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Årsredovisning

Creative Technology Northern Europe AB

Org.nr 556341-2930

Räkenskapsår 2024-01-01 - 2024-12-31

Fastställelseintyg

Undertecknad styrelseordförande intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2025

Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

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

Göteborg den 30 juni 2025

Patrik Dejve

Patrik Dejve

ank=20250710-20250711121487

Årsredovisning

Creative Technology Northern Europe AB

Org.nr 556341-2930

Räkenskapsår 2024-01-01 - 2024-12-31

ank=20250710-20250711121488

Creative Technology Northern Europe AB
556341-2930

Årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31

Styrelsen och verkställande direktören för Creative Technology Northern Europe AB avger härmed följande årsredovisning.

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Styrelsens säte: Göteborg
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).
Uppgifter inom parantes avser föregående år.

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Förvaltningsberättelse

Information om verksamheten
Creative Technology Northern Europe AB, org. nr. 556341-2930 med säte i Göteborg är en underkoncern och äger till 100% dotterföretaget Creative Technology Denmark ApS, org. nr. 39 75 29 48.

Creative Technology Northern Europe AB är tillsammans med systerbolag en ledande aktör av att leverera tekniska helhetslösningar för evenemang och fasta installationer över hela världen. Företagets uppdrag är att leverera avancerade audiovisuella tekniska lösningar och tjänster för företag och underhållnings-/sportevenemangs branschen med syftet att förstärka upplevelsen/budskapet från avsändare till mottagare.

Bolaget ingår i ett stort närvarande globalt nätverk genom att vara ett dotterföretag i NEP Group koncernen som är en marknadsledande aktör inom TV-sändnings och liveeventindustrin. Creative Technology Northern Europe AB supporterar produktioner världen över från verksamhetens kontor i Sverige och Danmark.

Ägarförhållanden
Creative Technology Northern Europe AB är ett helägt dotterföretag till CT Northern Europe Holding AB, org. nr. 559342-5910, med säte i Göteborg.

Företaget ingår i en koncern där NEP Group Inc., org. nr. 80-0877943 med säte i Pittsburgh, USA upprättar koncernredovisning för den största koncernen. Koncernredovisningen finns att tillgå hos NEP Sweden Holding AB, c/o Creative Technology Northern Europe AB, Bultgatan 31, 442 40 Kungälv.

Händelser under räkenskapsåret
Som officiell eventleverantör av Eurovision Song Contest 2024 fick Creative Technology Northern Europe AB leverera all ljud-, ljus- och videoteknik till det spektakulära evenemanget i Malmö. Utöver Eurovision Song Contest har bolaget levererat ett flertal tekniska premiumlösningar, några exempel har varit till de Olympiska spelen i Paris, Fotbolls EM, Melodifestivalen, flertal musik evenemang och Volvo Cars lansering. Installation har under året slutfört arbetet som påbörjades 2023 med att leverera och projektera AV-teknik till mötesplatsen Wold of Volvo i Göteborg.

Bolaget har beslutat att omlokalisera lagerverksamheterna i Malmö och Enköping till nya lokaler i Kungälv för att anpassa kostnaderna i syfte att stärka sin konkurrenskraft. Flytten kommer att ske succesivt under 2025 och 2026.

Risker och riskhantering
Bolagets verksamhet påverkas av ett antal affärsrisker som kan delas in i omgivningsrisker, operativa risker och finansiella risker. Nedan återges de mest relevanta riskerna som anses kunna ha väsentlig påverkan om de inte hanteras på ett effektivt sätt samt beskrivning av riskhantering.

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Omgivningsrisker

Teknisk utveckling
Verksamheten bygger på investeringar i teknik som normalt förutsätter relativt lång ekonomisk livslängd. Risk att den ekonomiska livslängden blir kortare (exempelvis på grund av teknikutveckling) än vad som ursprungligen förutsattes kan leda till nedskrivningsbehov. Genom att löpande följa den tekniska utvecklingen och göra successiva investeringar i ny teknik till rätt pris erhålls en teknikpark som är väl balanserad i relation till efterfrågan där också god marginal lämnas vad avser avskrivningstider för tekniken. Den ekonomiska livslängden och tillhörande avskrivning prövas årligen.

Operativa risker

Kunder
Verksamheten bygger i grunden på en relativt koncentrerad kundstock vars finansiella situation kan påverka kunders betalningsförmåga som i sin tur kan leda till kundförluster. Genom löpande utvärdering av kunders betalningsförmåga och anpassade villkor för betalning minimeras risken så långt det är affärsmässigt rimligt. Vidare arbetar bolaget med att utöka antalet kunder för att successivt minska kundkoncentrationen.

Beläggning
Risk att beläggning på enskild teknik inte motsvarar vad som förutsätts för att generera ett positivt bidrag över tid kan föreligga vilket kan påverka lönsamheten negativt. Uppföljning och analys av beläggning av enskild teknik sker löpande, och nödvändiga åtgärder vidtas för att uppnå önskvärda måltal och därvid ha en bra balans mellan egen och inhyrd teknik.

Avbrott
Verksamheten bygger i hög grad på liveproduktion/tjänster av ljud, ljus och bild där avbrott får direkt påverkan hos kund och slutlig konsument. Enhetliga och kvalitetsstyrda processer, erfaren personal, back-up lösningar samt väl fungerande teknik minskar risken för avbrott, vilket är mycket sällsynt förekommande. Därtill minimeras risken för betydande kostnader genom avtalsskrivning och försäkringar.

