20230216094600

Årsredovisning

för

Egmont Holding Aktiebolag

556082-2339

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 16 juni 2022.

Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Malmö 16.6.2022

Marika Bark

Marika Bark

20230215094541

Årsredovisning

för

Egmont Holding Aktiebolag

556082-2339

Räkenskapsåret

2021

Visma Addo identifikationsnummer: 0eb37fc-32ec-455f-ba06-a879125509b15

20230216094G2

Styrelsen och verkställande direktören för Egmont Holding Aktiebolag avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Bolagets rörelse består i att förvalta dotter- och intresseföretag, samt därutöver utföra administrativa och finansiella tjänster åt dessa.

Företaget har sitt säte i Malmö.

Väsentliga händelser under räkenskapsåret
I maj 2021 köpte SVE ytterligare 14,26 % av aktierna i koncernbolaget Bageren & Kocken AB för 100,7 MSEK. I februari 2021 förvärvades 100 % av aktierna i Royal Design för 958 msek. I slutet av året utnyttjade SVE köpoptionen och förvärvade ytterligare i Skitt fiske AS för 26 MSEK (80% ägs numera)

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	-61 242	-29 234	26 825	-14 727
Soliditet (%)	16	24	28	28

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

Förändring av eget kapital (Tkr)

	Aktie-kapital	**Reserv-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	10 000	2 000	297 231	46 873	**356 105**
Disposition enligt beslut av årets årsstämma:					
Balanseras i ny räkning			46 873	-46 873	**0**
Årets resultat				89 409	**89 409**
Belopp vid årets utgång	**10 000**	**2 000**	**344 104**	**89 409**	**445 513**

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Resultatdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	344 103 956
årets vinst	89 408 830
	433 512 786

disponeras så att	
i ny räkning överföres	433 512 786
	433 512 786

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning
Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Summa rörelseintäkter, lagerförändringar m.m.		**0**	**0**
Rörelsekostnader			
Övriga externa kostnader		-931	-3 612
Summa rörelsekostnader		**-931**	**-3 612**
Rörelseresultat		**-931**	**-3 612**
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter		0	1
Nedskrivningar av finansiella anläggningstillgångar och kortfristiga placeringar		-11 154	0
Räntekostnader och liknande resultatposter		-49 157	-25 623
Summa finansiella poster		**-60 311**	**-25 622**
Resultat efter finansiella poster		**-61 242**	**-29 234**
Bokslutsdispositioner			
Erhållna koncernbidrag		174 172	89 100
Summa bokslutsdispositioner		**174 172**	**89 100**
Resultat före skatt		**112 930**	**59 866**
Skatter			
Skatt på årets resultat		-23 521	-12 993
Årets resultat		**89 409**	**46 873**

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Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	2	2 405 345	992 318
Andelar i intresseföretag och gemensamt styrda företag	3	362 786	368 328
Summa finansiella anläggningstillgångar		**2 768 131**	**1 360 646**
Summa anläggningstillgångar		**2 768 131**	**1 360 646**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		33 099	123 381
Övriga fordringar		6 685	11 153
Summa kortfristiga fordringar		**39 784**	**134 534**
Summa omsättningstillgångar		**39 784**	**134 534**
SUMMA TILLGÅNGAR		**2 807 915**	**1 495 180**

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Balansräkning
Tkr

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		10 000	10 000
Reservfond		2 000	2 000
Summa bundet eget kapital		**12 000**	**12 000**
Fritt eget kapital			
Balanserat resultat		344 104	297 231
Årets resultat		89 409	46 873
Summa fritt eget kapital		**433 513**	**344 104**
Summa eget kapital		**445 513**	**356 104**
Långfristiga skulder	4		
Skulder till koncernföretag		1 994 000	1 070 000
Summa långfristiga skulder		**1 994 000**	**1 070 000**
Kortfristiga skulder			
Leverantörsskulder		251	2 330
Skulder till koncernföretag		159	45 747
Skulder till intresseföretag och gemensamt styrda företag		10 578	10 578
Skatteskulder		28 714	10 421
Övriga skulder		328 700	0
Summa kortfristiga skulder		**368 402**	**69 076**
SUMMA EGET KAPITAL OCH SKULDER		**2 807 915**	**1 495 180**

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Noter
Tkr

Not 1 Redovisningsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Koncernuppgifter
Företaget är helägt dotterföretag till Egmont International Holding A/S med säte i Köpenhamn Företaget upprättar med stöd av Årsredovisningslagen 7 kap 2 § ej någon koncernredovisning. Yttersta moderföretaget som upprättar koncernredovisning är Egmont fonden, Köpenhamn.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	992 318	943 070
Inköp	1 413 027	3 648
Lämnade tillskott	0	45 600
Utgående ackumulerade anskaffningsvärden	**2 405 345**	**992 318**
Utgående redovisat värde	**2 405 345**	**992 318**

Not 3 Andelar i intresseföretag och gemensamt styrda företag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	368 328	90 146
Årets anskaffningar	0	278 182
Omklassificeringar	-5 542	0
Utgående ackumulerade anskaffningsvärden	**362 786**	**368 328**
Utgående redovisat värde	**362 786**	**368 328**

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Not 4 Långfristiga skulder

	2021-12-31	2020-12-31
Förfaller senare än 5 år efter balansdagen skulder till koncernföretag	1 994 000	1 070 000
	1 994 000	**1 070 000**

Not 5 Väsentliga händelser efter räkenskapsårets slut

Bolaget har ingen verksamhet som är exponerad mot vare sig Ukraina eller Ryssland och påverkas inte i dagsläget direkt av den oerhört ledsamma situationen som pågår. Den globala kris som kriget utlyst påverkar oss indirekt och vi fortsätter vara vaksamma på hur samhället och världen hanterar situationen.

Malmö den dag som framgår av vår elektroniska underskrift

Hans J Carstensen
Ordförande

Helle Bjørnskov Fischer

Marika Bark
Verkställande direktör

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Andreas Nyberg
Auktoriserad revisor

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BankID

Serienummer: EKp+KJdvLIldWm8oLR1UWQ

MARIKA BARK

14-06-2022 16:27

NEM ID

Serienummer: PID:9208-2002-2-636090567376

Hans Jacob Carstensen

14-06-2022 23:12

NEM ID

Serienummer: PID:9208-2002-2-459165265427

Helle Bjørnskov Fischer

15-06-2022 16:43

BankID

Serienummer: RABpjyiP5hulE/3jmS5zYA

ANDREAS NYBERG

16-06-2022 17:16

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beskriver underskrivers hændelser i forbindelse med signering af dokumentet.

Dokumenter i transaktionen

Nærværende dokument
ÅR Egmont Holding AB FY2021.pdf

Ovenstående dokumenter og bilag er fremsendt i underskrevet form til alle partere på e-mail eller som link til download. Underskriver er selv ansvarlig for download og sikker opbevaring af dokumenter og bilag.

Download dokumenter
Har du som underskriver modtaget link til download af dokumenterne vil dette være muligt i op til 10 dage efter underskrift. Herefter vil *dokumenterne blive slettet fra Visma Addo.*

Hændelseslog for dokument

Hændelseslog for dokumentet

2022-06-14 15:54	Underskriftsprocessen er startet
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2022-06-14 15:54	Underskriftsprocessen er startet
2022-06-14 15:54	En besked er sendt til Helle Bjørnskov Fischer
2022-06-14 15:54	En besked er sendt til Hans J. Carstensen
2022-06-14 15:54	En besked er sendt til Marika Bark
2022-06-14 16:26	Dokumentet blev åbnet via linket sendt til Marika Bark
2022-06-14 16:27	MARIKA BARK har underskrevet dokumentet ÅR Egmont Holding AB FY2021.pdf via BankID Sverige (Unikt ID: EKp+KJdvLIldWm8oLR1UWQ)
2022-06-14 16:27	Alle dokumenter sendt til Marika Bark er blevet underskrevet
2022-06-14 23:11	Dokumentet blev åbnet via linket sendt til Hans J. Carstensen
2022-06-14 23:12	Hans Jacob Carstensen har underskrevet dokumentet ÅR Egmont Holding AB FY2021.pdf via NemID privat (PID: 9208-2002-2-636090567376)
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2022-06-15 08:53	En påmindelse blev sendt til Helle Bjørnskov Fischer
2022-06-15 16:42	Dokumentet blev åbnet via linket sendt til Helle Bjørnskov Fischer
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2022-06-15 16:43	En besked er sendt til Andreas Nyberg
2022-06-16 10:26	En påmindelse blev sendt til Andreas Nyberg
2022-06-16 17:15	Dokumentet blev åbnet via linket sendt til Andreas Nyberg
2022-06-16 17:16	ANDREAS NYBERG har underskrevet dokumentet ÅR Egmont Holding AB FY2021.pdf via BankID Sverige (Unikt ID: RABpjyiP5hulE/3jmS5zYA)
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20220901061150

Building a better working world

Revisionsberättelse

Till bolagsstämman i Egmont Holding AB, org.nr 556082-2339

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Egmont Holding AB för räkenskapsåret 2021-01-01 - 2021-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Egmont Holding ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Egmont Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: GJSB8-3DIN8-SJIQC-YHPAI-PEVCK-28IFE

20220901061511

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Egmont Holding AB för räkenskapsåret 2021-01-01 - 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Egmont Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift.

Ernst & Young AB

Andreas Nyberg
Auktoriserad revisor

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Bolagsverket
2022 -07- 04

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We bring stories to life

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EGMONT FONDEN

Annual Report 2021

CVR No. 11456111

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Management's Review

CONSOLIDATED FINANCIAL HIGHLIGHTS	2021	2020	2019	2018 (*)	2017 (*)
Key figures (EUR million)					
Revenue	2,073.5	1,542.0	1,681.7	1,602.8	1,515.0
Profit before net financials, depreciation, amortisation and impairment losses (EBITDA)	390.2	224.6	249.6	190.3	159.1
Operating profit	255.9	97.8	125.3	85.0	78.7
Profit/(loss) from investments in associates	4.4	3.4	(32.2)	2.2	2.6
Operating profit after result from associates	260.2	101.2	93.1	87.2	81.3
Financial income and expenses, net	(14.6)	(16.4)	(12.8)	(5.8)	(3.1)
Profit before tax (EBT)	245.6	84.8	80.3	81.4	78.2
Profit for the year	224.2	74.4	55.2	50.8	60.7
Total assets	2,500.4	1,948.6	1,885.7	1,711.4	1,693.0
Investments in intangible assets	89.7	60.5	76.5	58.2	72.5
Investments in property, plant and equipment	21.4	18.8	26.0	20.4	39.2
Net interest-bearing debt/ (net interest-bearing deposits) **	306.2	121.1	169.6	69.1	(40.3)
Equity	1,097.7	885.8	885.9	869.3	829.6
Cash generated from operations ***	301.3	223.2	255.2	133.1	203.2
Financial ratios (%)					
Operating margin	12.3	6.3	7.5	5.3	5.2
Equity ratio	43.3	44.8	46.8	50.5	48.7
Return on equity	22.3	7.8	6.3	6.1	7.3
Average number of full-time employees	5,376	4,310	4,264	3,959	3,787

** Comparative figures for 2017-2018 are not restated in connection with the implementation of IFRS 16 on 1 January 2019*

*** Including IFRS 16 leasing debt*

**** Calculated before net financials and tax*

Financial ratios stated in the consolidated financial statements have been calculated in accordance with the Danish Finance Society's "Recommendations & Ratios".

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Egmont is a leading Nordic media group focused on storytelling and journalism. We apply technology and skills to create great content and user excellence across platforms.

More than 5,000 employees contribute through our four divisions: TV2, Nordisk Film, Story House Egmont and Books.

Egmont is a foundation, and our profits are used to develop our media business in many countries and to support children and young people in Scandinavia. In 2021, EUR 12.9 million was donated in Denmark, Norway and Sweden.

Egmont's 2025 strategy is *Grow with the Modern Consumer - Scale Up & Stand Out*. Egmont launched our 2025 strategy with huge commitment to journalism, storytelling and our business in general. This commitment means that we will invest EUR 6.7 billion (DKK 50 billion) in content over a five-year period. We will grow our revenue by 75% to EUR 2.7 billion (DKK 20 billion) in 2025, improve our sustainability, and increase our charitable donations by 50%.

2021 was Egmont's best year ever with all-time-high revenue and earnings. Revenue increased 34% compared to 2020 and exceeded EUR 2 billion for the first time ever. The increase is 50% organic and 50% from acquisitions.

Egmont continued the digital growth within TV-streaming, games and e-commerce. We were successful in content with strong film titles, TV-programmes, books, magazines and games, while cinemas were affected by Covid-19 and forced close downs of the business during the year.

Pre-tax profit (EBT) in 2021 was EUR 245.6 million. Adjusted for value adjustments (gains) in connection with step acquisitions, EBT was EUR 167.5 million, twice as high as in 2020.

TV 2 had another good year with strong underlying performance in all areas and continued digital growth in TV 2 Play with more than 580,000 paying subscribers. The total viewer share was 31% in the 20-49 year old target group. In 2021, TV2 acquired NRK's shares in RiksTV and hereby became the sole-owner of the company. TV 2 launched a new corporate brand, visual identity and design during the year.

2021 was a very solid year in Nordisk Film driven by good performance in Nordisk Games and strong results in Interactive. Nordisk Games continued to grow its portfolio organically and through acquisitions and during 2021 invested further in Nitro Games, Star Stable and Flashbulb which is now owned 100%. The games-portfolio was further strengthened with the acquisition of a minority share in Supermassive Games in 2021.

Story House had its best year ever with record revenue and earnings and strong performance in all business areas - media, agencies and e-commerce. The media business showed a strong performance in 2021 driven by both adverting and a high number of subscribers. The e-commerce businesses continued high organic growth supported by acquisition in Royal Design (100% ownership), and further investments in Nice Hair and Skitt Fiske.

In Egmont Books, Lindhardt og Ringhof had a very good year with high earnings and all-time high revenue. Investments in digitalization continued in the rapidly growing activities of SAGA that now holds a catalogue of more than 100,000 digital publications in more than 30 languages. In 2021, Egmont acquired 50% of the shares in the former joint-venture Cappelen Damm and became the sole-owner in the company. Cappelen Damm had a very strong year with all-time high earnings and strong activity in all main areas.

THE GROUP

Revenue

Egmont's revenue for 2021 was above EUR 2 billion for the first time ever and amounted to EUR 2,073.5 million, an increase of EUR 531.5 million (34%) compared to last year. 50% of the growth was organic and the rest was achieved

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through acquisitions. All divisions contributed to the growth and both traditional media and new growth businesses delivered well above last year.

Earnings

Profit before net financials, depreciation and amortisation (EBITDA) amounted to EUR 390.2 million, corresponding to an EBITDA margin of 18.8%. Because of value adjustments (gains) in connection with step acquisitions in the level of EUR 78 million an adjusted EBITDA margin came to 15.0% against 14.6% in 2020.

The pre-tax profit (EBT) in 2021 amounted to EUR 245.6 million. Adjusted for value adjustments EBT was EUR 167.5 million compared to EUR 84.8 million in 2020. All divisions performed better than last year.

Tax on profit for the year amounted to an expense of EUR 21.5 million, corresponding to an effective tax rate of 8.7% compared to 12.3% the year before. The effective tax rate in 2021 was affected by non-taxable gains from divestments and value adjustments in connection with step acquisitions, utilisation of tax losses carried forward and not previously recognised in the balance sheet, as well as adjustments for prior year. Adjusted for this, the effective tax rate was in the level of 19% (2020: 19%).

The net profit for the year was EUR 224.2 million in 2021 (adjusted for value adjustments EUR 146.1 million) against EUR 74.4 million in 2020 and is considered satisfactory and better than expected.

Balance sheet

Total assets increased from EUR 1,948.6 million in 2020 to EUR 2,500.4 million in 2021. The increase is mainly due to acquisitions.

The Group's net interest-bearing debt amounted to EUR 306.2 million compared to EUR 121.1 million in 2020 (including EUR 186 million regarding IFRS 16, leasing liabilities). The increase is driven by acquisitions.

Egmont's equity at the end of 2021 amounted to EUR 1,097.7 compared to EUR 885,8 million last year. Equity was affected by positive earnings and foreign exchange adjustments on translation of foreign entities (higher NOK exchange rate) and reduced by value adjustments of hedging instruments, put-options, acquisitions of minorities and donations.

Return on equity was 22.3% (adjusted 14.5%) compared to 7.8% the year before. The equity ratio at the end of 2021 came to 43.3% compared to 44.8% the year before.

Cash flow

Cash generated from operations amounted to EUR 301.3 million against EUR 223.2 million in 2020. Cash flows from change in working capital was negatively affected by build-up of inventory to secure supply in the accelerating online sales in e-commerce. Cash flows from investing activities amounted to an expense of EUR 225.3 million, primarily regarding acquisition of film rights, and further investments in subsidiaries, associates and other investments.

Acquisitions

2021 has been a very active year in terms of acquisitions. More than EUR 250 million has been spent on acquisitions of subsidiaries, associated companies and joint ventures. The amount comprise new investments and additional investments in companies, where Egmont previously owned a minority share. The most significant investments have been in Cappelen Damm and Royal Design Group.

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TV 2, Norway

Revenue in 2021: EUR 618 million (2020: EUR 464 million)
Operating profit after result from associates in 2021: EUR 50 million (2020: EUR 45 million)
Employees in 2021: 1.079 (2020: 979)

TV 2 is Norway's commercial public service broadcaster. TV 2 operates eight TV channels, TV 2 Play – the largest Norwegian paid streaming service in terms of revenue – and the news site tv2.no, which ranks among the top-three commercial online news sites in Norway.

2021 was yet another year marked by Covid 19 which has affected TV 2's operations and day-to-day activities. The advertising market bounced back from an unpredictable 2020, and 2021 became a strong year with revenue of EUR 618 million and operating profit after results from associates of EUR 50 million.

Negotiations with Telenor resulted in TV 2's channels being unavailable for 550,000 private households throughout December and part of January 2022. Despite the conflict, TV 2's market share in the commercial market increased, and the streaming customer base surged a significant increase throughout 2021 as well. In 2021, TV 2 launched a new corporate brand, visual identity, and design that will help strengthen its position in the consumer market.

TV 2 CHANNELS

In the commercial market (20-49 year old target group), TV 2's share of all TV 2 channels was 52.3%, an increase of 4.0%-points from 2020. The total market share was 31% in the 20-49 year old target group (up 1.7%).

TV 2's main channel demonstrated high ratings on several flagship concepts. The second season of *Kompani Lauritzen* broke all records on both TV 2 Play and the linear channel. New concepts, such as *Norges nye megahit*, were also well received in the market. It also succeeded in creating an outstanding engagement outside of television as some of the hit songs made #1 on Spotify's most played in Norway lists.

TV 2 Nyhetskanalen, Norway's only 24-hours TV-news channel, also had an increase in viewers throughout 2021. An increase of 1%-point in the commercial market (20-49 year old target group) leaves the channel with a total share of 8.0%.

TV 2 Sport 1 maintained a market share of 0.7% in the 20-49 year old target group. TV 2's other genre channels maintained their position, and the total market share of the genre channels was a stable 9.7% in 2021 in the 20-49 year old target group.

TV 2 PLAY

TV 2's streaming service changed its name from TV Sumo to TV 2 Play thus connecting the streaming service more closely to the master brand. The number of subscribers continued to grow throughout 2021. TV 2 Play has kept important positions on daily usage, viewing time and historical low churn rate through continued focus on content quality, data-driven customer experience and segmentation.

The consumer offering has become broader, including a hybrid ad-and-subscription (HVOD) version, reaching a more price-sensitive segment. New commercial agreements with TV distributors enable customers to access TV 2 Play through distributor set-top-boxes with HVOD as the entry product. TV

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2 Play users can also enjoy a larger selection of recent movies after launching transactional video on demand (TVOD) as a part of the TV 2 Play service.

PREMIUM CHANNELS

TV 2's Premier League channels continued delivering strong ratings in 2021. TV 2 Sport Premium 1 was able to uphold a stable total market share of 1.2% in the 20-49 year old target group.

RIGHTS ACQUISITIONS

TV 2 launched the coverage of basketball, floorball and volleyball and expanded the coverage of ice hockey to include women's hockey and men's 1st division. TV 2 also strengthened its broad portfolio of sports rights extending Norway Chess to 2025 and acquiring the rights to floorball, including the national leagues and world championship for men and women.

