
Tuesday 26 April 2022
Silent period 5–26 April

Annual General Meeting 2022
Wednesday 18 May 2022
Stockholm

Documentation and further details of when and how to give notice to attend will be published in advance on www.nentgroup.com

Q2 Results Announcement
Thursday 21 July 2022
Silent period 30 June–21 July

Q3 Results Announcement
Tuesday 25 October 2022
Silent period 4–25 October

Operational definitions and glossary

AVOD, Advertising video on-demand
A video on demand service that is free for users and funded through advertising.

Branded content
Editorial content (i.e. not advertising spots) that is funded by and produced for an advertiser.

Carriage fee
A fee paid by a TV distributor to NENT Group in order to show NENT Group's TV channels.

CSOL, Commercial share of listening
A company's estimated share of commercial radio listening in the age group 12+ years (Norway) or 12–79 years (Sweden).

CSOV, Commercial share of viewing
A company's estimated share of commercial TV viewing in the age group 25–59 years.

Non-scripted content
Content such as reality entertainment shows or documentaries that do not follow a set script.

Original
Content created and owned by a media company (as opposed to content acquired from another company) for direct distribution to its own or partners' customers.

Scripted content
Content such as drama series or films that follow a set script.

Sublicensing
The licensing of content by one company from another company currently holding this license.

SVOD, Subscription video on-demand
A video on demand service where a customer pays a regular subscription fee to access the service.

Third party customer
A customer who has access to NENT Group's content through a third party company.

Viaplay subscriber
A Viaplay subscriber is defined as a customer who has access to Viaplay and for whom a method of payment has been provided. NENT Group only reports paid-for subscriptions where a payment has been received directly from the end-customer or from a partner organisation.

VOD, Video-on-demand
A general term for services that enable customers to stream or download video content whenever they want and on a range of devices.

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we are the beat of entertainment

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