Finansiella risker

Finansiering, ränta och valuta
Bolaget finansieras av interna krediter samt ett mindre antal externa leasingfinansieringar. Företaget påverkas således i begränsad omfattning av utvecklingen på den finansiella marknaden vad avser tillgång till, och prissättning i form av räntor, på sådant kapital.

Då bolaget har tillgång till interna krediter kan dessa nyttjas för att säkra upp likviditeten om så skulle behövas.

Verksamheten är etablerad i flera länder och affärstransaktioner sker i olika valutor. Fluktuationer i valutor t ex mellan tidpunkten för order/fakturering till betalning kan påverka lönsamheten. Risken minimeras främst genom att fakturera i egen funktionell valuta eller genom nettning av in- och utflöden i samma valuta.

Verksamheten bygger på att leverera teknik och tjänster till evenemang där många människor samlas för att uppleva en händelse. Effekter av en pandemi där regeringen inför åtgärder för att begränsa smittspridning som under covid-19 det vill säga förbud som begränsar deltagarantalet vid allmänna sammankomster och offentliga tillställningar har stor påverkan på verksamheten. För att minimera risken har bolaget breddat tjänsteutbudet med leveranser som inte har lika omfattande påverkan av dessa regeringsförbud.

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Creative Technology Northern Europe AB
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Hållbarhetsrapport

Vårt åtagande för miljö och hållbarhet

Det är viktigt att inse att vi alla har ett åtagande för miljö och hållbarhet. Creative Technology Northern Europe AB är certifierad enligt ISO 14001:2015 standard vilket är ett led i att ta ansvar av vårt åtagande. Vi har förmågan att ha positiv eller negativ inverkan på vår omgivning och alla anställda på bolaget spelar en roll i att upprätthålla ISO-standarder. Samhället kan påverkas genom alltför höga utsläpp och föroreningar, men gynnas också av rena lokaler, effektiva fordon och återvinning av produkter. Ekonomi är relaterat till vår förmåga att vinna anbud och arbeta samtidigt som vi handlar hållbart. Miljön är en viktig faktor att beakta, nästan alla våra dagliga aktiviteter kommer att ha en direkt eller indirekt inverkan.

Policyer och arbetssätt

Miljö
Creative Technology Northern Europe AB har tagit fram en miljö policy och är därtill ISO 14001:2015 miljöledningssystem certifierade sedan 6 december 2023. Systemet är en naturlig del av bolagets dagliga verksamhet, finns beskrivet och underhålls löpande. Certifieringen revideras årligen och därmed finns det en arbetsmodell och verktyg på plats för ständiga förbättringar. Att arbeta enligt standarden ISO 14001:2015 innebär bl.a.:

- Tydliga miljömål och uppfyllelse av våra miljömål
- Effektiviserat och förbättrat miljöarbete
- Minskad användning av resurser och material
- Minskat avfall i verksamheten
- Efterlevnad av gällande lagstiftning och förordningar
- Utbildning och träning
- Krav på att den högsta ledningen granskar ledningssystemet med planerade intervaller för att säkerställa dess fortsatta lämplighet, tillräcklighet och effektivitet, i linje med den strategiska inriktningen
- Krav på att eventuella tillfälliga/permanenta förändringar måste granskas för att säkerställa noggrann planering som specifikt inkluderar hantering av tillämpliga QHSE-krav (Kvalitet, Hälsa, Säkerhet och Miljö)

NEP Group koncernen har för gruppen etablerat en hållbarhets och ESG rapport som finns att tillgå på följande webbsida: https://www.nepgroup.com/sustainability

NEP Group koncernen har bildat ett globalt nätverk av ESG-företrädare och experter som arbetar tillsammans för att fokusera på ESG-frågor över hela koncernen. I år arbetar nätverket med områden där NEP Group bolagen i koncernen kan ge störst positiv inverkan, och producerar vår första hållbarhetsbedömning som inkluderar en dubbel materialistetsanalys. Varje år kommer nätverkets representanter att rapportera mer detaljerat om framstegen av initiativen.

NEP Group koncernen arbetar med målet att följa EU:s direktiv om företagsrapportering om hållbarhet (CSRD) och vedertagen revisionspraxis, i takt med att detta införs framöver och är applicerbart på bolaget.

Verktyg och metoder för komplett Co2 mätning och rapportering, i enlighet med etablerad ESG-standard inom Europa, är under utveckling inom NEP Group koncernen.

Sociala förhållanden
Creative Technology Northern Europe AB arbetar aktivt för goda arbets- och sociala villkor i enlighet med arbetsmiljölagen. Företaget tillämpar kollektivavtal och har en särskild överrenskommen skrivelse i syfte att anpassa arbetsförhållandena till branschen. Inför många av de arbeten som utförs genomförs en risk- och konsekvensanalys för att säkerställa säkerheten för de anställda och underleverantörer. Företaget erbjuder utbildning och utvecklingsmöjligheten, det finns också ett flertal webbaserade utbildningar att tillgå som publiceras via en portal som alla anställda har tillgång till. Årligen genomförs medarbetarundersökning för att identifiera förbättringsområden. Bolaget rekryterar aktivt för att öka andel kvinnor och har ett mål om 20%/80% fördelning kvinnor/män. Nya medarbetare och frilans personal introduceras i hållbarhetsarbetet och säkerhet.