With a unique portfolio of local sports, including Norwegian football, basketball, volleyball, ice hockey, floorball and handball, TV 2 uses AI camera technology that enables TV 2 to produce more live events from national, regional and youth leagues across different sports.

RIKSTV

RiksTV is the distributor of pay TV channels in the Norwegian digital terrestrial TV network. In 2021, TV2 acquired NRK's shares in RiksTV and hereby became the sole-owner of the company.

With approximately 236,000 customers, RiksTV reaches 98% of all Norwegian households. RiksTV also operates the streaming service Strim where subscribers have access to live TV from leading broadcasters and content from different streaming services.

Taking on the full responsibility for operating and further developing the Norwegian digital terrestrial TV network is a natural extension of TV 2's position as commercial public service broadcaster. RiksTV continues as an independent company in close partnership with many different content providers.

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Nordisk Film

Revenue in 2021: EUR 472 million (2020: EUR 366 million)
Operating profit after result from associates in 2021: EUR 72 million (2020: EUR 15 million)
Employees in 2021: 1,478 (2020: 1,320)

Nordisk Film is a leading Nordic entertainment company that produces, distributes and markets local and international films and series, operates a major cinema chain across Denmark, Norway, and Sweden, is the long-term distributor of PlayStation in the Nordic and Baltic countries, and is behind the global digital gift card platform GoGift. Computer games is a growth area for Nordisk Film that owns or co-owns a range of European game development studios.

Revenue in 2021 amounted to EUR 472 million compared to EUR 366 million in 2020, reflecting great content demand and success, including an Academy Award and strong performance across the main business areas within films and series, computer games, interactive and gifting. The cinema business also performed well but was again in 2021 hit by forced government closures due to Covid 19. Operating profit after result from associates amounted to EUR 72 million, which is an increase of EUR 57 million compared to 2020. The result was positively affected by one-time-gains following value adjustments (step-up-gains) in connection with step-acquisitions in Drive Studios ApS and in the games companies Flashbulb ApS and Nitro Games Oy amounting to a total of EUR 15 million.

FILM & TV

2021 was impacted by cinema closures, but also saw high entertainment consumption in homes across the Nordics. Throughout the year, Nordisk Film provided consumers with high-quality film and TV content through its own and associated production companies and through collaborations.

Nordisk Film's Danish associate Zentropa was behind Thomas Vinterberg's *Another Round* that was awarded a prestigious Academy Award as Best International Film. *Another Round* has sold 842,000 cinema tickets in Denmark alone and 500,000 digital transactions in the Nordic countries.

The fully owned Danish production company Nordisk Film Production A/S had a range of film and series in various stages of production across the Nordics. *The Marco Effect*, the first film in the Department Q crime series, premiered in 2021. Nordisk Film Production expanded further into series production and was among other behind the Christmas series *Cosmic Christmas* broadcasted on Danish TV 2.

Nordisk Film was co-investor and distributor of several Nordic film successes during the year. *Checkered Ninja 2* out-grossed its predecessor and now holds the Danish film record for highest-earning ever (930,000 admissions). The partly owned Norwegian production company Fantefilm premiered *North Sea* (230,000 admissions), while the adventure movie *Three Wishes for Cinderella* became the biggest Norwegian film of the year (+600,000 admissions). In Sweden, Egmont IP's *Bamse and Sune* were again made into feature films. Fuelled by Covid 19, the Nordisk Film portfolio also did very well on the home entertainment markets where a total of +4 million digital transactions in the Nordics were secured.

CINEMAS AND GIFTING

In 2021, Nordisk Film opened a new full recliner multiplex in Halden, Norway, and now operates a total of 46 cinema multiplexes in the Nordics (23 in Denmark, 21 in Norway and 2 in Sweden).

Customer demand for the cinemas is strong, and Nordisk Film Cinemas saw record high ticket sales and revenue in August, September and October driven by anticipated local

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and international titles. Still, the total number of cinema tickets sold in 2021 was more than halved in the Nordic territory compared to 2019 due to Covid 19 that led to forced closures of cinemas in the first half of the year, and cinemas once again operating under strict safety regulations and new lockdowns by the end of 2021. Government grants of a total of EUR 22.3 million (2020: EUR 31.2 million) in Norway, Denmark, and Sweden as well as local cost savings helped to reduce the financial impact.

GoGift is a leading Nordic gifting company with an increasingly global reach. The company delivered strong profitable growth again in 2021 and reinforced its position as a market leader in the Nordics. Covid 19 once more helped accelerate the digital transformation and market adoption of digital gifts, both B2B and B2C.

COMPUTER GAMES

Nordisk Games holds a portfolio of seven European game studios. The companies showed solid growth in both revenue and profits in 2021. Nordisk Games continued to grow its portfolio organically and through acquisitions and during 2021 invested further in Nitro Games (50.4% ownership) and Star Stable Entertainment (56.6% ownership), acquired all of Flashbulb and invested in UK based Supermassive Games (35% ownership). Nordisk Games also divested its 34% stake in Raw Fury for a strong return on investment.

Fully owned Avalanche Studios Group grew its business well during 2021, receiving even more success with *theHunter: Call of the Wild*, the world's largest hunting simulator. Star Stable reinforced its position as the world's leading online adventure horse game. Supermassive Games launched *House of Ashes*, Flashbulb Games launched *Rubber Bandits*, and Mercury Steam launched *Metroid Dread* which was named Game of the Year by Time Magazine. Nitro Games announced several new partnerships, including their first game based on the popular Nerf brand owned by Hasbro.

Nordisk Film Interactive is the official distributor of Sony PlayStation in the Nordic and Baltic countries. In 2021, the PlayStation 5 (PS5) had its first full year in the market with strong consumer demand for the console. However, supply constrains were a source of frustration to many PlayStation customers. Critically acclaimed exclusive PS5 games such as *Returnal* from Finnish game developer Housemarque and *Ratchet & Clank: Rift Apart* from Insomniac Games launched during the year.

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Story House Egmont

Revenue in 2021: EUR 851 million (2020: EUR 645 million)
Operating profit after result from associates in 2021: EUR 79 million (2020: EUR 47 million)
Employees in 2021: 1,943 (2020: 1,605)

Story House Egmont is a modern media, agency and e-commerce company that provides inspiration, insight and choice to consumers around high-interest niche areas and passions and is specialist in helping other companies build their brands in the digital world.

Revenue in 2021 reached EUR 851 million reflecting growth of 32% from EUR 645 million in 2020. This can be attributed to the strong organic revenue growth in the e-commerce and agency portfolio and a stable revenue level in the media business. The revenue growth also reflects that Story House made several acquisitions during the year. Operating profit after results from associates was EUR 79 million, which is an increase of EUR 32 million compared to 2020 not least due to a very strong bottom-line performance in the media business that saw high consumer demand and growth in subscriptions.

MEDIA

Story House's media business is focused on magazine and digital publishing, contributing to a diverse and high-quality content-based media landscape in the Nordics, across Europe and in some international markets including China. Story House has a range of digital media, digital services, and lifestyle sites.

The media business in both kids and consumer categories showed a strong performance in 2021 with record high earnings in a market affected by Covid 19 and above normal demand for subscription-based media. All markets realised strong results and several markets reached record levels.

Story House continued to see growth in digital channels, including influencer marketing. Story House's media brands reach millions of consumers every day, and the magazines raised a range of important agendas throughout the year.

In a continued effort to focus the media business on regions where it takes *market*-leading positions, Story House divested its Ukrainian company and its Turkish joint-venture.

E-COMMERCE

Story House has a portfolio of leading Nordic e-commerce companies focused on five strategically niche areas: Outdoor, Parenting, Kitchen & Interior, Health & Beauty, and Hobby. All companies are category experts and growth companies that help consumers live out their hobbies and passions by offering inspiration, community and customised retail experiences.

In the beginning of 2021, Story House acquired Royal Design Group (behind RoyalDesign and Rum21), a market-leader within the interior segment. The e-commerce portfolio now consists of Fjellsport, Outnorth, SkittFiske, Bagaren och Kocken (including KitchenOne and Robotexperten), Royal Design (including Rum21), Med24, Nicehair, Garnius and Jollyroom.

2021 was another strong year for the e-commerce business with high demand based on both transition from offline to online and the effect of Covid 19 accelerating online sales. Total portfolio revenue increased to EUR 763 million in 2021 (up from EUR 546 million in 2020).

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During 2021, all companies have performed at a high-level and created growth across the portfolio, although the exponential growth experienced during 2020 has slowed down. Average organic growth in the portfolio was around 20%. Profitability remained at the same level as 2020 across the portfolio.

AGENCIES

Story House has a portfolio of agencies that are experts in performance marketing, inbound marketing, and digital services in the Nordic market. The portfolio continues to develop through a combination of organic growth and targeted M&A activities. Each of the digital agencies works actively connecting brands and consumers in an increasingly digital world and thereby helping other companies tell their stories and build strong brands.

The portfolio currently consists of seven agencies: Ingager, s360, Core Content, Klintberg/Niléhn, Markedspartner, KAN and OKTO. During 2021, s360 acquired Sempro, an agency previously owned by Story House, to consolidate its position in performance marketing. Sempro is now known as s360 in Norway, and the local partners have stayed on in the new organisational setup. s360 also expanded their offering within inbound marketing by founding Helion B2B.

All companies delivered strong results and, in most cases, outperformed their 2020 results. The average organic growth in the portfolio was around 30%, with the strongest growth in profits being realized by KAN. The average portfolio company delivered a 15-20% profit margin. Further consolidation is expected to take place in the market in the coming years, both at a national and Nordic level.

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Egmont Books

Revenue in 2021: EUR 136 million (2020: EUR 63 million)
Operating profit after result from associates in 2021: EUR 70 million (2020: EUR 9 million)
Employees in 2021: 749 (2020: 271)

Egmont Books comprises Norway's largest publishing house Cappelen Damm and the second-largest Danish publishing house Lindhardt og Ringhof. Egmont acquired the remaining 50% of the shares in Cappelen Damm and the company has been consolidated in Egmont accounts from August 1st, 2021.

Operating profit after result from associates was positively affected by a one-time-gain of EUR 55,3 million in connection with the step-acquisition of Cappelen Damm.

CAPPELEN DAMM

Cappelen Damm has market leading positions and published more than 2,000 titles in 2021. Cappelen Damm covers general literature in all genres and formats as well as educational products in a variety of forms. Cappelen Damm owns the distribution company Sentraldistribusjon and co-owns the audiobook streaming service Storytel AS together with Storytel AB.

2021 was the best year on record for Cappelen Damm with an organic growth of 12% and all-time-high publishing revenue. The record year was driven by solid growth in both the general market and education. Cappelen Damm's education division had a solid year with 30% growth compared to 2020, thus making further advance from an equally successful 2020. The sale of digital products continued its firm growth journey in 2021 and education publishing also saw strong sales growth of print books across both primary and secondary schools and the university sector.

The publishing of fiction and non-fiction was characterised by all over commercial and literary success. Strong growth in audiobooks and a clear market leading position for Storytel AS contributed to increasing margins and overall growth strengthening Cappelen Damm's by far number one market position in the general market. Cappelen Damm published the two bestselling titles in Norway in 2021, the biography *Min Skyld* by Abid Raja and Lucinda Riley's *Missing Sister*. Abid Raja won the acclaimed Bokhandlerpris, while Erlend Skjetne won the prestigious Bragepris in the youth category for his debut novel *Eit anna blikk*, published by Cappelen Damm's imprint Flamme. In 2021, Cappelen Damm also published new books from Kazuo Ishiguro, J. M. Coetzee, Patrick Modiano. Lars Saabye Christensen, Kim Leine and many more.

LINDHARDT OG RINGHOF

The Danish publishing house Lindhardt og Ringhof had a strong year with significant prizes won and growth in revenue. With a continued commitment to further growth, earnings were affected by large investments, expansion of staff and acquisitions. During 2021, Lindhart og Ringhof acquired five publishing houses including German Audiobuch Verlag oHG and Danish Haase Forlag. Consumer demand for Lindhardt og Ringhof's books – printed, digital and audio alike – broke all records, both nationally and internationally.

Lindhardt og Ringhof's digital publisher SAGA continued its international expansion and now holds a catalogue of more than 100,000 digital publications in more than 30

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languages. Authors from Lindhardt og Ringhof, the Carlsen children's publishing unit and SAGA are translated into many languages and published through 450 retailers and streaming services internationally.

Lindhardt og Ringhof's book publications include novels from promising debutants, local and international bestsellers, and literature from prize-winning authors. Lindhardt og Ringhof is the publisher of some of the best crime authors in Denmark, among them Michael Katz Krefeld, Lone Theils and Anna Grue. On the literary fiction scene, Lindhardt og Ringhof holds a solid position that was maintained in 2021 through the publication of new books by, among others, Knud Romer, Anne-Cathrine Riebnitzsky, Mich Vraa and Thomas Korsgaard, who won The Golden Laurel awarded by The Danish Bookshops' Club, together with high-profile titles from international authors such as Alex Schulman, Karl Ove Knausgård and Amanda Gorman. A prestigious international publication was *Renegades* by Barack Obama and Bruce Springsteen.

Lindhardt og Ringhof Uddannelse, which is Lindhardt og Ringhof's educational business, grew both organically and by acquisitions and is now the largest supplier of digital education for the Danish primary schools.

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The Charitable Activities

Egmont Fonden's charitable activities are based on social responsibility and empathy. The foundation was established in 1920 with the aim to alleviate the consequences of poverty for children and families. Today, the foundation has sustainable development goal number four as its overarching goal or ambition, i.e. to ensure inclusive and equitable quality education and lifelong learning opportunities for all.

Children and young people at risk constitute the target group of the foundation. The foundation has a child-centric approach as part of its DNA; it is data based and co-operation oriented.

Egmont Fonden uses a variety of philanthropic instruments, which comprise donations, partnerships, incubator grants and signature projects, i.e. *A Helping Hand* which distributes support directly to children and families at risk. In 2021, Egmont Fonden granted a total of EUR 12.9 million to 34 grantees and initiatives empovering and developing film talents and the cinematic narrative. Since 1920 Egmont Fonden has donated approx. EUR 450 million in total (present value).

SOCIAL RESPONSIBILITY IN SWEDEN

Egmont Fonden is regarded a Danish foundation. However, since 2009 the foundation has made donations in Norway where Egmont has a lot of business. Egmont's business has grown in Sweden and the foundation wants to take social responsibility here as well. Therefore, the foundation expanded its activities geographically and gave its first donations in Sweden in 2021. The first two recipients of donations in Sweden were Barnens Rätt I Samhället (BRIS) with a donation of EUR 0.7 million and for the organisation My Dream Now of EUR 0.3 million.

RESPONDING TO THE PANDEMIC

Covid 19 and the periods of lockdown set the agenda all year. The pandemic had an enormous impact on children and young people in all of Scandinavia. It affected their well-being and their learning. Many children and young people at risk were marginalised and needed substantial support during lockdown and following the reopening of society.

During lockdown, Egmont Fonden provided computers for hundreds of children living in poverty and otherwise without access to digital learning. This support was channeled through the organization Foreningen til Støtte for Mødre og Børn.

Red Barnet (Save the Children), Red Barnet Ungdom (Save the Children Youth), Ungdommens Røde Kors (The Danish Red Cross Youth), and Dansk Folkehjælp (Danish People's Aid) received financial support for extra activities during the reopening of society with the aim of supporting children and young people at risk in closing their learning gaps and gaining social and emotional strength. A total of EUR 1.7 million was provided in Corona support to several organisations.

REDUCING THE NEGATIVE CONSEQUENCES OF CHILD POVERTY

Egmont Fonden has combatted poverty for more than 100 years. In 2021, the foundation worked with "child poverty" as its annual theme. It gathered data, studied the lives and needs of children and young people in poverty, and ran youth panels whereby young people from poor backgrounds gave valuable advice to the foundation on their need for support. The Egmont Report 2021 on child poverty was published in December 2021 and concluded that a childhood in poverty means a higher risk of not completing an upper secondary education, a risk of reduced well-being and exclusion.

Based on the report, Egmont Fonden set five goals for underprivileged children and young people:

- All children must have the necessary tools for learning.
- All children must have meaningful experiences with their family and friends.
- All children participate in a recreational activity of their own choice.
- All children are included in the community of children in day care and school.
- All young people can get a spare time job.

These five goals formed the basis of the directional intention of the board of the foundation to distribute up to EUR 13.4

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million for the *Helping Hand* programme 2022-25. The programme provides individual support through partnerships with organisations in Denmark, Norway and Sweden that are directly in contact with children and young people at risk. In 2021, Egmont Fonden distributed EUR 2.6 million through the programme.

OTHER STRATEGIC FOCUS AREAS

In 2021, Egmont Fonden worked systematically with several other strategic focus areas. The foundation continued its large partnership with Børns Vilkår (Children's Welfare) on school absenteeism. It continued its partnership with Mødrehjælpen (Mother's Aid) on the first 1,000 days of children's lives which is a central part of the foundation's focus on young children cf. the Pledge to Support Young Children.

Egmont Fonden also continued its partnership with Lær for Livet (Learn for Life) on reducing the learning gaps for children and young people in care. Lær for Livet – which was previously the signature project of Egmont Fonden – received research-based data on its impact in 2021. These data showed that 78% of the participants in Lær for Livet have completed lower secondary education as opposed to 30% of other children placed in care.

In general, the learning and life skills of children placed in care were at the top of the agenda for Egmont Fonden as well as for many other organisations in 2021, as a large political agreement was passed with the aim to improve the situation for these children. Egmont Fonden and many of its grantees and spokespersons for young people placed in care provided information for the decision-making process. The foundation especially focused on ensuring that the views of children and young people were included in the process. Additionally, Egmont Fonden gave several donations supporting children and young people placed in care in 2021 such as Socialt Udviklingscenter (SUS), and Ungdommens Røde Kors, and it engaged in an incubator partnership with De Anbragtes Vilkår.

In 2021, the government's focus on children placed in care intensified. Learn for Life's communication of the perspective of children contributed to this. Six learning kids wrote an article which resulted in a visit of 25 learning kids at the Prime Minister's residence. The main focus in the Prime Minister's New Year speech 2021 was children placed in care, and she mentioned the visit by these children and the article. A reform of the area is in process and Learn for Life, the foundation and several of its grantees have contributed to this.

NORDISK FILM FONDEN

In 2021, Nordisk Film Fonden donated EUR 0.7 million for initiatives empowering and developing film talents and the cinematic narrative. 61 talents (36 woman and 25 men) received the scholarships Lille Isbjørn and Store Isbjørn to study and grow their talent abroad. The Nordisk Film Award in Denmark went to director Jonas Poher Rasmussen and Producer Monica Hellström, and in Norway to director Benjamin Ree. The Balling Award went to director and scriptwriter Lisa Jespersen and scriptwriter Sara Jønsson, and the Ove Sprogøe Award to actor Nicolai Jørgensen. Four initiatives received an Isbjørn Project Donation: Super8 – Talents in Aarhus, Super16 – Covid 19, Aalborg Universitet – ViZART 2.0 The Real-Time Filmmaking Lab, and Picture This – exploring Virtual Production and new production methods.

Egmont Fonden (Parent Entity)

The profit reported by Egmont Fonden, the parent entity of the Egmont Group, excluding dividends from equity investments in subsidiaries, was EUR 2.1 million (2020: 2.0 million). Egmont Fonden's commercial activities primarily comprise royalty income from the Foundation's publishing rights and management of the Foundation's assets.

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Corporate Social Responsibility

Since 2013, Egmont has been a signatory to the UN Global Compact, supporting the 10 principles of human and labour rights, protection of the environment and anti-corruption. Hence, Egmont's statutory report on Corporate Social Responsibility (CSR) includes the UN Global Compact guiding principles for Communication on Progress (COP). The full CSR report can be downloaded at: https://www.egmont.com/key-figures-reports. The CSR report also includes Egmont's report on targets and policy with respect to sections 99a, 99b and 99d of the Danish Financial Statements Act on corporate social responsibility, the underrepresented gender, and on data ethics respectively.

The highlights from Egmont's CSR report for 2021 are set out below.