ISO 14001:2015 certifieringen säkerställer att eventuella tillfälliga/permanenta förändringar måste granskas vilket bl. a. Innefattar:

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- Granska om ny arbetsutrustning och/eller nya ämnen som kan medföra hälsa-/säkerhets-/miljörisker och eventuellt kräva specialistutbildning
- Säkerställa att ansvar, kompetens och kunskap bibehålls vid eventuella förändringar i organisation/arbetsstyrka bibehålls

Inom ramen för certifieringen, i syfte att driva förbättringar, finns en avvikelserapporteringsskyldighet. Det är ledningens ansvar att registrera händelsen, undersöka orsaken, säkerställa åtgärd och implementera lämpliga korrigerande åtgärder.

Bolaget arbetar inom koncernens globala uppförandekoder, värdegrunder och etiska riktlinjer. Företaget ingår i NEP Group koncernens globala compliance-program med uppföljning och revision av interna rutiner. Etablerat för alla NEP-gruppens bolag finns följande policyer som kommuniceras och därtill hålls obligatoriska e-utbildningar på flertalet av dem till alla anställda vid nyanställning och för uppdatering årligen: Bribery policy, Competition policy, Data protection policy, Sanction and money laundering policy, Slavery and child labour policy, Whistleblowing policy, Code of ethics and business conduct, Legal guide for employees och Legal guide for suppliers. Policy dokumenten finns att tillgå på koncernens globala webbsida: https://www.nepgroup.com/legal. Flertalet av dem finns översatta till svenska. Inom området finns utöver NEP Group koncernens policyer lokala policyer på Europa- och bolagsnivå.
Bolaget har rutiner för gåvor och representation. Eventuella gåvor ska rapporteras in till moderbolaget (se webbsida: https://www.nepgroup.com/legal).

Creative Technology Northern Europe AB genomför riskbedömningar och kontroller innan nya leverantörer anlitas och nya kunder kontrakteras. Bolaget säkerställer att även underleverantörer följer våra etiska riktlinjer enligt NEP Group koncernen. Detta inkluderar utredningar av möjliga kränkningar av mänskliga rättigheter, användning av barnarbete och användning av material från konfliktzoner (t.ex. konfliktmineraler eller konfliktdiamanter) i bolagets egna eller underleverantörers produkter.

Väsentliga risker och följder
Creative Technology Northern Europe AB har identifierat följande väsentliga hållbarhetsrelaterade risker i verksamheten, samt åtgärder för att förebygga och hantera dessa:

Den största miljöpåverkan uppstår från användningen av fordon och resor till och från evenemang samt energiförbrukning vid liveproduktioner. För att minska utsläppen arbetar bolaget aktivt med logistikoptimering och att uppgradera fordonsflottan till eldrivna alternativ och använda förnybart bränsle (biodrivmedel).

Elektronisk utrustning återanvänds i största möjliga utsträckning och återvinns enligt certifierade rutiner, i syfte att minska resursförbrukning och elektronikavfall.

Produktionsmiljöer är ofta intensiva och tekniskt krävande, vilket medför risker såsom höga ljudnivåer, tunga lyft och arbete på oregelbundna tider. Creative Technology Northern Europe AB arbetar systematiskt med arbetsmiljöfrågor, erbjuder säkerhetsutbildningar och följer upp/granskar arbetsscheman i projektplaneringen. Risk för psykosocial stress hanteras genom dialog mellan chefer och medarbetare, tillgång till företagshälsovård för tekniker och en arbetsmiljöpolicy med tydliga riktlinjer. Tillbud är en del av det systematiska arbetsmiljöarbetet och hjälper till att identifiera och åtgärda risker som kan leda till olyckor eller skador.

Bolaget verkar globalt genom sin koncerntillhörighet och marknad och är därmed beroende av externa leverantörer i flera led. Risker kan förekomma i form av bristande efterlevnad av mänskliga rättigheter och/eller miljöstandarder. Nya leverantörer genomgår en due diligence-process, och återkommande granskningar sker i enlighet med NEP Group koncernens interna kontrollsystem. Bolagets handelskanaler går genom stora välrenommerade företag med bra leverantörshantering med gedigen dokumentation av sina egna värdekedjor. Bolaget besöker fabriker i t ex Kina för att vara säkerställa att bolaget kan stå bakom arbets- och miljöförhållandena. Creative Technology Northern Europe AB har åtagit sig att följa alla internationellt erkända mänskliga rättigheter i enlighet med FN:s vägledande principer för företag och mänskliga rättigheter, arbeta i linje med Transparency Acts syften och riktlinjer för att säkerställa transparens och ansvarsskyldighet i relation till grundläggande mänskliga rättigheter och anständiga arbetsvillkor i bolagets egna verksamhet, såväl genom det inflytande vi har i I vår relation med våra leverantörer, för att göra samma sak. Därtill tillämpas en koncerngemensam uppförandekod och krav på efterlevnad av internationella riktlinjer.

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Som leverantör till offentliga och privata aktörer inom media finns risk för att otillbörliga erbjudanden och/eller att intressekonflikter uppstår. Företaget har antagit en antikorruptionspolicy som omfattar alla anställda och partners, och erbjuder regelbundna e-utbildningar i affärsetik. En visselblåsarfunktion finns tillgänglig för rapportering av misstänkta oegentligheter.

Avsaknad av policy
Creative Technology Northern Europe AB har för närvarande ingen separat policy för biologisk mångfald, då bolaget bedömer att verksamheten har mycket begränsad direkt påverkan inom det området.

Avslutande kommentarer
Hållbarhetsrapporten har inte granskats av bolagets revisor i enlighet med ESRS för 2024 utan har upprätthållits enligt lagstadgad hållbarhetsrapport 6 kap, årsredovisningslagen i enlighet med den äldre lydelsen.

Flerårsöversikt	2024	2023	2022	2021
Nettoomsättning (tkr)	556 668	536 573	557 078	357 984
Resultat efter finansiella poster (tkr)	-20 349	8 295	-15 043	-24 248
Rörelsemarginal (%)	-1,0%	4,1%	1,4%	-5,9%
Avkastning på eget kapital (%)	-53,3%	15,1%	-34,8%	-25,0%
Balansomslutning (tkr)	391 819	393 150	369 600	357 298
Soliditet (%)	9,7%	14,0%	11,7%	27,2%
Antal anställda	164	165	168	141

Definition av nyckeltalen återfinns i not 23.

Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående medel

Beloppen redovisas i kronor.

Balanserat resultat från föregående år	40 092 500
Årets resultat	-12 312 855
	27 779 645
disponeras så att	
i ny räkning överföres	27 779 645
	27 779 645

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Resultaträkning

Belopp i tkr	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsens intäkter			
Nettoomsättning	4,5	556 668	536 573
Övriga rörelseintäkter		44 013	50 163
		600 681	**586 736**
Rörelsens kostnader			
Handelsvaror	5	-90 057	-68 826
Övriga externa kostnader	5,6,7	-274 877	-282 098
Personalkostnader	8	-139 220	-133 466
Avskrivningar av materiella och immateriella anläggningstillgångar	11,12,13	-54 510	-46 315
Övriga rörelsekostnader		-47 549	-34 146
		-606 213	**-564 851**
Rörelseresultat		**-5 532**	**21 885**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter		10 417	6 312
Räntekostnader och liknande resultatposter		-25 234	-19 902
		-14 817	**-13 590**
Resultat efter finansiella poster		**-20 349**	**8 295**
Bokslutsdispositioner	9	7 675	-3 286
Resultat före skatt		**-12 674**	**5 009**
Skatt på årets resultat	10	361	-342
ÅRETS RESULTAT		**-12 313**	**4 667**

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Balansräkning

Belopp i tkr	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbeten och liknande arbeten	11	-	-
Goodwill	12	-	-
		-	-
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	13	134 990	120 701
		134 990	**120 701**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	14	69	69
Andra långfristiga fordringar	15	752	749
Uppskjuten skattefordran		2 479	2 118
		3 300	**2 936**
Summa anläggningstillgångar		**138 290**	**123 637**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		58 554	89 044
Fordringar hos koncernföretag		168 565	156 583
Aktuell skattefordran		1 886	1 770
Övriga fordringar		1 304	1 241
Förutbetalda kostnader och upplupna intäkter	17	22 188	19 856
		252 497	**268 494**
Kassa och bank	18	1 032	1 019
Summa omsättningstillgångar		**253 529**	**269 513**
SUMMA TILLGÅNGAR		**391 819**	**393 150**

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Balansräkning

Belopp i tkr	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	19	1 000	1 000
Reservfond		200	200
		1 200	**1 200**
Fritt eget kapital	26		
Balanserat resultat		40 093	35 426
Årets resultat		-12 313	4 667
		27 780	**40 093**
Summa eget kapital		**28 980**	**41 293**
Obeskattade reserver	20	**11 565**	**17 107**
Avsättningar			
Övriga avsättningar		4 932	2 260
		4 932	**2 260**
Kortfristiga skulder			
Leverantörsskulder		34 810	51 818
Skulder till koncernföretag		220 260	199 221
Övriga skulder		8 352	11 328
Upplupna kostnader och förutbetalda intäkter	16,21	82 920	70 123
		346 342	**332 490**
SUMMA EGET KAPITAL OCH SKULDER		**391 819**	**393 150**

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Rapport över förändringar i eget kapital

	Bundet eget kapital		*Fritt eget kapital*		
	Aktie-kapital	Reservfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2023-01-01	**1 000**	**200**	**45 139**	**-9 713**	**36 626**
Omföring resultat föregående år	-	-	-9 713	9 713	-
Årets resultat	-	-	-	4 667	**4 667**
Summa värdeförändringar	**-**	**-**	**-9 713**	**14 380**	**4 667**
Transaktioner med ägare:					
Erhållet aktieägartillskott	-	-	-	-	-
Summa transaktioner med aktieägare	**-**	**-**	**-**	**-**	**-**
Utgående balans 2023-12-31	**1 000**	**200**	**35 426**	**4 667**	**41 293**

	Bundet eget kapital		*Fritt eget kapital*		
	Aktie-kapital	Reservfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2024-01-01	**1 000**	**200**	**35 426**	**4 667**	**41 293**
Omföring föregående års resultat	-	-	4 667	-4 667	-
Årets resultat	-	-	-	-12 313	**-12 313**
Summa värdeförändringar	**-**	**-**	**4 667**	**-16 980**	**-12 313**
Utgående balans 2024-12-31	**1 000**	**200**	**40 093**	**-12 313**	**28 980**