GO GREENER FAST

With Egmont's 2025 business strategy Egmont will Go Greener fast. From 2021, Egmont has become carbon neutral in own operations initially by means of compensation. However, CO2-emissions in supply chains constitute the main part of Egmont's climate footprint and Egmont has therefore also initiated collaborations with key suppliers and business partners to find more sustainable solutions within four selected high impact areas: printed products, covermounts, packaging and goods transportation. During 2021, Egmont's climate efforts were focused around implementing actions to achieve carbon neutrality in own operations and continuing to build a solid data foundation in order to get insight into the CO2-emissions coming from different business areas, which will form the basis for future decisions and targets.

ANTI-CORRUPTION AND BUSINESS ETHICS

Since 2013, Egmont has had a clear policy on anti-corruption. Egmont does not tolerate any corruption. Egmont's Business Ethics Policy, which was launched in 2019, incorporates a number of legal compliance areas such as anti-corruption, bribery, and conflicts of interest. The Business Ethics e-learning presents the employees with dilemmas and cases, which they may encounter in their daily business. By the end of 2021, 96% of all relevant employees had completed the Business Ethics training. The training is automatically assigned to all new, relevant employees and a refresher training occurs every year. During 2021, Egmont has not detected any corruption or bribery internally, or in the supply chain or had reports of any.

DATA ETHICS POLICY

Egmont has an ethical and responsible approach to the data the Group handles. Egmont uses data as part of the business strategy and to make innovative solutions and product improvements to the benefit of our customers and partners. Egmont has adopted a Data Ethics Policy. The principles in the policy are universal and relevant across Egmont but as a starting point, it will apply to all Egmont's wholly owned companies in Denmark. During 2022, Egmont will consider how to best implement the policy across all businesses.

The policy supplements Egmont's general commitment to the high business ethics standards and integrity. The policy principles on data ethics are relevant to all categories of data processed in Egmont, including personal data as well as other categories of data such as financial and commercial data.

WHISTLEBLOWING POLICY AND SYSTEM

Egmont has a whistleblowing policy which can be accessed online by employees in the Egmont Group and by external parties (via Egmont.com). During 2021, continued communication around the whistleblowing system has been provided in Egmont in connection with online training, but it has so far not led to a higher number of reports. In addition, the whistleblowing policy has been updated to reflect the implementation of new EU based rules on the area.

In 2021, one whistle-blower report was submitted in Egmont's whistleblowing system. It related to concerns with the development of one of Egmont's businesses and it was handled internally, with certain changes subsequently made in that business.

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EMPLOYEE ENGAGEMENT

Egmont's leaders are vital to the well-being and development of its people, and it is crucial for Egmont's continued success that its leaders understand how to guide their employees through the rapid changes in business models. Therefore, Egmont continues to invest in leadership training, which aims at unfolding Egmont's strategy in a set of key leadership principles. By the end of 2021, a total of 450 leaders have completed the "Committed to Lead" programmes during a period of five years. Egmont's employee engagement remains at a high level, both in terms of participation rate in surveys (84%) and the overall engagement level (8.2 on a 10-point scale) according to the latest survey in November 2021. This constitutes a 0.1%-point increase compared to the engagement level in November 2020.

GENDER COMPOSITION IN MANAGEMENT

Egmont's total workforce consists of 50% females and 50% males, whereby Egmont is aligned with the standards of equal balance between genders. The same goes for the total management pool across the divisions with a gender split of 48% females and 52% males. Except for Egmont Fonden and Egmont International Holding A/S, all relevant companies have one female board member elected by the general meeting out of three or four board members in the Board of Directors, which is considered equal representation under Danish law. For Egmont Fonden and Egmont International Holding A/S, the target is to have at least two female board members on the Board of Trustees no later than by 2024. The target has not yet been met.

EGMONT SOCIAL COMPLIANCE

Egmont's approach to social compliance is guided by Egmont's Code of Conduct that is aligned with UN Global Compact's ten principles and covers topics related to human rights, labour rights, environment and anti-bribery. The Code of Conduct sets out our minimum requirements on responsible business practices for our business partners and suppliers, while the Egmont Social Compliance Programme (ESCP) defines processes and practices on how to ensure compliance and how to mitigate non-compliance issues at our direct suppliers and selected sub-suppliers. During 2021, Egmont continued to monitor its manufacturers' social compliance level via social audits and on-going dialogue to remedy audit findings.

Outlook For 2022

Continued Covid-19 outbreaks or new pandemics will have an effect on Egmonts economy, where especially the cinemas business have been negatively affected by the forced close downs, operating restrictions and limited international film slate.

Egmont is overall expecting a slight increase in activity level for 2022. Profit before tax (EBT) is expected to be impacted by continued investment in developing the business, resulting in a positive result at a lower level than 2021 which was affected positively by large step-up gains on acquisitions. The global political uncertainty, increasing inflation, volatile interest rates and increasing raw material and energy prices will have a negative impact on the 2022 financial statements, also as a consequence of the escalating war in Ukraine. EBT is expected to be in the same level as realised in 2020.

Egmont will carry on developing media platforms, continuously adapting its media products to changing consumer needs and new technology and run profitability programmes and efficiency-enhancing measures. The greatest uncertainty is associated with advertising revenue, which is sensitive to economic fluctuations and changes in consumer habits, the increasing cost of TV content and development in circulation of magazines.

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Foundation and Corporate Governance

Based on the legal requirements in Egmont Fonden's Charter as well as the most recent recommendations from the Committee on Foundation Governance and the Committee on Corporate Governance, the Board of Trustees and the Management Board have established the governance framework for Egmont.

Egmont Fonden fully supports the Danish Recommendations on Foundation Governance and complies with most of the recommendations. Egmont Fonden's Statutory Report on Foundation Governance for the financial year 2021 can be reviewed and downloaded at: www.egmont.com/foundationgovernance. The report includes a full description of Egmont's approach to each of the recommendations from the Committee on Foundation Governance.

The Board of Trustees has also prepared a Report on Corporate Governance for the financial year 2021 based on the Recommendations on Corporate Governance. The report can be reviewed and downloaded at: www.egmont.com/corporategovernance.

DISTRIBUTION POLICY

The Board of Trustees has set the framework for distributing donations in *The Strategy for Charitable Work 2017-2021*. During the year, the Funding and Grant Administration presented individual proposals for donations to be distributed within that framework to the Board of Trustees. A new charitable strategy for the years following 2021 was presented in the beginning of 2022.

Egmont Fonden's Statutory Report on Distribution Policy, cf. section 77b of the Danish Financial Statements Act, can be reviewed and downloaded at: www.egmont.com/distributionpolicy.

ORGANISATION

At the Annual Meeting in March 2021, Christian Wegner and Josh Bottomley were reappointed for another four-year period and Per Bank was appointed for a four-year period to the Board of Trustees. During 2021, Katrin Lyngby Kristensen resigned from her position in Egmont and she was replaced by Marianne Oehlenschlæger as employee representative in the Board of Trustees.

In connection with the Annual Meeting in March 2022, Jeppe Skadhauge will resign from the Board of Trustees. Jeppe Skadhauge has been a member of the Board of Trustees since 2009.

No new members will be appointed to the Board of Trustees which will be reduced from ten to nine members (six of which are appointed by the annual meeting and three elected by the employees).

Egmont Fonden's Charter requires that the board members elected on the basis of the Charter have relevant skills to manage the commercial and charitable activities carried out by the foundation. The board members must also have sufficient understanding of the main markets in Scandinavia. Board members must collectively have relevant experience from both foundation and business activities as well as management of companies. At least three board members must have significant commercial experience from longstanding management positions or similar positions in society in Scandinavia, and at least two of these members must have obtained the experience in one or more companies or institutions in Denmark. In that connection, the board has assessed that its members must collectively have relevant experience from and with international business and management, finance and reporting, commercial foundations, digital business and marketplaces, mergers & acquisitions, media, strategy design and implementation, growth markets, ESG, digital transformation and performance management.

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BOARD OF TRUSTEES AND MANAGEMENT BOARD OF EGMONT FONDEN

Board Of Trustees

Lars-Johan Jarnheimer (Chair)[1 3 5]
Director, born 1960, appointed 2011, election period expires 2023
Chairman of the Funding and Grant Committee
Member of the boards of Egmont International Holding A/S (C), Ejendomsselskabet Vognmagergade 11 ApS (C), Ejendomsselskabet Gothersgade 55 ApS (C), Nordquist HAB, Sweden, SAS Group, Sweden, SSRS-holding, Sweden, INGKA Holding BV (C), the Netherlands, Telia Company AB (C), Sweden

Special competences: international business and management experience, digital and telecoms, acquisitions, strategy implementation

Participated in 8 out of 8 board meetings.

Merete Eldrup (Vice Chair)[2 3 5]
Director, born 1963, appointed 2020, election period expires 2024
Member of the board of Egmont International Holding A/S, University of Copenhagen (C), Rockwool Fonden (C), Nykredit Realkredit A/S (C), Nykredit Holding A/S (C), Kalaallit Airports International, Ramboll and Molslinjen A/S.

Special competences: media, finance, strategy, management

Participated in 8 out of 8 board meetings.

Jeppe Skadhauge[1 3 5]
Attorney (H), Rovsing & Gammeljord, born 1954, appointed 2009, election period expires 2022
Member of the Funding and Grant Committee
Member of the boards of Egmont International Holding A/S, Blindes Støttefond (C), Tømmerhandler Johannes Fogs Fond (C), Designmuseum Danmark (VC), the Danish Institute of Arbitration (C), The Danish Arbitration Association (C)

Special competences: international business and management experience, commercial foundations, media, acquisitions, regulatory, dispute resolution

Participated in 7 out of 8 board meetings.

Martin Enderle[1 3 5]
Managing Director allmyhomes GmbH, Germany, born 1965, appointed 2014, election period expires 2022
Member of the boards of Egmont International Holding A/S, Delivery Hero SE (C), Germany; MeinAuto AG (C), Germany; Crown Proptech Acquisitions, US; allmyhomes GmbH, Germany

Special competences: international management experience, growth markets, digital marketplaces, classifieds, food delivery, mergers & acquisitions, venture capital, strategy implementation

Participated in 8 out of 8 board meetings.

Josh Bottomley[1 3 5]
Principal, CVC Capital, UK, born 1967, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

Special competences: international business and management experience, digital transformation, strategy design and implementation

Participated in 8 out of 8 board meetings.

Christian Wegner[1 3 5]
CEO Südwestdeutsche Medienholding (SWMH), Germany, born 1974, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

Special competences: international business and management experience, performance management, portfolio management, strategy and execution, digital transformation, growth markets, M&A, venture capital

Participated in 7 out of 8 board meetings.

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Per Bank[1 3 5]
CEO, Salling Group, born in 1967, appointed 2021, election period expires 2025
Member of the board Egmont Fonden and Egmont International Holding A/S. Ferdinand Sallings Mindefond (C). Skagenfood A/S (C), Non-Executive Board member and member of Board of Directors, Danmarks Nationalbank

Special competences: international business and management, commercial foundations, digital business and marketplaces, mergers & acquisitions, growth markets, ESG, digital transformation and performance management.

Participated in 6 out of 6 board meetings.

Peder Høgild[1 4]
Media operator, Nordisk Film Biografer, born 1958, appointed 2019, election period expires 2023

Participated in 8 out of 8 board meetings.

Katrin Lyngby Kristensen[2 4]
Frontend developer, Alinea, born 1973, appointed 2019, resigned in 2021 and replaced by her substitute, Marianne Oehlenschlaeger

Participated in 4 out of 4 board meetings.

Marianne Oehlenschlaeger[2 4]
HR Consultant, Nordisk Film A/S, born 1958, elected 2011, 2015 and 2021, election period expires 2023

Participated in 3 out of 3 board meetings.

Anna von Lowzow[2 4]
Journalist and director, Nordisk Film Production A/S, born 1961, appointed 2016, election period expires 2023

Participated in 8 out of 8 board meetings.

Management Board

Steffen Kragh
President and CEO, born 1964
Member of the boards of Lundbeckfonden (C), Lundbeckfond Invest A/S (C)
Chair, Vice Chair or member of boards of Egmont Group companies

Hans J. Carstensen
Executive Vice President and CFO, born 1965
Member of the board of Freja Ejendomme A/S (C)
Member of the board of Parken Sport & Entertainment A/S, Lalandia A/S, Lalandia Billund A/S
Chair, Vice Chair or member of boards of Egmont Group companies

All information as of 11 March 2022.

C: Chair
VC: Vice Chair

None of the board members own shares, options, warrants or similar in the foundation's subsidiaries, joint ventures and associated companies.

No members are appointed by authorities or providers of grants etc.

[1] Male
[2] Female
[3] Independent board member
[4] Employee representative, commercial activities
[5] General and charitable activities

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Income Statement of the Group

(EURk)

Note		2021	2020
2	Revenue	2,073,472	1,541,985
3	Other operating income	127,991	45,978
	Raw materials and consumables	(369,094)	(267,625)
	Other external expenses	(1,008,928)	(758,743)
4	Personnel expenses	(432,873)	(333,336)
5	Depreciation, amortisation and impairment losses	(134,368)	(126,790)
	Other operating expenses	(7,446)	(9,469)
13	Profit/(loss) after tax from investments in joint ventures	7,105	5,833
	Operating profit	**255,859**	**97,833**
14	Profit/(loss) after tax from investments in associates	4,362	3,376
	Operating profit after result in associates	**260,221**	**101,209**
6	Financial income	4,395	2,253
7	Financial expenses	(18,985)	(18,650)
	Profit before tax	**245,631**	**84,812**
8	Tax on profit for the year	(21,455)	(10,442)
	Net profit for the year	**224,176**	**74,370**
	Net profit for the year attributable to:		
	Egmont Fonden	218,696	68,424
	Non-controlling interests	5,480	5,946
	Total	224,176	74,370

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Statement of Comprehensive Income of the Group

(EURk)

Note		2021	2020
	Profit for the year	224,176	74,370
	Items that will not be reclassified to the income statement in subsequent periods:		
	Actuarial gains/(losses) on defined benefit pension plans	(231)	(718)
	Other equity transactions in joint ventures and associates	(48)	67
	Tax on items that will not be reclassified to the income statement in subsequent periods	51	52
		(228)	(599)
	Items to be reclassified to the income statement in subsequent periods:		
	Foreign exchange adjustments on translation to presentation currency	1,582	1,663
	Foreign exchange adjustments on translation of foreign entities	41,242	(46,430)
20	Net value adjustment of hedging instruments	(19,868)	(18,798)
	Tax on items to be reclassified to the income statement in subsequent periods	3,752	3,935
		26,708	(59,630)
21	Other comprehensive income after tax	26,480	(60,229)
	Total comprehensive income	250,656	14,141
	Total comprehensive income attributable to:		
	Egmont Fonden	245,176	8,194
	Non-controlling interests	5,480	5,947
	Total	250,656	14,141

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Statement of Financial Position of the Group at 31 December

(EURk)

Note	Assets	2021	2020
	Film rights and other acquired rights, etc.	92,794	49,713
	In-house produced film rights	54,586	35,378
	Goodwill	754,042	429,126
	Trademarks	199,942	161,524
	Intangible assets in progress and prepayments for film rights	21,750	15,036
9	Intangible assets	1,123,114	690,777
	Land and buildings	125,425	130,807
	Plant and machinery	29,198	17,980
	Tools and equipment	16,239	15,846
	Leasehold improvements	8,341	10,600
	Property, plant and equipment under construction	5,588	5,030
10	Property, plant and equipment	184,791	180,263
11	Investment properties	40,611	30,917
12	Lease assets	147,927	135,965
13	Investments in joint ventures	36,967	36,951
14	Investments in associates	146,413	125,135
	Other investments	7,553	6,282
28	Receivables from joint ventures and associates	1,594	17,048
23	Deferred tax	5,438	4,445
	Other non-current assets	197,965	189,861
	Total non-current assets	1,694,408	1,227,783
15	Inventories	200,680	105,814
27	Trade receivables	265,266	206,028
28	Receivables from joint ventures and associates	1,423	1,148
	Other receivables	82,857	62,946
16	Prepayments	187,931	158,522
	Receivables	537,477	428,644
17	Securities	0	106,420
18	Cash and cash equivalents	67,860	79,940
	Total current assets	806,017	720,818
	TOTAL ASSETS	2,500,425	1,948,601

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Statement of Financial Position of the Group at 31 December (EURk) (Continued)

Note	Equity and liabilities	2021	2020
	Capital fund	29,583	29,571
	Retained earnings and other reserves	1,054,339	843,728
	Egmont Fonden's share of equity	**1,083,922**	**873,299**
	Non-controlling interests	13,728	12,487
19	**Equity**	**1,097,650**	**885,786**
22	Pension obligations and similar obligations	3,352	3,802
23	Deferred tax	29,611	41,891
24	Other provisions	60,337	23,027
27	Mortgage debt	111,198	111,444
27	Other credit institutions	55,847	51,220
27	Lease liabilities	166,846	148,343
	Other payables	36,788	14,990
29	Deferred income	7,007	3,121
	Non-current liabilities	**470,986**	**397,838**
27	Mortgage debt	251	221
27	Other credit institutions	19,869	0
27	Lease liabilities	19,469	11,189
	Prepayments from customers	53,055	46,378
27	Trade payables	330,598	207,445
27,28	Payables to joint ventures and associates	2,220	1,790
	Corporate income tax	27,483	17,356
	Other payables	254,885	236,270
24	Other provisions	89,636	69,856
29	Deferred income	134,323	74,472
	Current liabilities	**931,789**	**664,977**
	Total liabilities	**1,402,775**	**1,062,815**
	TOTAL EQUITY AND LIABILITIES	**2,500,425**	**1,948,601**

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Cash Flow Statement of the Group

(EURk)

Note		2021	2020
	Operating profit	255,859	97,833
	Adjustment for non-cash operating items, etc.:		
	Other non-cash operating items, net	(102,076)	(13,510)
5	Depreciation, amortisation and impairment losses	134,368	126,790
	Profit/(loss) after tax from investments in joint ventures	(7,105)	(5,833)
	Provisions	59,779	25,782
	Cash generated from operations before change in working capital	**340,825**	**231,062**
	Change in inventories	(40,904)	(303)
	Change in receivables	(25,094)	(47,759)
	Change in trade payables and other payables	26,425	40,229
	Change in working capital	**(39,573)**	**(7,833)**
	Cash generated from operations	**301,252**	**223,229**
	Interest received	1,150	3,143
	Interest paid	(8,145)	(7,071)
	Interest expense, lease liabilities	(8,436)	(7,979)
	Corporate income tax paid	(19,995)	(13,467)
	Cash flows from operating activities	**265,826**	**197,855**
	Acquisition of intangible assets	(90,596)	(60,066)
	Acquisition of property, plant and equipment	(24,161)	(18,094)
	Disposal of property, plant and equipment	280	818
	Acquisition of financial assets	(44,658)	(61,803)
	Disposal of financial assets	30,241	47
	Disposal of securities	106,479	2,024
32	Acquisition of subsidiaries	(203,323)	(6,212)
32	Disposal of subsidiaries	396	27,903
	Cash flows from investing activities	**(225,342)**	**(115,383)**
	Acquisitions of minorities	(9,904)	(2,350)
	Disposal of minorities	0	0
27	Borrowing from credit institutions, etc.	19,869	0
27	Repayments to credit institutions, etc.	(31,197)	(13,005)
27	Instalments on lease liabilities	(32,869)	(25,670)
	Dividends from joint ventures and associated companies	2,588	3,616
	Dividends to non-controlling shareholders	(758)	(72)
	Donations	(12,944)	(11,852)
	Cash flows from financing activities	**(65,215)**	**(49,333)**
	Net cash flows from operating, investing and financing activities	**(24,731)**	**33,139**
	Cash and cash equivalents at 1 January	76,222	48,823
	Foreign exchange adjustment of cash and cash equivalents	10,927	(5,740)
18	**Cash and cash equivalents at 31 December**	**62,418**	**76,222**

The cash flow statement cannot be derived directly from the balance sheet and income statement.