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Kassaflödesanalys

Belopp i tkr	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Den löpande verksamheten		
Rörelseresultat	-5 532	21 885
Justeringar för poster som inte ingår i kassaflödet m.m.		
Avskrivningar och nedskrivningar	54 510	46 315
Summa	**48 978**	**68 200**
Erhållen ränta	10 417	6 312
Erlagd ränta	-25 234	-19 902
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	**34 161**	**54 610**
Förändringar i rörelsekapital		
Förändring av rörelsefordringar	15 997	-22 823
Förändring av rörelseskulder	13 852	9 953
Kassaflöde från den löpande verksamheten	**64 010**	**41 740**
Investeringsverksamheten		
Förändring av finansiella anläggningstillgångar	-	656
Förvärv av immateriella och materiella anläggningstillgångar	-70 838	-48 174
Avyttring av anläggningstillgångar	2 031	139
Förändring i avsättningar	2 672	196
Kassaflöde från investeringsverksamheten	**-66 135**	**-47 183**
Finansieringsverksamheten		
Erhållna koncernbidrag	2 133	5 447
Kassaflöde från finansieringsverksamheten	**2 133**	**5 447**
Årets kassaflöde	**8**	**4**
Likvida medel vid årets början	**1 024**	**1 020**
Likvida medel vid årets slut	**1 032**	**1 024**

ank=20250710;20250711121499

Noter

Not 1 Allmän information

Creative Technology Northern Europe AB ägs till 100% av CT Northern Europe Holding AB, org. nr. 559342-5910 med säte i Göteborg. Creative Technology Northern Europe AB är i sin tur moderföretag till Creative Technology Denmark ApS, org. nr. 39 75 29 48.

Not 2 Redovisnings- och värderingsprinciper

Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 *Årsredovisning* ("K3").

Intäktsredovisning

Försäljning av varor
Intäkten redovisas till verkligt värde av vad företaget fått eller kommer att få. Det innebär att företaget redovisar intäkten till nominellt värde (fakturabelopp) om företaget får ersättning i likvida medel direkt vid leveransen. Avdrag görs för lämnade rabatter.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

Försäljning av tjänster
Tjänsteuppdrag/Entreprenaduppdrag på löpande räkning intäktsredovisas i takt med att arbetet utförs. Upparbetad, ej fakturerad intäkt tas i balansräkningen upp till det belopp som beräknas bli fakturerat och redovisas i posten "Upplupna kostnader och förutbetalda intäkter".

Företaget vinstavräknar, utförda tjänste- och entreprenaduppdrag till fast pris i takt med att arbetet utförs, s.k. successiv vinstavräkning. Vid beräkningen av upparbetad vinst har färdigställandegraden beräknats som nedlagda utgifter per balansdagen i relation till de totalt beräknade utgifterna för att fullgöra uppdraget.

Låneutgifter

De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Leasingavtal

Företaget redovisar samtliga leasingavtal som operationella leasingavtal och kostnaden redovisas linjärt över leasingperioden. Se not 7.

Ersättningar till anställda

Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner och betald semester. Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Företaget har inga övriga långfristiga ersättningar till anställda.

Företaget har endast avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Omräkning av poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

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Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Skatt
Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Kassaflödesanalys
Kassaflödesanalysen visar företagets förändringar av företagets likvida medel under räkenskapsåret. Kassaflödesanalysen har upprättats enligt den indirekta metoden.

Viss omklassificering av jämförelsetalen har skett jämfört med tidigare års fastställda årsredovisning. Omklassificeringen har gjorts för att öka jämförbarheten mellan åren.

Anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden. Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar	
Balanserade utgifter för forsknings- och utvecklingsarbeten och liknande arbeten	5 år
Goodwill	5 år
Materiella anläggningstillgångar	
Maskiner och andra tekniska anläggningar	3-8 år
Inventarier, verktyg och installationer	3-5 år

Materiella anläggningstillgångar
Anskaffning genom separata förvärv
Anskaffningsvärdet består av inköpspriset, utgifter som är direkt hänförliga till förvärvet för att bringa den på plats och i skick att användas samt uppskattade utgifter för nedmontering och bortforsling av tillgången och återställande av plats där den finns. Tillkommande utgifter inkluderas endast i tillgången eller redovisas som en separat tillgång, när det är sannolikt att framtida ekonomiska fördelar som är förknippade med posten kommer att tillfalla företaget och att anskaffningsvärdet för densamma kan mätas på ett tillförlitligt sätt. Alla övriga kostnader för reparationer och underhåll samt tillkommande utgifter redovisas i resultaträkningen i den period då de uppkommer.

Avskrivningar på materiella anläggningstillgångar kostnadsförs så att tillgångens anskaffningsvärde, eventuellt minskat med beräknat restvärde vid nyttjandeperiodens slut, skrivs av linjärt över dess bedömda nyttjandeperiod. Om en tillgång har delats upp på olika komponenter skrivs respektive komponent av separat över dess nyttjandeperiod. Avskrivning påbörjas när den materiella anläggningstillgången kan tas i bruk.

Bedömda nyttjandeperioder och avskrivningsmetoder omprövas om det finns indikationer på att förväntad förbrukning har förändrats väsentligt jämfört med uppskattningen vid föregående balansdag. Då företaget ändrar bedömning av nyttjandeperioder, omprövas även tillgångens eventuella restvärde. Effekten av dessa ändringar redovisas framåtriktat.

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Anskaffning som en del av ett rörelseförvärv
Materiella tillgångar som förvärvats i ett företagsförvärv identifieras och redovisas separat från goodwill när de uppfyller definitionen av en materiell tillgång och deras verkliga värden kan beräknas på ett tillförlitligt sätt. Anskaffningsvärdet för sådana materiella tillgångar utgörs av deras verkliga värde vid förvärvstidpunkten. Anskaffningsvärdet skrivs av över den förväntade nyttjandeperioden.

Efter det första redovisningstillfället redovisas materiella tillgångar förvärvade i ett rörelseförvärv till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella ackumulerade nedskrivningar på samma sätt som separat förvärvade materiella tillgångar.

Borttagande från balansräkningen
Det redovisade värdet för en materiell anläggningstillgång tas bort från balansräkningen vid utrangering eller avyttring, eller när inte några framtida ekonomiska fördelar väntas från användning eller utrangering/avyttring av tillgången eller komponenten. Den vinst eller förlust som uppkommer när en materiell anläggningstillgång eller en komponent tas bort från balansräkningen är skillnaden mellan vad som eventuellt erhålls, efter avdrag för direkta försäljningskostnader, och tillgångens redovisade värde. Den realisationsvinst eller realisationsförlust som uppkommer när en materiell anläggningstillgång eller en komponent tas bort från balansräkningen redovisas i resultaträkningen som en rörelseintäkt eller rörelsekostnad.

Immateriella anläggningstillgångar
Anskaffning genom separata förvärv
Immateriella tillgångar som förvärvats separat redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella ackumulerade nedskrivningar. Avskrivning sker linjärt över tillgångens uppskattade nyttjandeperiod, vilken uppskattas till 3-5 år. Bedömda nyttjandeperioder och avskrivningsmetoder omprövas om det finns en indikation på att dessa har förändrats jämfört med uppskattningen vid föregående balansdag. Effekten av eventuella ändringar i uppskattningar och bedömningar redovisas framåtriktat. Avskrivning påbörjas när tillgången kan användas.

Borttagande från balansräkningen
En immateriell anläggningstillgång tas bort från balansräkningen vid utrangering eller avyttring eller när inte några framtida ekonomiska fördelar väntas från användning eller utrangering/avyttring av tillgången. Den vinst eller förlust som uppkommer när en immateriell anläggningstillgång tas bort från balansräkningen är skillnaden mellan vad som eventuellt erhålls, efter avdrag för direkta försäljningskostnader, och tillgångens redovisade värde. Detta redovisas i resultaträkningen som en övrig rörelseintäkt eller övrig rörelsekostnad.

Nedskrivningar av materiella anläggningstillgångar och immateriella tillgångar exklusive goodwill
Vid varje balansdag analyserar företaget de redovisade värdena för materiella anläggningstillgångar och immateriella tillgångar för att fastställa om det finns någon indikation på att dessa tillgångar har minskat i värde. Om så är fallet, beräknas tillgångens återvinningsvärde för att kunna fastställa värdet av en eventuell nedskrivning.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet. Verkligt värde med avdrag för försäljningskostnader är det pris som företaget beräknar kunna erhålla vid en försäljning mellan kunniga, av varandra oberoende parter, och som har ett intresse av att transaktionen genomförs, med avdrag för sådana kostnader som är direkt hänförliga till försäljningen. Vid beräkning av nyttjandevärde diskonteras uppskattat framtida kassaflöde till nuvärde med en diskonteringsränta före skatt som återspeglar aktuell marknadsbedömning av pengars tidsvärde och de risker som förknippas med tillgången.

Om återvinningsvärdet för en tillgång fastställs till ett lägre värde än det redovisade värdet, skrivs det redovisade värdet på tillgången ned till återvinningsvärdet samt kostnadsförs i resultaträkningen.

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Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. En finansiell tillgång eller finansiell skuld redovisas i balansräkningen när företaget blir part till instrumentets avtalsenliga villkor. En finansiell tillgång bokas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör, regleras eller när företaget förlorar kontrollen över den. En finansiell skuld, eller del av finansiell skuld, bokas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller på annat sätt upphör.

Koncernredovisning
Creative Technology Northern Europe AB är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §. Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är NEP Group, Inc., org. nr. 80-0877943 med säte i Pittsburgh, USA.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Eventualförpliktelser
En eventualförpliktelse är en möjlig förpliktelse till följd av inträffande händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller en befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Andelar i koncernföretag
Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Not 3 Viktiga uppskattningar och bedömningar

När styrelsen upprättar finansiella rapporter i enlighet med tillämpade redovisningsprinciper måste vissa uppskattningar och antaganden göras som påverkar det redovisade värdet av tillgångar, skulder, intäkter och kostnader. De områden där uppskattningar och antaganden är av stor betydelse för företaget och som kan komma att påverka resultat- och balansräkning om de ändras beskrivs härefter.

Företagets intäkter består till stor del av intäkter från projekt avseende uthyrning av teknik och tillhörande tjänster. Då företaget tillämpar successiv vinstavräkning innebär detta att bedömningar görs i samband med bokslutet avseende respektive projekts färdigställandegrad, lönsamhet samt eventuella förlustrisker. Denna bedömning görs individuellt för respektive projekt.

Materiella anläggningstillgångar och immateriella tillgångar skrivs av över den period då de kommer att generera intäkter, dvs. deras nyttjandeperiod. Om det finns en indikation på att en tillgång har minskat i värde beräknas tillgångens återvinningsvärde vilket utgörs av det högre av tillgångens nettoförsäljningsvärde och dess nyttjandevärde. En nedskrivning redovisas när tillgångens återvinningsvärde är lägre än dess redovisade värde. Återvinningsvärdet fastställs utifrån koncernens uppskattning av framtida kassaflöde.