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Statement of Changes in Equity of the Group

(EURk)

Note		Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
	Equity at 1 January 2021	29,571	(19,075)	(201,295)	1,064,098	12,487	885,786
	Net profit for the year	0	0	0	218,696	5,480	224,176
21	Other comprehensive income	12	(16,653)	41,697	1,424	0	26,480
	Total comprehensive income in 2021	12	(16,653)	41,697	220,120	5,480	250,656
	Used for charitable purposes and associated costs	0	0	0	(12,944)	0	(12,944)
	Acquisition/disposal, non-controlling interests	0	0	0	(21,609)	(3,481)	(25,090)
	Dividends, non-controlling interests	0	0	0	0	(758)	(758)
	Equity at 31 December 2021	29,583	(35,728)	(159,598)	1,249,665	13,728	1,097,650
	Equity at 1 January 2020	29,451	(3,975)	(154,470)	1,010,900	4,013	885,919
	Net profit for the year	0	0	0	68,424	5,946	74,370
21	Other comprehensive income	120	(15,100)	(46,825)	1,575	1	(60,229)
	Total comprehensive income in 2020	120	(15,100)	(46,825)	69,999	5,947	14,141
	Used for charitable purposes and associated costs	0	0	0	(11,852)	0	(11,852)
	Acquisition/disposal, non-controlling interests	0	0	0	(4,949)	2,599	(2,350)
	Dividends, non-controlling interests	0	0	0	0	(72)	(72)
	Equity at 31 December 2020	29,571	(19,075)	(201,295)	1,064,098	12,487	885,786

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List of Notes to the Consolidated Financial Statements

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1 Accounting policies

The annual report of Egmont Fonden for 2021 comprises both the consolidated financial statements of Egmont Fonden and its subsidiaries (the Group) and the separate financial statements of Egmont Fonden.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

The separate financial statements of Egmont Fonden have been prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter (the Foundation's financial statements).

BASIS OF PREPARATION

The functional currency of Egmont Fonden is Danish kroner (DKK). The consolidated financial statements are presented in euro (EUR).

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, securities and investment properties (which are measured at fair value).

Due to the changed sales mix in the Group with increasing revenue streams from E-commerce companies, the classification of sales related costs related to these companies have been changed from other external expenses to raw materials and consumables. Comparative figures for 2020 have been adjusted resulting in an increase of raw materials and consumables of 181.4 million and a corresponding decrease of other external expenses. This change does not impact other key figures nor financial ratios.

Except from above, the accounting policies have been applied consistently to the financial year and the to the comparative figures for 2020.

Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment, positively or negatively, to the carrying amount of assets or liabilities affected in future periods.

The most significant estimates and judgements for the Group include the following:

- Acquisition of businesses where a number of estimates and judgments are carried out related to allocation of the purchase consideration to identifiable net assets including intangible assets/goodwill as well as value adjustments (step-up acquisitions). Please refer to note 32 for further information.

- Provision for onerous contracts relating to binding content supply contracts, which is based on an assessment of the future income and unavoidable costs over the contract periods. Please refer to note 24 for further information.

- Impairment testing related to intangible assets, including asset groups with indefinite life such as goodwill and the TV2 trademark as well as investment in associates. Outcome of impairment testing are dependent of the critical assumptions applied related to cash flow forecasts but also other factors such as discount rates and growth rates, cf. note 9 for further information.

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- For film rights and in-house produced film rights estimates on the useful lives and period over which the rights are amortised are based on estimated sales, which by nature is associated with uncertainty. Please refer to note 9 for further information.

- Write down of inventories to net realisable values relates to books and E-commerce. Estimated write-downs are dependent on expected future sales that by nature within consumer products and the business areas of Egmont is subject to some uncertainty. Please refer to note 15 for further information.

- Other provisions include items such as goods sold with a right of return and warranty provisions include estimates and judgements related to how many goods are expected to be returned or exchanged and to what extent warranties compensations are needed. Please refer to note 24 for further information.

- Deferred taxes are subject to some elements related to whether tax assets may be utilised. Please refer to note 23 for further information.

- For leases where contracts include extension and termination options, which judgement is required in determining whether these options are reasonably expected to be exercised. Please refer to note 12 for further information.

- Covid-19 has had an effect on all business areas in Egmont. Some business areas have experienced an increased demand from customers (media, e-commerce, gaming and books) while other business areas like Cinemas have experienced decreasing revenue and profit due to forced closings as well as postponed film slate. As a consequence of the current Covid-19 situation, a total amount of EUR 10 million has been impaired on lease assets and leasehold improvement.

Consolidated financial statements

The consolidated financial statements comprise Egmont Fonden and subsidiaries in which Egmont Fonden has control of financial and operating policies in order to obtain returns or other benefits from its activities. Control is usually obtained when the Group holds more than 50% of the voting rights, whether directly or indirectly, or otherwise has a controlling interest in the relevant entity.

Entities in which the Group has significant influence, but not a controlling interest, are considered associates. Significant influence is typically obtained when the Group, directly or indirectly, owns or holds more than 20% of the voting rights, but less than 50%.

When assessing whether Egmont Fonden exercises control or significant influence, the potential voting rights that are exercisable at the end of the reporting period are taken into account.

The consolidated financial statements have been prepared by consolidating the financial statements from Egmont Fonden and the individual subsidiaries, prepared in accordance with the Group's accounting policies.
On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on transactions between the consolidated entities are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's ownership share of the associate. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.

The non-controlling interests' shares of the profit for the year, comprehensive income and of the equity of subsidiaries not wholly owned are included in the Group's net profit for the year, comprehensive income and equity, respectively, but are disclosed separately.

Business combinations

Businesses acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Businesses disposed of or wound up are recognised in the consolidated financial statements until the date of disposal or winding-up. The comparative figures are not restated for newly acquired businesses. Discontinued operations are disclosed separately.

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The acquisition method is used for acquisitions of new businesses over which Egmont Fonden obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax is recognised in respect of the fair value adjustments made.

The acquisition date is the date when Egmont Fonden effectively obtains control of the acquired business. Costs attributable to business combinations are expensed as incurred.

Step acquisitions, where either control, joint control or significant influence is obtained, the existing equity interest is remeasured at fair value and the difference between the fair value and carrying amount is recognised in the income statement. The additional equity investments acquired are recognised at fair value in the balance sheet.

Any excess (goodwill) of the consideration transferred, the value of non-controlling interests in the acquired entity and the fair value of any existing equity interest over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test at least annually.

Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the presentation currency of Egmont Fonden are treated as assets and liabilities belonging to the foreign entity and upon initial recognition translated into the foreign entity's functional currency at the exchange rate at the transaction date.

Negative differences (negative goodwill) are recognised in profit for the year at the acquisition date.

The consideration for an acquired business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, this part of the consideration is recognised at fair value at the date of acquisition.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it subsequently becomes apparent that the identification or measurement of the consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the determination is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and the comparative figures are restated. Subsequently, goodwill is not adjusted. Changes to estimates of contingent considerations are recognised in the income statement.

The acquisition of further non-controlling interests after obtaining control is considered an owner's transaction, and the difference between acquisition cost and the share of such non-controlling interests acquired is recognised directly in equity.

Gains or losses on the disposal or winding-up of subsidiaries, jointly controlled entities and associates are stated as the difference between the selling price or the disposal consideration and the carrying amount of net assets, including goodwill, at the date of disposal, less the cost of disposal. If the disposal of either control, joint control or significant influence takes place in stages, the retained equity investment is measured at fair value, and the difference between the fair value and carrying amount is recognised in the income statement.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the ownership share or at the proportionate share of the fair value of the acquired business' identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the non-controlling interests' ownership share of the acquired business is thus recognised, while, in the latter scenario, goodwill in relation to the non-controlling interests is not recognised.

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The measurement of non-controlling interests is chosen transaction by transaction and stated in the notes in connection with the description of acquired businesses.

Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency used in the primary economic environment in which the individual reporting entity operates. Transactions denominated in currencies other than the functional currency are considered foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

In the consolidated financial statements, the income statements of entities, joint ventures and associates with another functional currency than the presentation currency (EUR) are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the end of the reporting period.

An average exchange rate for each month is used as the transaction date exchange rate to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign entities at the exchange rates at the end of the reporting period and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognised directly in other comprehensive income and presented in equity under a separate translation reserve. The exchange rate adjustment is allocated between Egmont Fonden and the non-controlling interests.

Foreign exchange adjustments of intra-group balances which are considered part of the total net investment in foreign entities with another functional currency than the presentation currency (EUR) are recognised in other comprehensive income and presented in equity under a separate translation reserve.

On disposal of wholly owned foreign entities, associates or jointly controlled entities with another functional currency than the presentation currency (EUR), the exchange rate adjustments that have been recognised in other comprehensive income and are attributable to the entity are reclassified from other comprehensive income to the income statement together with any gains or losses from the disposal.

On partial disposal of foreign subsidiaries with another functional currency than the presentation currency (EUR) without a loss of control, a proportionate share of the translation reserve is transferred from the Group to the non-controlling interests' share of equity.

On partial disposal of associates and jointly controlled entities, the proportionate share of the accumulated translation reserve recognised in other comprehensive income is transferred to the income statement for the year together with any gains or losses from the disposal.

Any repayment of intra-group balances which constitute part of the net investment in the foreign entity is not considered a partial disposal of that subsidiary.

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other

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receivables and payables, respectively, and a set-off of positive and negative values is only made when the entity has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in future cash flows are recognised in other comprehensive income in equity under a separate hedging reserve until the hedged cash flows affect the income statement. At that time, any gains or losses resulting from such hedged transactions are transferred to other comprehensive income and recognised under the same item as the hedged item.

If the hedging instrument no longer qualifies for hedge accounting, the hedge will cease to be effective. The accumulated change in value recognised in other comprehensive income is transferred to the income statement when the hedged cash flows affect the income statement. If the hedged cash flows are no longer expected to be realised, the accumulated change in value will be transferred to the income statement immediately. The portion of a derivative financial instrument not included in a hedge is recognised under financial items.

For derivative financial instruments that do not qualify for treatment as hedging instruments and changes in fair value are currently recognised in the income statement under financial items.

INCOME STATEMENT

Revenue

Egmont recognises revenue from the following significant revenue streams:

- Sale of goods and services
- Magazine sales
- TV and film production
- TV and cable broadcasting distribution
- Advertising
- Gaming

Egmont separates customer contracts into performance obligations and recognises revenue from these separately. For customer contracts that includes more than one performance obligation, Egmont allocates the transaction price to the individual performance obligations proportionate to their stand-alone selling price.

The Group recognises revenue when or as control passes to the customer. Revenue is measured at its fair value, which comprise net present value when payments exceed 12 months.

Revenue is measured excluding VAT and taxes,and including all types of discounts provided to customers.

All types of variable consideration such as rebates, return rights or penalties etc. are recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur subsequently. When the customer holds a right to return the good, Egmont estimate the expected number of goods that will be returned based on historical return and postpone recognition of such revenue.

Revenue from sale of goods and services
Revenue from sale of goods comprise sale of playstation products, sale from e-commerce, sale of gift cards etc. are recognised at point in time when control is transferred. For

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goods sold with a right of return Egmont only recognises revenue to the extent that it is highly probable that a subsequent reversal will not occur.

Revenue from sale of cinema tickets is recognised as the services are rendered.

When consideration is received before control is transferred this is recognised as a contract liability and presented as deferred income.

Revenue from magazine sales

Egmont recognises revenue from sale of magazines, both subscription and single-copy sales, and ads related to magazines at the publication date of the magazine, which is considered a point in time.

Magazine subscriptions are considered as a number of discrete performance obligations which are satisfied over the course of the subscription period as magazines are published.

For circulation sales, where customer's holds a right of return, Egmont only recognises revenue from the sale of magazines to the extent that it is highly probable that a subsequent reversal will not occur.

Revenue from TV and film production

Revenues from sale of TV and film productions to TV stations (availability rights) and distribution companies is recognised at point in time, on the availability date, when it becomes available (accessible) to the customer.

Consideration received for TV and film productions before the availability date is a contract liability and is presented in the balance sheet as deferred income. Deferred income is measured at fair value.

TV and cable distribution

Revenue from TV and cable distribution (cable fee) is based on number of subscribers and is recognised on straight-line basis over the period of the relevant agreements. The number of subscribers is based on reports received from the distribution companies.

Revenue from advertising

Revenue from advertising is recognised when the adverts are broadcasted on TV or in the Cinema.

If the transaction price is variable based on the number of viewers, Egmont constrains revenue to the extent that it is highly probable that a significant reversal will not occur subsequently.

Gaming revenue

Gaming revenue include revenue derived from work for hire contracts (fixed hourly rate), self-published games and subscriptions.

Work for hire

Work for hire contracts usually comprise one performance obligation that is satisfied over time as Egmont delivers hours at a fixed hourly rate, thus having a right to consideration that corresponds directly with the value transferred to the customer to date. Revenue deriving from work for hire is recognised at the amount that Egmont has a right to invoice.

Self-published games

Revenue from self-published games without no future material free content communicated at time of release, is recognised at the time of delivery to the customer (download).

When Egmont promises to deliver future material free content, the customer contract includes an additional performance obligation. Egmont allocates the transaction price in such arrangements by determining the stand-alone selling price of the performance obligations that is recognised upon release.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the entities, including gains and losses on the disposal of businesses (including re-measuring of existing shares in step-acquisitions), intangible assets and property, plant and equipment and right-of-use assets, as well as recognition of badwill and value adjustments of investment properties at fair value. Gains and losses on the

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disposal of entities, intangible assets and property, plant and equipment are determined as the selling price less disposal costs and the carrying amount at the date of disposal.

Gains and losses from re-measuring existing shares in step-acquisitions are determined as the fair value of new shares acquired, adjusted for control premium less the carrying value of those shares prior to the step-acquisitions.

Government grants

Due to Covid-19 Egmont is entitled to governments grants. These are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. Government grants from Covid-19 relief packages, are recognised in the income statement as other operating income. There are no unfulfilled conditions or other contingencies attached to the received subsidies.

Government grants from film and ticket subsidies for in-house produced films are recognised when there is reasonable assurance that they will be received. Film subsidies for in-house produced films recognised in the balance sheet are offset against the cost of in-house produced films. Ticket subsidies are recognised in the income statement under other operating income.

TV 2, Norway has a public service broadcasting agreement with the Norwegian state, which compensates TV 2 for additional cost regarding production of Norwegian news, film and TV content for EUR 13.3 million in 2021 (2020: EUR 4.7 million). Compensation under the agreement with the Norwegian state is recognised in the income statement as a reduction of the related expenses.

Share of results from investments in joint ventures and associates

The proportionate share of the joint ventures' and associates results after tax and non-controlling interests and after elimination of the proportionate share of intra-group gains/losses is recognised in the consolidated income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, amortisation of financial assets and liabilities including leases and foreign exchange adjustments. Furthermore, changes in the fair value of derivative financial instruments which are not designated as hedging instruments as well as the ineffective portion of the hedges are also included.

Borrowing costs relating to general borrowing or loans directly relating to the acquisition, construction or development of qualifying assets are allocated to the cost of such assets.

Tax for the year

Tax for the year, comprises current tax and changes in deferred tax.

BALANCE SHEET

Film rights, etc.

Film rights comprise film, transactional home entertainment (DVD, TVOD, streaming) and TV rights. Film rights are recognised as an intangible asset at the time when control over the asset is transferred. Prepayments for film rights are recognised in the balance sheet as a prepayment for intangible assets, and when control is gained over the assets, prepayments are reclassified to film rights.

Film rights are measured at cost which is allocated proportionally to the cinema, transactional home entertainment and TV media, as well as to markets. Film rights are amortised according to a revenue-based method over the period during which they are expected to generate income on the respective market and in the respective media.

Other intellectual property rights with a definite useful life, such as domain names and magazine titles, are measured at cost on initial recognition and amortised on a straight-line basis over the useful life (typically 5 to 10 years).

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In-house produced film rights

In-house produced film rights are measured at cost, which includes indirect production costs, less grants received, accumulated amortisation and impairment, or at the recoverable amount where this is lower.

In-house produced film rights are amortised according to a revenue-based method over the period during which they are expected to generate income.

Goodwill

On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The identification of cash-generating units is based on the management structure and internal financial control.

Trademarks

Acquired intellectual property rights, including trademarks, are measured at cost on initial recognition. Trademarks with a finite useful life are typically amortised on a straight-line basis over the useful life (typically 5 to 50 years). Certain trademarks are amortised degressive according to a revenue-based method over the period during which they are expected to generate income.

Trademarks with an indefinite useful life are not amortised but are tested for impairment at least once annually.

Intangible assets in progress

Intangible assets in progress are measured at cost and consist mainly of prepaid film rights.

Property, plant and equipment

Land and buildings, plant and machinery equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Subsequent costs, e.g. in connection with replacing components of property, plant and equipment, are recognised in the carrying amount of the relevant asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet, and the carrying amount is transferred to the income statement. All other costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

When individual components of an item of property, plant and equipment have different useful lives, the cost of such individual components is accounted for and depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives, based on the following estimates of the useful lives of the assets:

Corporate properties (head offices)	25 - 50 years
Properties used for operational purposes	25 years
Installations and conversions *(the useful life depends on the nature of conversion)*	10, 15, 25 years
Plant and machinery	3 - 15 years
Equipment	3 - 5 years
Leasehold improvements	5 - 10 years

Land is not depreciated.

Depreciation is made on the basis of the asset's residual value less any impairment losses. The residual value and useful life of the assets are reassessed every year. If the residual value exceeds the carrying amount, depreciation is discontinued.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less disposal costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under other operating income or other operating costs, respectively.

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Investment properties
Investment properties are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, consisting of the acquisition cost of the property and any costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in the fair value are recognised in the income statement as a value adjustment of investment properties under other operating income/costs in the financial year in which the change occurs.

Leases

Lease assets
Lease assets are recognised at the commencement date of the lease which is the date the underlying asset is available for use. Lease assets are measured at cost, less any accumulated depreciation and potential impairment, adjusted for any remeasurement of lease liabilities. The cost includes the amount of lease liabilities recognised, initial direct costs incurred less any lease incentives received. Lease payments on short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as expense on a straight-line basis over the lease term in profit and loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets – which is typically 2-10 years.

If ownership of the leased assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The lease assets are also subject to impairment.

The Group has applied the short-term lease recognition exemptions to its short-term leases (lease term of 12 months or less) and applies also the lease of low-value assets recognition exemptions to leases. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term in profit and loss.

Rent concessions regarding Covid-19 are not accounted for as lease modifications.

Impairment of non-current assets
Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, initially before the end of the acquisition year and if there is any indication of impairment. Likewise, development projects in process are subject to an annual impairment test.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit or groups of cash-generating units to which goodwill has been allocated. If the carrying amount exceeds the recoverable amount, it is written down to the recoverable amount via the income statement. As a main rule, the recoverable amount is calculated as the present value of expected future net cash flows from the entity or activity (cash-generating unit or groups of cash-generating units) to which goodwill has been allocated.

Deferred tax assets are subject to annual impairment tests and are recognised only to the extent that it is probable that the assets will be utilised.

The carrying amount of other non-current assets is tested annually for impairment indicators. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected disposal costs and its value in use. Value in use is the present value of future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement.

Impairment losses of goodwill are not reversed. Impairment losses on other assets are reversed only to the extent that changes in the assumptions and estimates underlying

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the calculation of impairment losses have occurred. Impairment losses are only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Lease liabilities
Lease liabilities are measured at the net present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that do not depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in profit and loss in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, because the interest rate implicit in the lease is not readily determinable.

After the commencement date the carrying amount of lease liabilities is remeasured if there is a modification whether it's a change in the in-substance fixed lease payments, a change lease term (termination or extension), or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are included in the interest-bearing debt.

Investments in joint ventures and associated companies
Investments in joint ventures and associated companies are recognised in the consolidated financial statements according to the equity method, which means that the investments are measured in the balance sheet at the proportionate share of the joint ventures' and associated companies' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealised intra-group gains and losses and plus any excess values on acquisition, including goodwill. Investments in joint ventures and associated companies are tested for impairment when impairment indicators are identified.

Investments in joint ventures and associated companies with negative net asset values are measured at EUR 0 (nil). If the Group has a legal or constructive obligation to cover a deficit in the joint venture and associated company, such deficit is recognised under liabilities.

On the acquisition of investments in joint ventures and associated companies, the acquisition method is used; see description of business combinations.

Other investments
Equity investments where the Group does not have significant influence or control and not classified as subsidiary, associate or joint venture are included under other investments and are measured as financial assets at fair value through the income statement.

Net gains and losses arising from changes in the fair value of financial assets are recognised in the income statement as financial income or expenses. Financial assets for which no active market exists are carried at fair value based on a valuation methodology.

Call options
Call options related to equity investments are included under derivatives (other receivables) and measured at fair value through the income statement. The fair value is based on a valuation methodology.

Net gains and losses arising from changes in the fair value of call options are recognised in the income statement as financial income or expenses.

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1 Accounting policies (continued)

Inventories
Inventories are measured at the lower of cost according to the FIFO method and the net realisable value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries as well as maintenance and depreciation of production machinery and equipment as well as administrative expenses and management costs.

The cost of acquired TV programmes are recognised as inventory at the time when the right to broadcast the TV programme begins. The cost of a TV programme is expensed proportionally over the period the TV programme is broadcast.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Trade receivables are hold with the objective to collect the contractual cash flows. Receivables are therefore measured at fair value on initial recognition and are subsequently measured at amortised cost using the effective interest method less any impairment. Receivables are impaired at initial recognition. The impairment equals lifetime expected credit loss allowance on receivables in accordance with the simplified approach.

Prepayments
Prepayments, such as prepaid royalty, prepaid authors' fees and prepaid TV programmes and sports broadcasting rights, which are recognised under assets, comprise costs incurred concerning subsequent financial years. Prepayments are measured at cost.

Securities
Securities consist mainly of listed bonds that are held for investment of excess liquidity and managed in accordance with a documented investment strategy. Securities are measured initially at the listed price at the trade date and subsequently at the listed price at the end of the reporting period using the fair value option. Value adjustments are recognised directly in the income statement under financial income/expenses.

Pension obligations and similar non-current liabilities
Defined contribution plans where the Group regularly pays fixed pension contributions to independent pension funds are recognised in the income statement in the period during which employees earn entitlement to them, and any contributions outstanding are recognised in the balance sheet under other payables.

For defined benefit plans, an actuarial calculation (the Projected Unit Credit method) is performed annually of the present value of future benefits payable under the defined benefit plan based on assumptions about the future development in variables such as salary levels, interest rates, inflation and mortality. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under pension obligations.

Pension costs for the year are recognised in the income statement based on actuarial estimates and financial assumptions at the beginning of the year. Actuarial gain or loss and is recognised in other comprehensive income.

Current tax payable/receivable and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on the basis of all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill that is not

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deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either result for the year or taxable income. Where different tax rules can be applied to determine the tax value, deferred tax is measured based on planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to be realised as current tax. Changes in deferred tax due to changed tax rates are recognised in the comprehensive income for the year.

Other provisions

Provisions are recognised when the Group incurs a legal or constructive obligation due to an event occurring before or at the end of the reporting period, and meeting the obligation is likely to result in an outflow of economic benefits. Provisions are measured at the best estimate of the costs required to settle the obligation. The costs required to settle the obligation are discounted provided that such discounting would have a material effect on the measurement of the liability. A pre-tax discount rate is used that reflects the current market interest rate level plus risks specific to the liability.

Other provisions primarily consist of provisions for goods sold with a right of return, where, based on past experience or otherwise, the Group can make a reliable estimate of the amount of goods that will be returned as well as expected restructuring costs, etc.

Warranty provisions are recognised as the underlying goods are sold based on historical warranty costs experience in previous financial years.

Restructuring costs are recognised under liabilities when a detailed, formal restructuring plan has been announced to the employees affected no later than at the end of the reporting period. On acquisition of businesses, provisions for restructuring in the acquiree are only included in goodwill when, at the acquisition date, the acquiree had an existing liability for restructuring.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Put options on non-controlling interests

Non-controlling interests continues to receive an allocation of profit or loss.

Put options on non-controlling interests' share of equity are measured at the present value of the redemption amount calculated as if the options were exercised on the last day of the financial year and based on the latest audited accounts of the relevant companies. Non-controlling interests are reclassified as liability at the end of the financial year as if the acquisition took place at that date.

Net gains and losses arising from changes in the fair value of put options are recognized in equity.

Financial and non-financial liabilities

Financial liabilities are recognised at the date of borrowing as the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, such that the difference between the proceeds and the nominal value is recognised under financial expenses in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income, including the sale of film broadcasting rights, is measured at cost.

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CASH FLOW STATEMENT

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of businesses is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition, and cash flows from disposals of businesses are recognised until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before net financials, adjusted for non-cash operating items, changes in working capital and corporate income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and disposal of businesses and activities and the acquisition and disposal of intangible assets, property, plant and equipment and other non-current assets, as well as securities.

Cash flows from financing activities comprise the raising of loans and repayment of interest-bearing debt including lease liabilities, donations made and transactions with non-controlling interests.

Cash and cash equivalents comprise cash and marketable securities with a residual term of less than three months at the acquisition date which are subject to an insignificant risk of changes in value.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rates at the transaction date.

FINANCIAL TERMS

In this annual report the following financial terms are used:

Operating profit (loss)	Profit (loss) before tax and net financials.
Operating profit after result from associates	Profit after results from associates.
EBITDA	Operating profit (loss) before net financials, depreciation, amortisation and impairment losses.
EBIT	Operating profit (loss)
EBT	Profit (loss) before tax

FINANCIAL RATIOS

Financial ratios stated in the consolidated financial statements have been calculated in accordance with the Danish Finance Society's "Recommendations & Ratios".

The financial ratios stated under financial highlights have been calculated as follows:

Operating margin

$$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Equity ratio

$$\frac{\text{Equity, excl. non-controlling interests, x 100}}{\text{Total assets}}$$

Return on equity

$$\frac{\text{Net profit for the year, excl. non-controlling interests, x 100}}{\text{Average equity, excl. non-controlling interests}}$$

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2 Revenue

Geographical markets	Nordic Countries 2021	Nordic Countries 2020	Other European Countries 2021	Other European Countries 2020	Total 2021	Total 2020
Sale of goods	1,008,174	674,491	109,051	102,073	1,117,225	776,564
Sale of services	855,697	648,363	794	1,385	856,491	649,748
Royalty	86,864	105,386	3,783	602	90,647	105,988
Rental income	9,109	9,685	0	0	9,109	9,685
Total	1,959,844	1,437,925	113,628	104,060	2,073,472	1,541,985
At point in time	1,829,198	1,323,222	113,178	103,025	1,942,376	1,426,247
Transferred over time	130,646	114,703	450	1,035	131,096	115,738
Total	1,959,844	1,437,925	113,628	104,060	2,073,472	1,541,985

3 Other operating income

	2021	2020
Received Covid-19 grants	22,263	31,197
Gain on sale of shares Raw Fury AB (ass. company)	16,891	0
Step-up gain due to acquisition of Cappelen Damm shares	55,298	0
Step-up gain due to acquisitions of other companies	22,698	926
Fair value adjustment investment properties	5,789	0
Gain on sale of book-activities in UK, Poland and Germany	0	9,015
Miscellaneous	5,052	4,840
Total	127,991	45,978

4 Personnel expenses

	2021	2020
Wages and salaries	(366,913)	(281,782)
Defined contribution pension plans	(22,703)	(19,230)
Defined benefit pension plans	17	(82)
Other social security costs	(43,274)	(32,242)
Total	(432,873)	(333,336)
Average number of full-time employees	5,376	4,310

Compensation to Management Board amounted to 5,807 (2020: 5,413), of which pension contributions amounted to 435 (2020: 416).

Compensation to the Board of Trustees amounted to 568 (2020: 560).

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4 Personnel expenses (continued)

Annual compensation to members of the Board of Trustees per task	2021	2020
Egmont Fonden, general:		
Member	10	10
Vice chair	15	15
Chair	20	20
Egmont Fonden, charitable activities:		
Member	7	7
Vice chair	10	10
Chair	13	13
Funding and Grant Committee, charitable activities:		
Member	13	13
Chair	27	27
Egmont International Holding A/S:		
Member	30	30
Vice chair	45	45
Chair	60	60

5 Depreciation, amortisation and impairment losses

	2021	2020
Amortisation, intangible assets	(64,104)	(66,942)
Impairment losses, intangible assets	(5,981)	(7,112)
Depreciation, property, plant and equipment	(23,371)	(22,637)
Impairment losses, property, plant and equipment	(3,709)	(4,355)
Depreciation of lease assets	(28,478)	(23,912)
Impairment of lease assets	(8,725)	(1,832)
Total	(134,368)	(126,790)

6 Financial income

	2021	2020
Interest income, financial assets, measured at amortised cost	1,273	1,917
Change in fair value, derivative financial instruments	117	0
Gain on disposal of securities	1,835	0
Other financial income	1,170	336
Total	4,395	2,253

7 Financial expenses

	2021	2020
Interest expenses, financial liabilities, measured at amortised cost	(3,648)	(2,642)
Foreign exchange loss, net	0	(3,771)
Interest expenses, derivative financial instruments	(4,175)	(2,291)
Loss on disposal of securities	(560)	0
Interest expense on lease liabilities	(8,436)	(7,979)
Other financial expenses	(2,166)	(1,967)
Total	(18,985)	(18,650)

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8 Taxes

	2021	2020
Current tax	(28,953)	(17,920)
Deferred tax	4,538	3,643
Adjustments for prior years, current tax	(237)	1,747
Adjustments for prior years, deferred tax	3,197	2,088
Total	(21,455)	(10,442)

Tax on the profit for the year results as follows:

Calculated tax, 22.0% on profit before tax	(54,039)	(18,659)
Lowering of corporate tax rate in Sweden	0	297
Adjustment of calculated tax in foreign entities relative to 22.0%	1,396	529
Tax effect of:		
Non-taxable income	26,872	4,074
Non-deductible expenses	(2,781)	(3,879)
Share of net profit/(loss) in joint ventures	1,563	1,283
Share of net profit/(loss) in associates	960	743
Utilisation and recognition of previously unrecognised tax losses	1,694	1,477
Adjustments for prior years	2,960	3,835
Withholding taxes	(80)	(142)
Total	(21,455)	(10,442)
Effective tax rate	8.7%	12.3%

The effective tax rate in 2021 was affected by non-taxable gains from divestments and value adjustments in connection with step acquisitions, utilisation of tax losses carried forward and not previously recognised in the balance sheet, as well as adjustments for prior years. Adjusting for this, the effective tax rate for 2021 was in the level of 19%.

The effective tax rate in 2020 was affected by utilisation of tax losses carried forward and not previously recognised in the balance sheet, as well as adjustments for prior years. Adjusting for this, the effective tax rate for 2020 was in the level of 19%.

Tax recognised in other comprehensive income:

	2021	2020
Tax on value adjustment of hedging instruments	4,239	3,272
Foreign exchange adjustments on translation of foreign entities	(487)	663
Tax on actuarial gains/(losses) on defined benefit pension plans	51	52
Total	3,803	3,987

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9 Intangible assets

	Film rights and other acquired rights, etc.	In-house produced film rights	Goodwill	Trade-marks	Intangible assets under development and pre-payments
Cost at 1 January 2021	493,949	236,557	501,697	192,731	15,036
Adjustments relating to previous years	(40)	0	0	0	0
Foreign exchange adjustments	3,113	1,085	14,697	7,473	5
Additions through business combinations	42,766	0	314,911	41,076	0
Additions	7,165	50,231	0	526	43,225
Goverment grants	0	(11,443)	0	0	0
Transferred	35,878	(22)	0	0	(35,856)
Disposals	(5,808)	(385)	(1,315)	0	(660)
Cost at 31 December 2021	**577,023**	**276,023**	**829,990**	**241,806**	**21,750**
Amortisation and impairment losses at 1 January 2021	(444,236)	(201,179)	(72,571)	(31,207)	0
Foreign exchange adjustments	(4,668)	(1,656)	(3,701)	(526)	0
Disposals	5,645	385	324	0	0
Transferred	(15)	15	0	0	0
Impairment losses	(74)	(3,691)	0	(2,216)	0
Amortisation	(40,881)	(15,311)	0	(7,915)	0
Amortisation and impairment losses at 31 December 2021	(484,229)	(221,437)	(75,948)	(41,864)	0
Carrying amount at 31 December 2021	92,794	54,586	754,042	199,942	21,750

Goodwill

The carrying amount of goodwill is tested for impairment annually or if there is any indication of impairment. The impairment test is made for the Group's cash-generating units, based on their management structure and internal financial reporting.

With recent years acquisitions within new business areas such as e-commerce and marketing services, there has been a number of changes in the management structure in Story House Egmont. This has prompted a reassessment of the cash generation units. Story House Egmont as a new cash generating unit reflects the updated internal management reporting at group level and represents the lowest level at which goodwill is managed and monitored.

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9 Intangible assets (continued)

With the acquisition of the remaining shares in Cappelen Damm, the goodwill related to the Books division has grown to a substantial size and Books will no longer be included in Other but become a new independent cash generating unit.

	2021	2020
TV 2, Norway	202,537	168,417
Nordisk Film, Cinemas	62,824	60,524
Nordisk Film, Games	91,174	69,393
Story House Egmont	244,774	119,584
Books	141,606	1,914
Other units	11,127	9,294
Carrying amount	**754,042**	**429,126**

In the impairment test of the cash-generating units, the recoverable amount, equivalent to the discounted value of expected future net cash flows, is compared with the carrying amount of the cash-generating units.

The recoverable amount is based on the value in use, determined by using expected net cash flows that are based on management-approved budgets and business plans for 2022, projections for subsequent years up to and including 2026, and average growth during the terminal period.

The key assumptions in the calculation of value in use for all cash-generating units are development in revenues and gross margins and determination of discount rates and growth rate during terminal period.

TV 2, Norway
The TV business is volatile due to various trends and factors shifting the business model and therefore affected by a generally larger uncertainty regarding the development in revenue and expenses. Combined with increasing prices for acquiring TV rights related to especially sports events and increasing programme cost for Norwegian TV productions, it may result in a more volatile EBITDA-margin in the coming years. The value of the business is primarily impacted by the development in advertising income, number of subscribers and the prices of TV content.

An average annual growth in revenues in the budget and forecast period is expected to be between 0% and 10% mainly due to increase in revenue from subscription sales while advertising sales for traditional flow-TV is expected to decline.

Margins are expected to be maintained at more or less the same competitive level based on continued efficiencies as well as a focus on cost savings.

Nordisk Film, Cinemas
The Cinemas cash-generating unit is dependent on a strong line-up of both local and international titles to keep up ticket revenue (box office sales) as well as a strong performance in the gift cards business.

Despite the impact of Covid-19 with cinemas being closed and international films being postponed, there continues to be surplus between the carrying amount and the recoverable amount.

However, Cinemas are aware of the pressure on the window structure in terms of changes in the length of the cinema exclusivity period and the risk of titles being released directly to Home Entertainment.

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9 Intangible assets (continued)

Revenue in the budget and forecast period is expected to grow between 0% and 23% annually as the cinemas business will slowly return to a new normal. Margins are expected to be stable through efficiencies and cost optimisation.

Nordisk Film, Games
Revenues in the Games cash-generating unit is expected to grow between 0% and 11% annually from an increased focus on self-published games and work for hire projects while at the same time maintaining a stable cost margin.

Story House Egmont
The traditional publishing business is expected to be reduced. On the other hand revenue from other business areas such as e-commerce and agencies are expected to increase significantly while maintaining stable margins. An annual growth in revenue of 5% is expected.

Books
The general shift from analogue to digital sales will continue. The digital business will increase significantly in both Retail and Education and be the main driver of growth. An annual growth up to 23% is expected in the budget and forecast period.

Key assumptions
Discount rates are determined for each cash-generating unit on basis of a risk-free rate, plus market risk premium and a small stock premium.

The risk-free rate is based on a 5 year-average of the risk-free rate for Denmark, Norway and Sweden.

The market risk premium is calculated as a general market risk premium of 6.3% multiplied by the non-leveraged beta value of each cash-generating unit. Further, a small-cap premium is added.

The non-leveraged beta values are based on the non-leveraged beta values for peer-group companies.

Expected growth during the terminal period is not estimated to exceed the long-term average growth rate in the business areas.

On this basis the following pre-tax discount rates and growth rates during terminal period have been applied:

	Pre-tax discount rates		Growth rate during terminal period	
	2021	2020	2021	2020
TV 2, Norway	9.7%	9.8%	2.0%	2.0%
Nordisk Film, Cinemas	8.6%	8.1%	2.0%	2.0%
Nordisk Film, Games	11.1%	11.0%	2.0%	2.0%
Story House Egmont	10.8%	10.6%	2.0%	1.6%
Books	8.3%	8.6%	2.0%	2.0%

Impairment tests for goodwill for 2021 regarding the identified cash-generating units of the Group show that the recoverable amount exceeds the carrying amount.

Sensitivity
The Group assesses that probable changes in the assumptions underlying the impairment calculations will not result in a need to write down goodwill for impairment in the Group's primary cash-generating units.

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9 Intangible assets (continued)

Trademarks
The carrying amount of trademarks with an indefinite life is tested for impairment annually or if there is any indication of impairment.

	2021	2020
TV 2, Norway	140,709	132,809
Story House Egmont	0	3,187
Carrying amount	140,709	135,996

Trademarks for TV 2, Norway are tested by using the Relief from Royalty method to assess future cash flows from royalty income for the individual trademarks. The royalty rate, determined on the basis of the cash-generating unit's products and the reputation of such products is 4.5% (2020: 4.5%).

There are no trademarks with indefinite lifetime in Story House Egmont as they are all being amortized.

Key parameters used in the impairment models for the primary cash-generating units:

	Pre-tax discount rates		Growth rate during terminal period	
	2021	2020	2021	2020
TV 2, Norway	9.7%	9.8%	2.0%	2.0%
Story House Egmont	-	10.6%	-	-

Impairment tests for trademarks with an indefinite life for 2021 show that the recoverable amount exceeds the carrying amount.

Sensitivity
The Group assesses that probable changes in the assumptions underlying the impairment calculations will not result in a need to write down trademarks for impairment in the Group's primary cash-generating units.

Film rights and in-house produced film rights
The Group makes regular estimates of the remaining useful lives of film rights and in-house produced film rights based on its expected sales in the cinema, transactional home entertainment (TVOD and streaming) and TV media markets, which are naturally subject to uncertainty as actual sales may differ from estimated sales.

The Group continuously receives sales estimates, and if impairment indicators are identified, film rights and in-house produced film rights are written down for impairment. The useful lives of film rights and in-house produced film rights for 2021 were in general at the expected level.

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10 Property, plant and equipment

	Land and buildings	Plant and machinery	Tools and equipment	Leasehold improve-ments	Property, plant and equipment under construction
Cost at 1 January 2021	230,550	53,458	85,744	35,769	5,030
Adjustments relating to previous years	0	0	(189)	0	0
Foreign exchange adjustments	90	2,781	1,998	1,326	(24)
Additions through business combinations	0	5,680	1,572	1,261	0
Additions	1,071	5,172	6,161	435	8,597
Transferred	0	6,824	1,061	130	(8,015)
Disposals	(1,354)	(1,056)	(8,429)	(2,006)	0
Cost at 31 December 2021	**230,357**	**72,859**	**87,918**	**36,915**	**5,588**
Depreciation and impairment losses at 1 January 2021	(99,743)	(35,478)	(69,898)	(25,169)	0
Foreign exchange adjustments	61	(1,537)	(1,666)	(925)	0
Disposals	1,354	1,054	8,256	1,925	0
Impairment losses	0	(164)	(1,834)	(1,711)	0
Depreciation	(6,604)	(7,536)	(6,537)	(2,694)	0
Depreciation and impairment losses at 31 December 2021	**(104,932)**	**(43,661)**	**(71,679)**	**(28,574)**	**0**
Carrying amount at 31 December 2021	**125,425**	**29,198**	**16,239**	**8,341**	**5,588**

11 Investment properties

	2021	2020
Fair value at 1 January	30,917	30,791
Foreign exchange adjustments	12	126
Fair value adjustment	5,790	0
Construction in progress	3,892	0
Fair value at 31 December	**40,611**	**30,917**

Investment properties consist of a rental property in Denmark, let under a long-term lease with a 24 month term of notice. The fair value is calculated according to the net rental method, and thus the value of the property has been calculated on the basis of its expected operating income (pre-tax return) of about 2,400 (2020: 2,500) and a required rate of return of 3.00% (2020: 3.25%), determined on the basis of the general market level and specific circumstances relating to the property (level 3). Fair value adjustment of investment properties in 2021 amounts to 5.790 (2020: 0).