Uppskjutna skatter redovisas för temporära differenser som uppstår mellan det beskattningsbara värdet och det redovisade värdet av tillgångar och skulder liksom för outnyttjade underskottsavdrag. Uppskjutna skattefordringar redovisas enbart då det är sannolikt att de kan nyttjas mot framtida vinster. I händelse att faktiskt utfall skiljer sig från gjorda uppskattningar eller om ledningen justerar dessa uppskattningar i framtiden kan värdet av uppskjutna skattefordringar komma att ändras.

ank=20250710;20250711121503

Not 4 Nettoomsättningens fördelning

Nettoomsättningen per verksamhetsgren:	2024	2023
Teknikuthyrningslösningar	209 197	200 548
Installation och försäljning teknik	134 134	100 041
Projekt, produktioner och tjänster	213 338	235 984
Summa	**556 668**	**536 573**

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:	2024	2023
Norden	443 031	445 567
Övriga Europa	79 777	58 107
Nordamerika	14 951	18 591
Övriga marknader	18 909	14 308
Summa	**556 668**	**536 573**

Not 5 Uppgift om inköp och försäljning inom samma koncern

	2024	2023
Andel av årets totala inköp som skett från andra företag inom koncernen	5%	11%
Andel av årets totala försäljning som skett till andra företag inom koncernen	9%	6%

Av årets försäljning avser 50 591 tkr (32 532 tkr) till andra koncernbolag. Av årets inköp avser 28 074 tkr (54 652 tkr) från andra koncernbolag.

Not 6 Upplysning om ersättningar till revisor

	2024	2023
Deloitte AB		
Revisionsuppdrag enligt avtal	613	596
Ovriga tjänster	8	-
Övriga revisionsbolag		
Skatterådgivning	264	-
Summa	**885**	**596**

Not 7 Leasingavtal

Operationell leasing	2024	2023
Kostnadsförda leasingavgifter avseende operationella leasingavtal	3 459	3 556

Förfallotidpunkt:	2024	2023
Ska betalas inom 1 år	3 403	2 687
Ska betalas inom 2-5 år	2 972	3 929
Ska betalas senare än 5 år	-	-
Summa	**6 375**	**6 616**

ank=20250710;20250711221504

Not 8 Anställda, personalkostnader och ledande befattningshavares ersättningar

Medelantalet anställda	2024	2023
Män	143	145
Kvinnor	21	20
Summa	**164**	**165**

Löner och andra ersättningar	2024	2023
Styrelse och verkställande direktör	5 468	5 268
Övriga anställda	88 160	84 982
Summa	**93 628**	**90 250**

VD har en ömsesidig uppsägningstid om 24 månader och rätt till full lön under tidsperioden.

Pensions- och övriga sociala kostnader	2024	2023
Pensionskostnader för styrelse och verkställande direktör	1 269	1 262
Pensionskostnader för övriga anställda	7 724	6 976
Övriga sociala kostnader enligt lag och avtal	32 278	31 058
Summa	**41 271**	**39 296**

Företaget har inga utestående pensionsförpliktelser till styrelse och verkställande direktör.

Könsfördelning bland ledande befattningshavare	2024	2023
Andel kvinnor i styrelsen	33%	33%
Andel män i styrelsen	67%	67%
Andel kvinnor bland övriga ledande befattningshavare	20%	25%
Andel män bland övriga ledande befattningshavare	80%	75%

Not 9 Bokslutsdispositioner

	2024	2023
Erhållet koncernbidrag	2 133	5 447
Förändring överavskrivningar	5 542	-8 733
Summa	**7 675**	**-3 286**

ank=20250710-20250711121505

Not 10 Skatt på årets resultat

	2024	2023
Uppskjuten skatt	361	-342
Summa	**361**	**-342**

Avstämning årets skattekostnad:	2024	2023
Redovisat resultat före skatt	-12 674	5 009
Skatt på redovisat resultat enligt gällande skattesats 20,6% (20,6%):	2 611	-1 032
Övriga ej avdragsgilla kostnader	-706	-770
Övriga ej skattepliktiga intäkter	5	865
Ej värderade underskott	-1 910	937
Uppskjuten skatt	361	-342
Årets redovisade skattekostnad	**361**	**-342**

Ej värderade underskott utgörs av följande:	2024	2023
Årets resultat	-12 313	4 667
Skatt på årets resultat	-361	342
Andra bokförda kostnader	3 428	3 738
Andra bokförda intäkter	-25	-4 199
Summa överskott/underskott	**-9 271**	**4 548**
Summa skatt 20,6% (20,6%)	**-1 910**	**937**

Företaget har outnyttjade underskottsavdrag uppgående till -95 421 tkr (-87 014 tkr) varav -95 421 tkr (-87 014 tkr) avser ej redovisade underskottsavdrag. Dessa avser underskott på det skattemässiga resultatet och företaget bedömmer det osäkert om dessa underskottsavdrag kommer att kunna utnyttjas på grund av osäkerhet om när i framtiden tillräckliga skattepliktiga överskott kommer att genereras.