If the required rate of return increase or decrease by 0.25%, the fair value of the investment property will be affected by approx EUR 4.4 million.

Rental income amounted to 2,069 (2020: 2,050) and operating costs to 604 (2020: 490).

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12 Lease assets

	2021	2020
Carrying amount at 1 January	135,965	150,122
Foreign exchange adjustments	3,648	(4,381)
Additions through business combinations	22,937	1,632
Re-measurement	4,055	3,798
Additions, net	18,525	10,538
Depreciation	(28,478)	(23,912)
Impairment	(8,725)	(1,832)
Carrying amount at 31 December	147,927	135,965

An amount of EUR 8.7 million has been impaired reflecting the current Covid-19 situation, primarily in our Cinemas business.

The lease assets consists mainly of property leases (rent of cinemas, offices, stores and warehouses etc). The lease contracts are typically made for fixed periods of 2 to 10 years, but may have extension options included in the lease term. Lease terms are negotiated on an individual basis and contains different terms and conditions including payment terms, termination rights, index-regulations, maintenance etc.

Extension and termination options are typically found in leases in order to maximise operational flexibility in terms of managing contracts.

Recognised in profit and loss:	2021	2020
Depreciation of lease assets	28,478	23,912
Impairment of lease assets	8,725	1,832
Interest expense on lease liabilities	8,436	7,979
Lease expenses related to variable lease payments not included in the lease liabilities	981	981
Lease payments relating to short-term building leases (under 12 months) and low-value leases	3,323	3,009

Some property leases contain variable payment terms that are linked to an index or revenue e.g. sale of cinema tickets.

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13 Investments in joint ventures

	2021	2020
Cost at 1 January	27,031	32,253
Foreign exchange adjustments	694	(829)
Additions	14,354	1,601
Disposals	(19,697)	(5,994)
Cost at 31 December	**22,382**	**27,031**
Adjustments at 1 January	9,920	6,442
Foreign exchange adjustments	1,169	(1,150)
Share of profit for the year	7,105	5,833
Equity transactions in joint ventures	0	71
Dividends	(1,648)	(1,746)
Disposals	(1,961)	470
Adjustments at 31 December	**14,585**	**9,920**
Carrying amount at 31 December	**36,967**	**36,951**

Note 33 includes a list of the Group's investments in joint ventures.

	2021	2020
Comprehensive income		
Revenue	143,639	275,469
Net profit for the year	6,837	13,247
Dividend received	1,648	1,746
Balance sheet		
Non-current assets	25,362	73,713
Current assets	52,849	141,613
Non-current liabilities	702	47,483
Current liabilities	45,587	94,411
Equity	31,922	73,432
Egmont Fonden's share of equity	**16,167**	**33,904**
Goodwill	20,800	3,047
Investments in joint ventures	**36,967**	**36,951**

The Group has investment in more than 10 joint ventures. As Cappelen Damm has become a fully consolidated subsidiary, no joint ventures are presented separately as they are considered individually immaterial relatively to the total portfolio.

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14 Investments in associates

	2021	2020
Cost at 1 January	148,503	86,267
Foreign exchange adjustments	(1,378)	1,985
Additions through business combinations	583	0
Additions	42,826	62,803
Disposals	(36,015)	(2,552)
Cost at 31 December	154,519	148,503
Adjustments at 1 January	(23,368)	(23,528)
Foreign exchange adjustments	1,042	(1,428)
Share of profit/(loss) for the year	4,614	3,460
Impairment losses	(252)	(84)
Equity transactions in associates	(48)	(4)
Dividends	(940)	(1,870)
Disposals	10,846	86
Adjustments at 31 December	(8,106)	(23,368)
Carrying amount at 31 December	146,413	125,135

Main investments in 2021 are in Supermassive and additional acquisitions in Star Stable.

Note 33 includes a list of the Group's investments in associates.

	RiksTV		Jollyroom		Others	
	2021	2020	2021	2020	2021	2020
Comprehensive income						
Revenue	0	120,801	213,852	165,248	191,924	144,784
Net profit for the year	0	1,636	2,726	1,804	15,352	8,023
Dividend received	0	0	0	0	1,723	1,870
Balance sheet						
Non-current assets	0	15,287	14,315	14,590	64,891	24,106
Current assets	0	24,329	47,119	48,023	127,505	45,213
Non-current liabilities	0	4,115	14,539	14,818	16,141	4,271
Current liabilities	0	39,808	20,132	20,518	112,612	28,930
Equity	0	(4,307)	26,763	27,277	63,643	36,118
Egmont Fonden's share of equity	0	(2,154)	13,109	13,360	26,313	17,559
Goodwill and other PPA-values	0	6,097	23,268	22,302	83,723	67,971
Investments in associates	0	3,943	36,377	35,662	110,036	85,530

As RiksTV has become a fully consolidated subsidiary, only Jollyroom is presented separately as it is the only associated company which is considered individual material relatively to the portfolio. The group "others" consists of more than 25 associates.

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15 Inventories

	2021	2020
Raw materials and consumables	4,839	4,647
Work in progress	3,999	3,698
Manufactured goods and goods for resale	180,359	85,608
TV programmes	11,483	11,861
Total	200,680	105,814

At the end of the reporting period, the Group estimates the write-down to realisable value for manufactured goods and goods for resale, which primarily relates to books and e-commerce. The estimate is based on expected sales and therefore subject to some uncertainty.

The cost of inventories sold and write-down of inventories for the year amounted to 449,335 (2020: 396,042) and 18,414 (2020: 15,054), respectively. Reversed write-down of inventories in the income statement amounted to -3,787 (2020: 1,233). *Inventories included capitalised payroll costs in the amount of 2,961 (2020: 1,864).*

16 Prepayments

Prepayments of sports broadcasting rights are included with 10,316 (2020: 20,749), which expire more than 12 months from balance sheet day.

17 Securities

All securities were divested in 2021. In 2020, the average duration of the listed bonds was 2 months.

18 Cash and cash equivalents

Cash and cash equivalents include fixed-term deposits of 2,341 (2020: 42,021). Cash and cash equivalents pledged as collateral amounted to 5,442 (2020: 3,718).

19 Equity

Egmont Fonden is a commercial foundation and thus subject to special conditions relating to its capital, as set out in the Foundation's Charter. The Foundation's assets are used for donations in connection with the Foundation's Charitable Activities. The balance of Egmont Fonden's assets is transferred to a reserve to ensure that the Foundation is provided with the necessary capital for consolidating and expanding in accordance with sound principles. Egmont Fonden's equity ratio stood at 43.3% (2020: 44.8%).

20 Hedging instruments

	2021	2020
Value adjustments for the year	17,479	(10,146)
Value adjustments transferred to other external expenses	(39,746)	(10,616)
Value adjustments transferred to financial expenses	2,642	2,074
Value adjustments transferred to intangible assets	(243)	(110)
Total	(19,868)	(18,798)

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21 *Other comprehensive incomce*

	Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	(231)	0	(231)
Equity transactions in joint ventures and associates	0	0	0	(48)	0	(48)
Foreign exchange adjustments on translation to presentation currency	12	(7)	(80)	1,652	5	1,582
Foreign exchange adjustments on translation of foreign entities	0	(1,017)	42,264	0	(5)	41,242
Net value adjustments of hedging instruments	0	(19,868)	0	0	0	(19,868)
Tax on other comprehensive income	0	4,239	(487)	51	0	3,803
Other comprehensive income 2021	**12**	**(16,653)**	**41,697**	**1,424**	**0**	**26,480**
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	(718)	0	(718)
Equity transactions in joint ventures and associates	0	0	0	67	0	67
Foreign exchange adjustments on translation to presentation currency	120	(16)	(631)	2,174	16	1,663
Foreign exchange adjustments on translation of foreign entities	0	442	(46,857)	0	(15)	(46,430)
Net value adjustments of hedging instruments	0	(18,798)	0	0	0	(18,798)
Tax on other comprehensive income	0	3,272	663	52	0	3,987
Other comprehensive income 2020	**120**	**(15,100)**	**(46,825)**	**1,575**	**1**	**(60,229)**

22 *Pension obligations and similar obligations*

	2021	2020
Defined benefit pension obligations	471	148
Other pension obligations	(3,823)	(3,950)
Total	(3,352)	(3,802)

Pensions:

The Group mainly has defined contribution pension plans, but also has collective pension plans (multi-employer plans) as well as defined benefit pension plans.

Multi-employer plans:

The Group has collective pension plans in Sweden that are entered into with other enterprises (ITP plans). ITP-plans are classified as multi-employer plans. Such plans are defined benefit plans, but are treated as defined contribution plans according to IAS 19. Contributions made to collective pension plans in Sweden in 2021 amount to EUR 3.7 million (2020: EUR 2.8 million). For 2022, the contributions are expected to be EUR 4.0 million.

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22 Pension obligations and similar obligations (continued)

Defined benefit pension plans:
The Group has defined benefit pension plans in Norway. These pension plans are funded in whole or in part through collective insurance plans with Kommunal Landspensjonskasse who manages the administration and the investment of the members' pension funds. The Group is exposed to actuarial risks including risks on investment and interest rate and mortality. The Group's remaining defined pension plans in Norway are closed for new members.

Defined benefit pension obligations recognised in the balance sheet	2021	2020
Present value of defined benefit pension obligations	(16,724)	(15,147)
Fair value of pension plan assets	17,286	15,385
Payroll tax	(91)	(90)
Net asset/(liability) at 31 December	471	148

Composition of pension plan assets (%)		
Bonds	41.8%	45.8%
Shares	29.9%	24.2%
Money market and the like	14.9%	16.7%
Property	13.4%	13.3%

The Group expects to contribute EUR 471 thousands to defined benefit pension plans in 2022.

Maturity of pension obligations	2021	2020
Within 1 year	1,007	957
Between 1 - 5 years	5,104	4,849
After 5 years	10,613	9,341
Total	16,724	15,147

Key assumptions used for the actuarial calculations in the individual pension plans:	2021	2020
Discount rate	1.9%	1.7%
Inflation rate	1.8%	1.5%
Salary increase	2.8%	2.25%
Pension increase	0.0 - 2.5%	0.5 - 2.0%
Mortality table	K2013/KU	K2013/KU

Sensitivity analysis:
The analysis shows that fluctuations are insignificant.

Other pension obligations:
The Group has recognised an obligation of EUR 3.8 million (2020: EUR 4.0 million) to cover other pension-like obligations, including primarily job security agreements in a number of subsidiaries. The benefit payments are conditional upon specified requirements being met.

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23 Deferred tax

	2021	2020
Deferred tax at 1 January	(37,446)	(45,530)
Adjustments relating to previous years	3,197	2,088
Foreign exchange adjustments	1,007	(321)
Additions through business combinations	728	(1,313)
Deferred tax for the year recognised in the income statement	4,538	3,643
Deferred tax for the year recognised in other comprehensive income	3,803	3,987
Deferred tax at 31 December	**(24,173)**	**(37,446)**
Deferred tax has been recognised in the balance sheet as follows:		
Deferred tax, asset	5,438	4,445
Deferred tax, liability	(29,611)	(41,891)
Deferred tax, net	**(24,173)**	**(37,446)**

Deferred tax assets are recognised for all unutilised tax losses to the extent it is considered probable that taxable profits will be realised in the foreseeable future against which the losses can be offset. The amount to be recognised in respect of deferred tax assets is based on an estimate of the probable time of realising future taxable profits and the amount of such profits.

The Group has assessed that deferred tax assets totalling 5,438 (2020: 4,445), primarily attributable to tax losses in Germany can be realised in the foreseeable future. This is based on the forecasted earnings of the enterprises in which tax assets can be utilised.

The deferred tax relates to	2021	2020
Intangible assets	(54,858)	(49,780)
Property, plant and equipment	6,728	4,309
Receivables	(4,053)	653
Inventories	2,757	1,616
Other current assets	(609)	(2,623)
Provisions	28,548	13,380
Other liabilities	(10,102)	(10,861)
Tax losses allowed for carryforward, etc.	7,416	5,860
Total	**(24,173)**	**(37,446)**

Unrecognised deferred tax assets relates to	2021	2020
Tax losses	6,682	922
Temporary differences	1,888	1,923
Total	**8,570**	**2,845**

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24 Other provisions	Goods sold with a right of return	Other
Other provisions at 1 January 2021	38,340	54,541
Foreign exchange adjustments	919	2,005
Provisions through business combinations	5,748	0
Provisions made	18,510	60,583
Provisions used	(17,000)	(2,544)
Reversals	(98)	(11,031)
Other provisions at 31 December 2021	46,419	103,554

Goods sold with a right of return include magazines and books that the shops can return according to agreement. At the date of sale, the Group estimates how many goods are expected to be returned or exchanged based on historical experience of selling such goods. This estimate is naturally subject to uncertainty, as the quantity actually returned may deviate from the estimated quantity. However, the uncertainty concerning the return of magazines is limited due to the short period allowed for returning them.

Other provisions primarily comprise of warranty provisions, provisions for onerous contracts and provisions for pending litigation and claims. Warranty provisions is recognized at its gross liability amount, in respect of which expected partial compensation from the supplier is recognised in other receivables.

Provisions for onerous contracts are recognized at the estimated loss of fulfilling the contractual obligations assessing the future income from the contracts and the direct costs related to the fulfilling of the contracts.

In 2021, the provisions made primarily comprise of an additional provision for onerous contracts relating to content supply agreements.

25 Fees to auditors	2021	2020
Fee to EY:		
Statutory audit	(1,201)	(1,138)
Tax consultancy	(106)	(206)
Other assurance statements	(146)	(59)
Other services	(758)	(1,036)
Total fees to EY	(2,211)	(2,439)
Fee to other auditors:		
Statutory audit	(200)	(49)
Tax consultancy	(46)	(30)
Other assurance statements	(203)	(216)
Other services	(315)	(549)
Total fees to other auditors	(764)	(844)
Total	(2,975)	(3,283)

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26 Contingent liabilities and collateral

The Group has provided security to mortgage credit institutions of 110,284 (2020: 111,036) over domicile and investment properties, with a carrying amount of 134,679 (2020: 131,886).

Entities in the Group have furnished floating charge securities of 20,188 (2020: 0)

The Group has entered into binding contracts concerning purchase of intangible film rights of 39,394 (2020: 31,643).

The Group has entered into binding contracts concerning content supply which are not recognized in the balance sheet. The contractual nominal obligation amount to 972,233 (2020: 1,049,234). The contracts fall due over the various contract lengths up to 9 years from the balance sheet date.

Entities in the Group have furnished miscellaneous guarantees, etc., for 10,586 (2020: 11,451).

The Group's share of miscellaneous guarantees in joint ventures amounts to 0 (2020: 1,112).

The Group's share of miscellaneous guarantees in associates amounts to 0 (2020: 1,680).

27 Financial risks and financial instruments

As a result of its operations, investments and financing, the Egmont Group is exposed to certain financial risks. Primarily related to foreign exchange and interests.

Corporate Finance is responsible for centralised management of liquidity and financial risks in the Group's wholly owned entities. Corporate Finance operates as counterparty to the Group's entities, thus undertaking centralised management of liquidity and financial risks. Liquidity and financial risks arising in joint ventures are reported to Corporate Finance and thus managed on a decentralised basis. Management monitors the Group's financial risk concentration and financial resources on an ongoing basis.

The overall framework for financial risk management is laid down in the Group's Treasury Policy approved annually by the Board of Trustees. The Treasury Policy comprises the Group's currency and interest rate policy, financing policy and policy regarding credit risks in relation to financial counterparties and includes a description of approved financial instruments and risk framework. The overall framework is assessed on an ongoing basis.

The Group's policy is to refrain from engaging in speculative transactions. Thus, the Group's financial management focuses exclusively on managing financial risks that are a consequence of the Group's operations, investments and financing.

Currency risks

The Group is exposed to exchange rate fluctuations as a result of the individual consolidated enterprises entering into purchase and sales transactions and having receivables and payables denominated in currencies other than their functional currency. Forward exchange contracts are used to ensure that the actual exposure does not exceed the currency exposure limit of the Group.

The Group is using forward contracts to hedge currency risks related to purchase of film rights and sports broadcasting rights. The cumulative value adjustments recognised in other comprehensive income amount to EUR -31.9 million (2020: EUR -6.7 million), which will be recognised in the income statement during 2022-2028.

As at 31 December 2021, a drop of 5% in the EUR/NOK exchange rate and an increase of 5% in the USD/DKK exchange rate would affect other comprehensive income with EUR -20.6 million (2020: EUR -25,0 million). The sensitivity analysis is based on financial instruments recognised at 31 December and an effectiveness of 100% of hedge accounting.

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27 Financial risks and financial instruments (continued)

Translation risks

The Group's primary currency risk exposure is denominated in NOK and relates to the Group's investments in wholly-owned entities and joint ventures, including long-term intra-group loans. As a main rule, these currency risks are not hedged, as ongoing hedging of such long-term investments is not considered to be the best strategy based on overall risk and cost considerations. Due to increase in exchange rate, the equity in 2021 is affected positively by EUR 41.7 million (2020: negatively EUR 46,9 million).

A 5% drop in the exchange rates of NOK would have impacted the 2021 profits by about EUR -5.2 million (2020: EUR -2.2 million), and the equity at 31 December 2021 by about EUR -35.7 million (2020: EUR -29.5 million). A positive change in foreign exchange rates would have a reverse impact on profits and equity at end-2021 and end-2020 all other things being equal.

Interest rate risks

As a result of its investment and financing activities, the Group has an exposure related to fluctuations in interest rate levels.

The Group's policy is to hedge interest rate risks relating to loans when it is assessed that interest payments may be secured at a satisfactory level. The Group's interest rate risks are managed by entering into interest swap contracts, with floating-rate loans being converted into fixed-rate interest loans. The principal amount of interest swap contracts concluded by the Group for hedging purposes was EUR 52.4 million at 31 December 2021 and EUR 53.4 million at 31 December 2020. The cumulative fair value adjustments in other comprehensive income amounted to EUR -13.9 million at 31 December 2021 (2020: EUR -17.8 million), which will be recognised in the income statement over the coming 1-7 years (2020: 1-8 years).

As a result of the Group's use of derivative financial instruments to hedge its interest rate exposure relative to instruments of debt, changes in the fair value of the hedging instruments will impact the Group's reserve for hedging transactions under equity. A one percentage point drop in interest rates would reduce equity by about EUR 4 million. In addition, such an interest rate drop will not affect the income statement in any material way, because the effect by way of loss of interest income from net deposits and market value changes to derivative financial instruments equals out and in addition will be insignificant.

Liquidity risks

The Group's liquidity reserve comprises cash and cash equivalents, securities and unutilised credit facilities. To ensure optimum utilisation of cash and cash equivalents, the Group operates with cash pools. The Group has net interest-bearing debt of EUR 306.2 million (2020: net interest-bearing debts EUR 121.1 million).

The Group's financing consists primarily of Danish floating-rate mortgage loans expiring in 2039 and 2043 respectively and floating-rate loans denominated in NOK with the underlying facility having maturity in 2023. In the debt repayment schedule shown below, it is assumed that the loan facility will be continually extended.

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27 Financial risks and financial instruments (continued)

The Group's liabilities other than provisions fall due as shown below. The debt repayment schedule is based on undiscounted cash flows incl. estimated interest payments based on current market conditions:

	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
Mortgage debt	111,449	116,057	549	2,214	113,294
Other credit institutions	75,716	77,181	20,387	2,593	54,201
Lease liabilities	186,315	232,762	42,419	123,040	67,303
Trade payables	330,598	330,598	330,598	0	0
Payables to joint ventures and associates	2,220	2,220	2,220	0	0
Non-derivative financial instruments	706,298	758,818	396,173	127,487	234,798
Derivative financial instruments	14,236	18,379	4,113	12,407	1,859
31 December 2021	720,534	777,197	400,286	140,254	236,657
Mortgage debt	111,665	116,724	573	2,313	113,838
Other credit institutions	51,220	52,962	258	1,292	51,412
Lease liabilities	159,532	208,722	33,340	100,292	75,090
Trade payables	207,445	207,445	207,445	0	0
Payables to joint ventures and associates	1,790	1,790	1,790	0	0
Non-derivative financial instruments	531,652	587,643	243,406	103,897	240,340
Derivative financial instruments	26,295	27,538	10,107	12,912	4,519
31 December 2020	557,947	615,181	253,513	116,809	244,859

The total cash outflow for lease assets amounted to EUR 41.3 million (2020: EUR 33.8 million) of which instalment on lease assets amounted to EUR 32.9 million (2020: EUR 25.8 million).

Changes in liabilities arising from financing activities	Non-current borrowings	Non-current lease liabilities	Current borrowings	Current lease liabilities	Total liabilities from financing activities
1 January 2021	162,466	148,343	221	11,189	322,417
Adjustments relating to previous years	0	(21,680)	0	21,680	0
Additions through business combinations	25,161	29,609	84	0	54,851
Cash flows, net	(11,260)	0	(68)	(32,869)	(44,197)
Other *	12,500	7,110	19,356	19,469	33,435
Foreign exchange adjustments	2,980	3,467	527	0	6,974
31 December 2021	167,045	166,846	20,120	19,469	373,480
1 January 2020	162,414	151,918	11,917	19,421	345,670
Additions through business combinations	0	1,632	0	0	1,632
Cash flows, net	(395)	(17,803)	(12,610)	(7,867)	(38,675)
Other *	0	15,507	0	0	15,507
Foreign exchange adjustments	645	(2,911)	914	(365)	(1,717)
31 December 2020	162,664	148,343	221	11,189	322,417

* Other includes additions and remeasurement of lease liablities.

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27 Financial risks and financial instruments (continued)

Credit risks

The Group's credit risks relate primarily to trade receivables and cash and cash equivalents. The Group is not exposed to any significant risks associated with a particular customer or business partner. According to the Group's policy for accepting credit risk, all major customers are regularly credit rated.

Trade receivables:

Lifetime expected loss allowance for group trade receivables is calculated on basis on a simplified approach. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics. The expected loss rates are based on historical credit losses experienced in the last 3 years (2018-2020). The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables on basis of development in corporate insolvencies in the geographical areas.

On that basis, the impairment can be determined as follows:

Trade receivables 2021	Expected loss (%)	Gross amount	Expected loss	Net
Not past due	-0.3%	224,097	598	223,499
Past due - up to 30 days	-1.0%	20,133	194	19,939
Past due - between 30 and 90 days	-2.8%	16,862	472	16,390
Past due - over 90 days	-38.6%	8,851	3,413	5,438
Total		269,943	4,677	265,266

Trade receivables 2020	Expected loss (%)	Gross amount	Expected loss	Net
Not past due	-0.6%	168,181	1,000	167,181
Past due - up to 30 days	-0.4%	17,015	71	16,944
Past due - between 30 and 90 days	0.0%	8,474	0	8,474
Past due - over 90 days	-19.4%	16,667	3,238	13,429
Total		210,337	4,309	206,028

For certain sales the Group receives collateral. This occurs typically in connection with the distribution of magazines where deposits are received. Trade receivables secured by collateral, with a consequent reduction in overall credit risk, amount to 60.104 (2020: 52,864). In addition, some of the Group's entities take out credit insurance against losses on trade receivables to the extent deemed relevant.

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27 Financial risks and financial instruments (continued)

Trade receivables are grouped based on geographical areas with common characteristics. The impairment can be specified on the geographical areas as follows:

Geographical distribution of impairment 2021	Nordic Countries	Other European Countries	Total
Not past due	538	59	597
Past due - up to 30 days	194	0	194
Past due - between 30 and 90 days	472	0	472
Past due - over 90 days	2,144	1,269	3,413
Total	3,348	1,328	4,676

Geographical distribution of impairment 2020	Nordic Countries	Other European Countries	Total
Not past due	151	849	1,000
Past due - up to 30 days	70	1	71
Past due - between 30 and 90 days	0	0	0
Past due - over 90 days	2,392	846	3,238
Total	2,613	1,696	4,309

The development in the impairment of trade receivables can be specified as follows:

Impairment	2021	2020
Impairment at 1 January	4,309	5,008
Foreign exchange adjustments	110	(185)
Impairment in the year	2,806	3,157
Realised losses	(1,061)	(1,772)
Reversed impairment	(1,488)	(1,899)
Impairment at 31 December	4,676	4,309

Securities, cash and cash equivalents:

The Group is exposed to counterparty risk through its cooperation with financial counterparties via funds deposited, but also via credit commitments. The Group manages this risk by cooperating with banks with a sound credit rating.

Categories of financial instruments	2021	2020
Financial assets measured at fair value via the income statement	11,552	115,036
Financial assets used as hedging instruments	4,793	58
Financial assets measured at amortised cost	410,208	364,718
Financial liabilities measured at fair value via the income statement	37,190	784
Financial liabilities used as hedging instuments	13,963	25,511
Financial liabilities measured at amortised cost	706,298	531,652

The carrying amount of receivables and other financial liabilities (current) is equal to the fair value.

Mortgage debt and debt to other credit institutions (non-current) are floating-rate cash loans, and thus the fair value is equal to the carrying amount.

Securities were measured at listed prices (level 1). Derivative financial instruments are valued at fair value on the basis of inputs other than listed prices that are observable for the liability, either directly or indirectly (level 2).

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28 Related parties

Egmont Fonden is a commercial foundation and has no owner with control.

The Egmont Group's related parties with significant influence comprise the foundation's Board of Trustees, Management Board and their close relatives, as well as enterprises in which this group of persons has material interests. The compensation paid to the Board of Trustees and Management Board is disclosed in note 4.

Related parties with significant influence also comprise joint ventures and associates; see notes 13, 14 and 33.

Transactions with joint ventures and associates:

	2021		2020	
	Joint ventures	Associates	Joint ventures	Associates
Receivables	1,486	1,531	13,166	5,030
Payables	1,186	1,034	1,790	0
Revenue	13,672	0	0	0
Interest income	191	0	503	55

29 Deferred income - Contract liabilities

Contract liabilities comprise deferred income amounting to EUR 141.3 million at 31 December 2021 (2020: EUR 77.6 million). Deferred income relate to subscriptions, gift cards, etc.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to EUR 74.5 million (2020: EUR 62.8 million).

30 Standards and interpretations not yet adopted

IASB has issued a number of amended standards which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2021.

31 Subsequent events

Apart from the events recognised or disclosed in the consolidated financial statements, no events have occurred after the reporting period.

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32 Acquisition and divestment of businesses

Acquisitions in 2021

In 2021, the Group has had a high activity level for M&A transactions and has acquired a number of entities. These include the remaining 50% of the shares in Cappelen Damm AS (Egmont now holds 100% of the shares), 100% of the shares in Royal Design Group AB, the remaining 50% of the shares in RiksTV AS (Egmont now holds 100% of the shares), the remaining 57.03% of the shares in Flashbulb ApS (Egmont now holds 100% of the shares) and a further 21% of the shares in Nicehair A/S (Egmont now holds 80% of the shares with an obligation to buy the remaining 20% in 2023). Furthermore, the Group has acquired other businesses for a total of EUR 12.0 million.

The acquisitions made in 2021 have impacted revenue with EUR 266 million amounting to 50% of the total revenue growth in 2021. Full-year impact on revenue relating to the acquisitions amount to EUR 472 million. EBIT for the year was impacted with EUR 11 million.

Fair value at acquisition date	Cappelen Damm AS	Royal Design Group AB	RiksTV AS	Flashbulb ApS	Nicehair A/S	Others	Total
Intangible assets	33,078	14,835	20,083	5,298	1,835	8,713	83,842
Property, plant and equipment	1,250	5,592	89	13	354	1,215	8,513
Other non-current assets	16,404	1,219	581	27	60	514	18,805
Current assets	87,759	25,472	24,520	1,856	11,410	15,019	166,036
Lease assets	14,817	8,120	0	0	0	0	22,937
Non-current financial liabilities	(6,022)	(13,025)	(1,555)	(914)	0	(3,645)	(25,161)
Other non-current liabilities	(28,456)	(8,853)	0	0	(20)	(1)	(37,330)
Current financial liabilities	0	0	0	0	0	(84)	(84)
Other current liabilities	(78,530)	(17,020)	(38,888)	(1,427)	(7,928)	(8,295)	(152,088)
Identifiable net assets	40,300	16,340	4,830	4,853	5,711	13,436	85,470
Goodwill	131,892	109,881	24,689	15,711	12,786	19,952	314,911
Minority interest	0	0	0	0	0	(2,925)	(2,925)
Purchase consideration	172,192	126,221	29,519	20,564	18,497	30,463	397,456
Cash and cash equivalents, acquired	(23,398)	(9,136)	(8,118)	(1,425)	(97)	(6,317)	(48,491)
Contingent purchase consideration (Earn outs)	0	(31,539)	0	0	(5,378)	0	(36,917)
Fair value of existing share of net assets in connection with step-acquisitions	(73,796)	0	(7,336)	(7,732)	(7,740)	(12,121)	(108,725)
Total cash consideration paid	74,998	85,546	14,065	11,407	5,282	12,025	203,323

Transaction costs attributable to the acquisitions are recognised in Other external expenses when incurred, but are immaterial, as the due diligence process was mainly handled inhouse, hence there were no significant external transaction costs in connection with the acquisitions.

Cappelen Damm AS, Norway

The Group acquired the remaining 50% of the shares (and now holds 100% of the shares) in Cappelen Damm AS, the largest Norwegian book publisher, with focus on both fiction and education as well as a 50% ownership of the streaming portal Storytel Norway. The shares were acquired from Bonnier end of July 2021 and consolidated from 1 August 2021.

The net cash purchase price was EUR 75 million. Goodwill is mainly related to the workforce and the knowhow within the company. Additional major adjustments includes the trademark Cappelen Damm which was recognised as intangible assets and value of the Storytel Norway JV which was recognised as Investment in Joint Venture.

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32 Acquisition and divestment of businesses (continued)

Royal Design Group AB, Sweden
The Group acquired 100% of the shares in Royal Design Group AB, a Swedish E-commerce business which is one of the leading E-commerce players within the home & interior segment in the Nordics, and with international presence. The business has headquarters in Stockholm and warehouse in Nybro. The shares were acquired from the private equity funds Verdane Capital and eEquity as well as one of the founders on 3 February 2021.

The net cash purchase price is EUR 85.5 million. Goodwill is mainly related to the workforce and the knowhow within the company related to the skills of the general workforce. The trademarks Royal Design, Decotique & Deparment and Rum21 were recognised as intangible assets.

RiksTV AS, Norway
The Group acquired the remaining 50% of the shares (and now holds 100% of the shares) in RiksTV AS, a Norwegian TV Distribution company, with headquarters in Oslo. The entity distributes digital TV, aerial TV, internet and fibre and have 236,000 customers, equivalent to a market share of 11%. The shares were acquired from NRK on 1 July 2021.

The net cash purchase price was EUR 14.1 million. Goodwill is mainly related to the workforce and the knowhow within the company related to the management as well as the skills of the general workforce. Customer relationship related to the services DTT and Fiber were recognised as intangible assets.

Flashbulb ApS, Denmark
The Group acquired the remaining 57.03% of the shares (and now holds 100% of the shares) in Flashbulb ApS, a Danish Games studio, with headquarters in Copenhagen. The entity develops video games and has previously developed the game Trailmakers while the game Rubber Bandits was launched shortly after the acquisition. The shares were acquired from the founders on 25 November 2021.

The net cash purchase price was EUR 11.4 million. Goodwill is mainly related to the workforce and the knowhow within the company related to the management as well as the skills of the general workforce (the knowhow of creating new big successful games going forward). The Trailmakers universe brand/trademark as well as a Game Pass contract for Rubber Bandits were recognised as intangible assets.

Nicehair A/S, Denmark
The Group acquired a further 21.0% of the shares (Egmont now holds 80% of the shares) in Nicehair A/S, a Danish E-commerce business which is one of the leading E-commerce players within the beauty & care segment in Denmark, and with international presence. The business has headquarters in Esbjerg. The shares were acquired from the founder on 31 August 2021. The remaining 20% is to be purchased in 2023 and as the acquisition is unconditional there is considered present ownership of these shares at this closing as well as for the acquired 21%.

The net cash purchase price is EUR 10.7 million. Goodwill is mainly related to the workforce and the knowhow within the company related to the skills of the general workforce. The trademarks Nicehair/Nicebeauty were recognised as intangible assets.

Other acquisitions in 2021
In 2021, Story House Egmont acquired a further 45.6% of the shares in Skittfiske AS (and now has a majority share of 80.0%) in order to continue to to further strengthen the outdoor E-commerce position. Nordisk Film aqcuired a further 46.15% of the shares in Drive Studios ApS (and now has a majority share of 71.15%) to strengthen the production of TV series. As part of a

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32 Acquisition and divestment of businesses (continued)

conversion of a loan, Nordisk Games acquired a further 10.37% of the shares in Nitro Games OY and now has a majority of 50.37%. The Agencies entity KAN Malmo acquired 100% of the shares in Winston Delta Charlie AB in order to gain access to a specific Google license in Sweden. Lindhardt & Ringhof acquired 51% of the shares in Ordblindetræning ApS and took over 100% of the acitivity in Audiobuch Verlag oHG.

In addition to acquisitions in subsidiaries, the Group invested in joint ventures, cf. Note 13 and associated companies, cf. Note 14.

Divestment in 2021

All Egmont entities in Ukraine were divested to the former management as part of the strategy to divest markets where Story House Egmont doesn't hold a market leading share. The joint venture in Turkey was sold to the Turkish joint venture partner.

Acquisitions in 2020

In 2020, the Group has acquired a further 41.0% of the shares in Garnius AS (and now holds 51% of the shares) and a further 12.3% of the shares in Kanmalmö AB (and now holds 59.5% of the shares) as well as 100% of the shares in Edulab ApS. Furthermore, the Group has acquired other businesses for a total of EUR -0.4 million (due to assets transferred and large cash positions in the acquired companies).

Fair value at acquisition date	Garnius AS	Edulab ApS	Kanmalmö	Others	Total
Intangible assets	691	4,062	0	95	4,848
Property, plant and equipment	63	65	44	3	175
Other non-current assets	9	359	267	90	725
Current assets	3,627	656	3,756	2,413	10,452
Lease assets	454	407	517	254	1,632
Non-current financial liabilities	0	(3,219)	0	(20)	(3,239)
Other non-current liabilities	(1,166)	(826)	(517)	(254)	(2,763)
Other current liabilities	(1,075)	(1,900)	(2,130)	(1,138)	(6,243)
Identifiable net assets	**2,603**	**(396)**	**1,937**	**1,443**	**5,587**
Goodwill	3,287	7,312	3,920	2,181	16,700
Minority interest	(1,299)	0	(849)	(629)	(2,777)
Purchase consideration	**4,591**	**6,916**	**5,008**	**2,995**	**19,510**
Cash and cash equivalents, acquired	(1,393)	(455)	(1,864)	(1,705)	(5,417)
Contingent purchase consideration (Earn outs)	0	0	0	(180)	(180)
Fair value of assets transferred	(3,007)	0	(3,869)	(825)	(7,701)
Total cash consideration paid	**191**	**6,461**	**(725)**	**285**	**6,212**

Transaction costs attributable to the acquisitions are recognised in Other external expenses when incurred.

Garnius AS, Norway

The Group acquired a further 41.0% of the shares (and now holds 51% of the shares) in Garnius AS, a Norwegian E-commerce company, focusing on online sale of yarn in mainly the Norwegian market but also in Denmark and Sweden. The shares were mainly acquired from the founder on 6 January 2020.

The net cash purchase price is EUR 0.2 million. Goodwill is mainly related to the workforce and the knowhow within the company (strong management and competent purchase and marketing departments) related to driving the online sales, while the trademark Garnius was recognised as intangible assets.

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32 Acquisition and divestment of businesses (continued)

The due dilligence process was mainly handled inhouse and there were no significant external transaction costs in connection with the acquisition.

Edulab ApS, Denmark
The Group acquired 100% of the shares in Edulab ApS, a Danish provider of various maths solutions for educational institutions, with headquarters in Copenhagen. The entity has a market leading share in Denmark on digital learning resources for math and a growing precense in Sweden and Norway. The shares were acquired from Vækstfonden and the founders on 29 February 2020.

The net cash purchase price is EUR 6.5 million. Goodwill is mainly related to the workforce and the knowhow within the company related to 4 key employees as well as the skills of the general workforce. The trademark Edulab as well as the customer relationship (related to a high level of recurring revenue from MatematikFessor) were recognised as intangible assets.

The due dilligence process was mainly handled inhouse and there were no significant external transaction costs in connection with the acquisition.

Kanmalmö AB, Sweden
The Group acquired a further 12.3% of the shares (and now holds 59.5% of the shares) in Kanmalmö AB, a Swedish full service digital marketing agency, with headquarters in Malmö and offices in Stockholm. The entity is market leading in the southern part of Sweden and also have clients in the rest of Sweden, Scandinavia and Europe. The shares were acquired from the founders on 30 March 2020.

The net cash purchase price is EUR (0.7) million. Goodwill is mainly related to the workforce and the knowhow within the company related to the management as well as the skills of the general workforce.

There were no transaction costs for advisory in relation with the acquisition as everything was handled inhouse.

Other
In 2020, Story House Egmont, Sweden, acquired a further 10% of the shares in Klintberg Niléhn Media AB (and now has a majority share of 59.0%) in order to continue to grow the business area Marketing Agencies. In addition to this Story House Egmont, Norway acuired 50% of the shares (but has control) in Cloud Media Services AS to grow the business area Marketing agencies in Norway. s360 has acquired 100% of the shares in Keyteq AS to gain access to a Google license in Norway. Lindhardt & Ringhof acquired 60% of the shares in GoTutor Denmark ApS.

Divestment 2020
The books businesses in UK, Germany (partly) and Poland were in 2020 carved out of the respective Story House Egmont businesses and sold to Harper Collins.

Fair value at divestment date	Focus Transaction
Intangible assets	335
Current assets	16,487
Net assets divested	16,822
Transaction costs	2,066
Profit/(loss)	9,015
Selling price on divestment of businesses	27,903
Cash and cash equivalents, disposed	0
Total cash consideration received	27,903

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33 Group entities

Unless otherwise stated, the entities are wholly owned. The entities marked with * are owned directly by the Egmont Fonden.

Entities marked with ** do not prepare official annual reports.

SUBSIDIARIES

Country	Entity	Registered office	2021	2020
Denmark	Egmont International Holding A/S *	Copenhagen		
	Story House Egmont A/S	Copenhagen		
	Egmont Printing Service A/S	Copenhagen		
	Egmont Creative Solutions A/S	Copenhagen		
	Belong Group A/S *(Merged with Egmont Story House A/S)*	Copenhagen	-	
	Belong A/S *(Merged with Egmont Story House A/S)*	Copenhagen	-	
	GoShopping ApS *Bagaren och Kocken AB owns*	Herning		100%
	Unique Models of Copenhagen A/S	Copenhagen	60%	60%
	s360 A/S	Aarhus	53.5%	54.5%
	Cooperante ApS *s360 A/S owns*	Aarhus	52%	52%
	Drive Studios ApS	Copenhagen	71.15%	25%
	E-commerce Analytics ApS *s360 A/S owns* *(Merged with s360 A/S)*	Aarhus	-	80%
	Edulab ApS *(Merged with Lindhardt og Ringhof Forlag A/S)*	Copenhagen	-	
	Flashbulb ApS	Copenhagen		42.97%
	Helion B2B A/S *Helion B2B Group ApS owns* *Story House Egmont A/S owns*	Copenhagen	100%	100%
	Helion B2B Group ApS *s360 A/S owns*	Aarhus	52.5%	-
	GoTutor Denmark ApS	Copenhagen	60%	60%
	Ingager ApS *Ingager AB owns*	Copenhagen	100%	100%
	Interactive Project A/S	Copenhagen		-
	Lindhardt og Ringhof Forlag A/S	Copenhagen		
	Nordisk Film A/S	Copenhagen		
	Nordisk Film Distribution A/S	Copenhagen		
	Nordisk Film Shortcut A/S	Copenhagen		
	Nordisk Film Production A/S	Copenhagen		
	Nordisk Games A/S	Copenhagen		
	Nordisk Film Biografer A/S	Copenhagen		
	Nicehair ApS	Esbjerg	80%	59%
	Ordblindetræning ApS	Esbjerg	51%	-
	Palads Biografen A/S	Copenhagen		-
	GoGift.com A/S	Copenhagen		
	Kino.dk A/S	Copenhagen	74%	74%
	Nordisk Film Bridge Finance A/S	Copenhagen		
	Dansk Reklame Film A/S	Copenhagen		
	Egmont Administration A/S	Copenhagen		
	Egmont Svensk Finansiering A/S	Copenhagen		

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33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2021	2020
Denmark	Egmont Finansiering A/S	Copenhagen		
	Egmont Investering A/S	Copenhagen		
	Ejendomsselskabet Vognmagergade 11 ApS *	Copenhagen		
	Ejendomsselskabet Gothersgade 55 ApS *	Copenhagen		
	MBG Sleeping Egmont A/S **	Copenhagen		
	VPH Sleeping Egmont ApS **	Copenhagen		
Norway	Belong Norge AS *(Liquidated)*	Oslo	-	
	Core Content AS	Oslo	50%	50%
	Drammen Kino AS	Drammen	66.7%	66.7%
	Egmont Holding AS	Oslo		
	Egmont Kids Media Nordic AS	Oslo		
	Story House Egmont AS	Oslo		
	Fagmedia AS	Oslo		
	Fjellsport Group AS *Outnordic Invest AB owns*	Sandefjord	100%	100%
	Fjellsport AS *Fjellsport Group AS owns*	Sandefjord	100%	100%
	Garnius AS	Haugesund	51%	51%
	Nordisk Film AS	Oslo		
	Nordisk Film Distribusjon AS	Oslo		
	Nordisk Film ShortCut AS	Oslo	66%	66%
	Nordisk Film Production AS	Oslo		
	Nordisk Interactive AS	Oslo		-
	Nordiske Fagmedier AS	Oslo	75%	75%
	S360 Norge AS *s360 A/S owns*	Moss	67.7%	69.63%
	Skitt Fiske AS	Sandefjord	80%	34.4%
	Filmweb AS	Oslo	64.3%	64.3%
	Nordisk Film Kino AS	Oslo		
	Media Direct Norge AS	Oslo		
	Mortal AS	Oslo		
	Keyteq Technologies AS *s360 A/S owns*	Bergen	100%	100%
	TV 2 Gruppen AS	Bergen		
	TV 2 AS	Bergen		
	TV 2 Skole AS	Bergen		
	Nydalen Studios AS	Oslo		
	Broom.no AS	Oslo		
	Broommarked AS	Oslo		
	RiksTV AS	Oslo		50%
	Electric Friends AS	Oslo	99.36%	99.36%
	Eventyrkanalen AS	Bergen		
	Vimond Media Solutions AS	Bergen		
	Wolftech Broadcast Solutions AS	Bergen	91%	91%
	TV 2 Invests AS	Fredrikstad		
	Screen Story AS	Stavanger	90.2%	90.2%

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33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2021	2020
Norway	Screen Story Film og TV AS	Stavanger		
	Screen Story AS owns		100%	100%
	Aventia Media AS	Nøtterøy	68%	68%
	Cappelen Damm Holding AS	Oslo		50%
	Cappelen Damm AS	Oslo		
	Cappelen Damm Holding AS owns			100%
	Tanum AS	Oslo		
	Cappelen Damm AS owns			100%
	Sentraldistribusjon AS	Oslo		
	Cappelen Damm AS owns			100%
	Bazar Forlag AS	Oslo		
	Cappelen Damm AS owns			100%
	Ex Libris Forlag AS	Oslo		
	Cappelen Damm AS owns			100%
	Flamme Forlag AS	Oslo		
	Cappelen Damm AS owns			100%
	N.W. Damm & Søn AS	Oslo		
	Cappelen Damm AS owns			100%
Sweden	Egmont Holding AB	Malmö		
	Egmont Story House AB	Malmö		
	Belong Agency Sweden AB	Stockholm		
	Kanmalmo AB owns		100%	-
	Belong Group A/S owns		-	100%
	Belong Studio AB	Stockholm		
	Belong Agency Sweden AB owns (Merged with Belong Agency Sweden AB)		-	60%
	Aktiebolaget CR Film			
	Kanmalmo AB owns (Merged with Kanmalmo AB)		-	100%
	Ingager AB	Stockholm	60.1%	59.3%
	Bagaren och Kocken AB	Gothenburg		85.75%
	Outnordic Invest AB	Växjö	84.75%	84.75%
	Outnorth AB	Växjö		
	Outnordic Invest AB owns		100%	100%
	Nordisk Film Sverige AB	Stockholm		
	Nordisk Film Distribution AB	Stockholm		
	Nordisk Film Interactive AB	Stockholm		-
	Nordisk Film Produktion Sverige AB	Stockholm		
	Avanti Film AB	Stockholm	-	
	(Merged with Nordisk Film Sverige AB)			
	Royal Design Group Holding AB	Kalmar		-
	Royal Design Group AB	Kalmar		-
	RD Kungens Kurva AB	Kalmar		-
	Fatalist Partners AB	Stockholm		
	Fatalist Holdings AB	Stockholm		
	Fatalist Tecnologies AB	Stockholm		
	Fatalist Development AB	Stockholm		

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33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2021	2020
Sweden	Fatalist Production 2 AB	Stockholm		
	Fatalist Production 3 AB	Stockholm		
	Fatalist Production 4 AB	Stockholm		
	Fatalist Production 5 AB	Stockholm		
	Systemic Reaction AB	Stockholm		
	Expansive Worlds AB	Stockholm		
	Nordisk Film Biografer Sverige AB	Stockholm		
	Kanmalmo AB	Malmö	59.5%	59.5%
	Klintberg Nihlén Media AB	Stockholm	60%	59%
	S360 AB	Stockholm		
	s360 A/S owns		70%	-
	Winston Delta Charlie AB	Stockholm		
	Kanmalmo AB owns		100%	-
Finland	Egmont Holding Oy/Egmont Holding Ab	Helsinki		
	Oy Nordisk Film Ab	Helsinki		
	Oy Nordisk Interactive Ab	Helsinki		-
	Nordic XR Startups Oy	Helsinki		
	Oy Nordisk Film Ab owns		60%	60%
	search360 OY	Helsinki		
	s360 A/S owns		75%	75%
	Nitro Games Oyj	Kotka	50.37%	40%
Germany	Egmont Holding GmbH	Berlin		
	Egmont Ehapa Media GmbH	Berlin		
	Egmont Verlagsgesellschaften mbH	Berlin		
	Mitte-Editionen GmbH	Berlin		
	Egmont Ehapa Rights Management GmbH	Berlin		
	Egmont Ehapa Comic Collection GmbH	Berlin		
	Ingager GmbH	Berlin		
	Ingager AB owns		100%	100%
	GoGift GmbH	Frankfurt am Main		
United Kingdom	Avalanche Studios Group Ltd.	London		
	Egmont Holding Ltd.	London		
	Story House Egmont Ltd	London		
	Egmont Publishing Ltd.	London		
	S360 Digital UK Ltd.	London		-
	s360 A/S owns		100%	100%
Poland	Story House Egmont sp. z o.o.	Warsaw		
Estonia	Egmont Estonia AS	Tallinn		
Latvia	Egmont Latvija SIA	Riga		
Lithuania	UAB Egmont Lietuva	Vilnius		

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33 *Group entities (continued)*

SUBSIDIARIES

Country	Entity	Registered office	2021	2020
Ukraine	Egmont Investment UA LLC	Kiev	-	
	Egmont Ukraine LLC	Kiev	-	30%
	Egmont Investment UA LLC owns		-	70%
Bulgaria	Egmont Bulgaria EAD	Sofia		
Croatia	Egmont d.o.o.	Zagreb		
USA	Vimond Media Solutions Inc	New York		
	Avalanche Studios New York Inc.	New York		
	Egmont U.S. Inc.	Delaware		
	Ideals Publishing Corporation	Delaware		
China	Egmont Sourcing Hong Kong Ltd.	Hong Kong		
Australia	Vimond Media Solutions Apac Pty Ltd	Sydney		

JOINT VENTURES

Country	Entity	Registered office	Ownership share 2021	2020
Denmark	Valida Care ApS	Esbjerg		
	Nicehair ApS owns		-	100%
	Med24.dk ApS	Løkken	49%	49%
	Praxis Forlag A/S	Copenhagen	51%	51%
	RK af 2018 P/S	Copenhagen	50%	50%
	Komplementarselskabet RK af 2018 ApS	Copenhagen	50%	50%
	I/S Ugebladsdistribution **	Albertslund	50%	50%
Norway	Unibok AS	Oslo		
	Cappelen Damm AS owns		50%	50%
	Storytel AS	Oslo		
	Cappelen Damm AS owns		50%	50%
	Maipo Film AS	Oslo	50.1%	50.1%
	Destinasjon Glede AS	Oslo		
	Core Content AS owns		50%	-
Finland	Solar Films Inc Oy	Helsinki	50.1%	50.1%
	Story House Egmont Oy Ab	Helsinki	50%	50%
Turkey	Dogan Egmont Yayincilik ve Yapimcilik A.S.	Istanbul	-	50%
China	Children's Fun Publishing Company Ltd.	Beijing	49%	49%

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33 Group entities (continued)

ASSOCIATES

Country	Entity	Registered office	Ownership share 2021	2020
Denmark	Zentropa Folket ApS	Hvidovre	50%	50%
	ES North A/S	Copenhagen	-	50%
	Reto-Moto ApS	Copenhagen	35.63%	35.63%
	Publizon A/S	Aarhus	46%	46%
Germany	DRIVE beta GmbH *Drive Studlios ApS owns*	Berlin	40%	40%
Norway	Bladcentralen AS	Hagan	40%	-
	Bokbasen AS	Oslo	15%	-
	Fantefilm AS	Oslo	28.5%	28.5%
	Faktisk.no AS	Oslo	-	25%
	Jollyroom AS *Jollyroom Group AB owns*	Sandefjord	100%	100%
	KinoSør AS	Kristiansand	49%	49%
	Markedspartner AS	Sarpsborg	25%	25%
	My Game AS	Oslo	47%	22.3%
	Norges Televisjon AS	Oslo	50%	50%
	The Oslo Company AS	Oslo	20%	20%
	Publish Lab AS	Oslo	45.05%	50%
Spain	Mercury Steam Entertainment S.L.	Madrid	40%	40%
Sweden	Star Stable Entertainment AB	Stockholm	56.64%	44.09%
	Raw Fury AB	Stockholm	-	33.79%
	Stella Nova Film AB	Stockholm	25%	25%
	Jollyroom Group AB	Mölndal	48.98%	48.98%
	Jollyroom AB *Jollyroom Group AB owns*	Mölndal	100%	100%
	Motorrad Nordic AB	Solna	44%	44%
	Okto AB *Egmont Story House AB owns* *Kanmalmo AB owns*	Stockholm	40%	40%
United Kingdom	Supermassive Games Ltd.	Hampshire	30.72%	-
	Wendy Promotion Ltd.	London	50%	50%
	Wendy Animation Promotions Ltd. *Wendy promotion Ltd. owns*	London	100%	100%

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Statement by the Board of Trustees and Management Board

The Board of Trustees and Management Board have today discussed and approved the annual report of Egmont Fonden for the financial year 1 January – 31 December 2021.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU, and additional requirements according to the Danish Financial Statements Act. The financial statements of Egmont Fonden have been prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

In our opinion, the consolidated financial statements and the Foundation's financial statements give a true and fair view of the Group's and the Foundation's financial position at 31 December 2021, and of the results of the Group's and the Foundation's operations and the consolidated cash flows for the financial year 1 January – 31 December 2021.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Group's and the Foundation's activities and financial matters, the net profit for the year and the Group's and the Foundation's financial position.

Copenhagen, 11 March 2022

MANAGEMENT BOARD:

Steffen Kragh
President and CEO

Hans J. Carstensen

BOARD OF TRUSTEES:

Lars-Johan Jarnheimer
Chair

Merete Eldrup
Vice Chair

Per Bank

Josh Bottomley

Martin Enderle

Peder Høgild

Anna von Lowzow

Jeppe Skadhauge

Christian Wegner

Marianne Oehlenschlæger

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Independent Auditor's Report

TO THE BOARD OF TRUSTEES OF EGMONT FONDEN

OPINION

We have audited the consolidated financial statements and the Foundation's financial statements of Egmont Fonden for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the Group and the Foundation, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the Foundation's financial statements are prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2021 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the Foundation's financial statements give a true and fair view of the financial position of the Foundation at 31 December 2021 and of the results of the Foundation's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the Foundation's financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of the Foundation's financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Foundation'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and

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timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we concluded that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 11 March 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised
Public Accountant
mne21332

Jens Thordahl Nøhr
State Authorised
Public Accountant
mne32212

20220712043331

Income Statement of Egmont Fonden (EURk)

Note		2021	2020
	Royalty income, etc.	1,220	1,283
2	Personnel expenses	(149)	(143)
	Other external expenses	(429)	(409)
	Operating profit	**642**	**731**
	Dividends from investments in subsidiaries	8,975	18,187
7	Financial income	1,573	1,597
7	Financial expenses	(62)	(216)
	Profit before tax	**11,128**	**20,299**
3	Tax on profit for the year	(78)	(139)
	Net profit for the year	**11,050**	**20,160**
	Distribution of net profit:		
	Transfer to reserve fund	2,201	4,024
	Transfer to charitable fund	0	12,072
	Transfer to liquid reserve fund	8,849	4,064
	Total	11,050	20,160

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Statement of Financial Position of Egmont Fonden at 31 December

(EURk)

Note	Assets	2021	2020
4	Investments in subsidiaries	181,654	181,583
5	Loans to group enterprises	87,408	87,374
	Financial assets	269,062	268,957
	Total non-current assets	269,062	268,957
	Receivables from group enterprises	27,679	26,170
	Other receivables	1,335	4,301
	Receivables	29,014	30,471
	Securities	697	709
	Cash and cash equivalents	34	58
	Total current assets	29,745	31,238
	TOTAL ASSETS	298,807	300,195

Equity and liabilities	2021	2020
Capital fund	29,583	29,571
Reserve fund	215,400	213,116
Charitable fund	12,875	22,866
Liquid reserve fund	23,556	17,644
Total equity	281,414	283,197
Trade payables	1,520	0
Payables to group enterprises	122	204
Donations committed but not yet paid	12,860	14,117
Other payables	2,891	2,677
Current liabilities	17,393	16,998
Total liabilities	17,393	16,998
TOTAL EQUITY AND LIABILITIES	298,807	300,195

1 Accounting policies
6 Basis of distribution
7 Related parties

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Statement of Changes in Equity of Egmont Fonden

(EURk)

				Liquid reserve fund		
	Capital fund	Reserve fund	Charitable fund	Use according to articles 6-10	Use according to article 11	Total equity
Equity at 1 January 2021	29,571	213,116	22,866	15,973	1,671	283,197
Foreign exchange adjustments	12	83	9	6	1	111
Transfer from distribution of net profit	0	2,201	0	7,964	885	11,050
Transfer from Charitable fund	0	0	(10,000)	10,000	0	0
Used for charitable purposes	0	0	0	(10,906)	(671)	(11,577)
Costs	0	0	0	(1,313)	(54)	(1,367)
Equity at 31 December 2021	29,583	215,400	12,875	21,724	1,832	281,414

Equity at 1 January 2020	29,451	235,008	3,745	5,152	374	273,730
Foreign exchange adjustments	120	968	39	28	3	1,158
Transfer from Charitable fund	0	0	(3,745)	3,745	0	0
Transfer from Reserve fund	0	(26,884)	10,754	14,517	1,613	0
Transfer from distribution of net profit	0	4,024	12,073	3,658	406	20,161
Used for charitable purposes	0	0	0	(9,712)	(671)	(10,383)
Costs	0	0	0	(1,415)	(54)	(1,469)
Equity at 31 December 2020	29,571	213,116	22,866	15,973	1,671	283,197

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1 Accounting policies

The financial statements of Egmont Fonden have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class C enterprises (large) and the financial reporting requirements of the Foundation's Charter.

The accounting policies applied in the presentation of the financial statement are consistent with those of the previous year.

No cash flow statement has been included for Egmont Fonden, as reference is made to the consolidated cash flow statement.

Fees to auditors is disclosed in note 25 in the consolidated financial statements.

The accounting policies of Egmont Fonden deviate from the Group's accounting policies in the following areas:

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost is lower than the recoverable amount, write-downs are made to this lower value.

Dividends

Dividends from investments in subsidiaries are recognised in the profit and loss statement in the financial year in which the dividend is declared, typically at the time when the general meeting approves the distribution of dividend by the relevant company.

Dividends exceeding the accumulated income from the subsidiaries in the ownership period are deducted in the cost price.

Equity

Profit is distributed according to the Foundation's Charter. The Charitable Activities' donations and associated expenses are charged directly to the liquid reserve fund under equity.

The foundation's equity consists of a capital fund and a reserve fund intended for the Commercial Activities. The capital fund is an undistributable reserve, while the reserve fund can only be distributed if it exceeds the consolidation requirements in the Foundation's Charter. The charitable fund serves to ensure the existence of funds required for Egmont Fonden's Charitable Activities. The liquid reserve fund is the amount which is to be used for charitable purposes under the Foundation's Charter within the scope of the Charitable Activities. The total of the charitable fund and the liquid reserve fund represent the Foundation's basis of distribution.

In the calculation of tax, due allowance is made for the deductibility of charitable donations made according to the Charter of Egmont Fonden. These are charged to equity. Tax provisions for future donations are also taken into account. Provision for deferred tax is made in case Egmont Fonden does not expect to use liquid funds for charitable purposes equal to the tax provisions.

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2 Personnel expenses	2021	2020
Wages and salaries	(149)	(143)

Compensation to the Board of Trustees amounted to 219 in 2021 (2020: 213), of which 104 (2020:97) was included in the costs of the Charitable Activities.

The Management Board of the foundation is also employed by Egmont International Holding A/S, which pays all salaries to the Management Board. This administration is covered by an administrative fee to Egmont International Holding A/S.

References is also made to note 4 to the consolidated financial statements.

3 Tax on profit for the year	2021	2020
Royalty tax paid	(78)	(139)

Tax on profit for the year consists of royalty tax.

4 Investments in subsidiaries	2021	2020
Cost at 1 January	181,583	180,844
Foreign exchange adjustments	71	739
Cost at 31 December	181,654	181,583

For a list of subsidiaries please see note 33 in the consolidated financial statement.

5 Loans to group enterprises	2021	2020
Cost at 1 January	87,374	87,018
Foreign exchange adjustments	34	356
Cost at 31 December	87,408	87,374

6 Basis of distribution	2021	2020
Balance at 1 January	40,510	9,271
Exchange change adjustments	16	70
Used for charitable purposes	(11,577)	(10,383)
Costs	(1,367)	(1,469)
Transfer from distribution of net profit	8,849	16,137
Transfer from Reserve Fond	0	26,884
Balance at 31 December	36,431	40,510

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7 Related parties

Related parties are defined as Egmont Fonden's Board of Trustees and Management Board, close family members of those persons, as well as Egmont Fonden's subsidiaries, associates and joint ventures.

Related parties also comprise companies controlled or jointly controlled by the aforementioned persons.

There is a duality of membership between the Board of Trustees and Management Board of Egmont Fonden and Egmont International Holding A/S.

Egmont Fonden receives royalty income and dividends from subsidiaries. Egmont Fonden pays for rent and administrative services delivered by subsidiaries. Egmont Fonden receives interest on loans to subsidiaries. Related party transactions are made on arm's length terms.

The compensation paid to the Board of Trustees and Management Board is disclosed in note 4 in the consolidated financial statement.

Trading with subsidiaries	2021	2020
Service fee	142	117
Rent	(54)	(63)
Acquisition of services	(69)	(130)
Interest, subsidiaries (net income)	1,569	1,569

Capital transactions and balances with subsidiaries at 31 December	2021	2020
Dividends from group enterprises	8,975	18,187
Loans to group enterprises	87,408	87,374
Receivables from group enterprises	27,679	26,170
Payables to group enterprises	(122)	(204)