Skattesatsen för beräkning av uppskjuten skatt uppgår till 20,6% (20,6%).

ank=20250710-20250711121505

Not 11 Balanserade utgifter för utvecklingsarbeten och liknande arbeten

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	8 282	8 282
Årets anskaffningar	-	-
Utgående ackumulerade anskaffningsvärden	**8 282**	**8 282**
Ingående avskrivningar	-8 282	-8 237
Årets avskrivningar	-	-45
Utgående ackumulerade avskrivningar	**-8 282**	**-8 282**
Utgående redovisat värde	**-**	**-**

Not 12 Goodwill

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	49 912	49 912
Årets anskaffningar	-	-
Försäljningar/utrangeringar	-	-
Utgående ackumulerade anskaffningsvärden	**49 912**	**49 912**
Ingående avskrivningar	-49 912	-49 673
Försäljningar/utrangeringar	-	-
Årets avskrivningar	0	-239
Utgående ackumulerade avskrivningar	**-49 912**	**-49 912**
Utgående redovisat värde	**-**	**-**

ank=20250710;20250711121507

Not 13 Maskiner och andra tekniska anläggningar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	467 725	433 650
Årets anskaffningar	70 838	48 174
Försäljningar/utrangeringar	-87 798	-14 099
Utgående ackumulerade anskaffningsvärden	**450 765**	**467 725**
Ingående avskrivningar	-347 024	-314 270
Försäljningar/utrangeringar	85 759	13 276
Årets avskrivningar	-54 510	-46 030
Utgående ackumulerade avskrivningar	**-315 775**	**-347 024**
Utgående redovisat värde	**134 990**	**120 701**

Not 14 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	69	69
Försäljningar under året	-	-
Förvärv under året	-	-
Utgående ackumulerade anskaffningsvärden	**69**	**69**
Ingående nedskrivningar	-	-
Utgående ackumulerade nedskrivningar	**-**	**-**
Utgående redovisat värde	**69**	**69**

Innehav i dotterföretag	**Kapital-andel**	**Rösträtts-andel**	**Antal andelar**	**Redovisat värde**
Creative Technology Denmark ApS	100%	100%	50	69
Summa				**69**

Dotterföretagens namn, organisationsnummer och säte	**Org.nr.**	**Säte**
Creative Technology Denmark ApS	39 752 948	Hvidovre

ank=20250710-20250711121508

Not 15 Andra långfristiga fordringar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	749	721
Årets anskaffningar:		
Långfristiga kontraktsfordringar	80	54
Årets försäljningar/gottgörelser	-77	-26
Utgående ackumulerade anskaffningsvärden	**752**	**749**
Utgående redovisat värde	**752**	**749**

Not 16 Upparbetad men ej fakturerad intäkt

Uppdrag med successiv vinstavräkning	**2024-12-31**	**2023-12-31**
Upparbetad intäkt på pågående projekt	14 446	12 381
Upplupen produktionskostnad	-44 944	-32 096
Avräkningssaldo fakturerad men ej upparbetad intäkt och upplupen produktionskostnad	**-30 498**	**-19 715**

Ovanstående uppdelat på positiva respektive negativa projektsaldon:

Upparbetad intäkt på pågående projekt	2 684	2 516
Förutbetald produktionskostnad	11 762	9 865
Upparbetad ej fakturerad intäkt	**14 446**	**12 381**
Förskott från kunder	-24 424	-16 548
Upplupna produktionskostnader	-20 520	-15 548
Fakturerad ej upparbetad intäkt	**-44 944**	**-32 096**
Summa	**-30 498**	**-19 715**

Not 17 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda hyreskostnader	4 043	3 987
Förutbetalda leasingavgifter	-	239
Förutbetalda försäkringspremier	1 710	1 628
Fordringar hos leverantör	670	417
Upplupna produktionsintäkter	14 446	12 381
Övriga förutbetalda kostnader	1 319	1 204
Summa	**22 188**	**19 856**

Not 18 Likvida medel

	2024-12-31	2023-12-31
Bankmedel	1 032	1 019
Summa	**1 032**	**1 019**

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Not 19 Aktiekapital

Företagets aktiekapital består av 10 000 aktier med ett kvotvärde om 100 kronor.

Not 20 Obeskattade reserver

	2024-12-31	2023-12-31
Ackumulerade överavskrivningar	11 565	17 107
Summa	**11 565**	**17 107**

Not 21 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner	2 194	3 811
Upplupna semesterlöner	20 009	18 049
Upplupna sociala avgifter	8 836	8 740
Upplupen löneskatt	2 404	2 243
Upplupna produktionskostnader och förskott från kunder	44 944	32 096
Övriga upplupna kostnader	4 533	5 184
Summa	**82 920**	**70 123**

Not 22 Eventualförpliktelser

	2024-12-31	2023-12-31
Övriga ansvarsförbindelser*	673	673
Summa	**673**	**673**

*Fördelar sig enligt följande: Tullverket 18 tkr (18 tkr), Steuerverwaltung Schweiz 67 tkr (67 tkr), Sagax AB 588 tkr (588 tkr).

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Not 23 Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Not 24 Transaktioner med närstående

Transaktioner mellan företaget och dess närstående har skett på marknadsmässiga grunder. Några transaktioner med ledande befattningshavare eller nyckelpersoner utöver lön och ersättningar (se not 8) har inte förekommit.

Not 25 Väsentliga händelser efter räkenskapsårets slut

Bolaget har vunnit kontrakt avseende leverans av den video tekniska lösningen, som inkluderar design, LED, projektions system etc., till Eurovision Song Contest 2025 i Basel.

Omlokalisering har beslutats där Malmö lagret flyttar till Kungälvs lagret och Kungälvs lagret och kontor flyttar till närliggande lokal i Kungälv.

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Not 26 Disposition av företagets resultat

Till årsstämmans förfogande står följande vinstmedel:

Balanserad vinst	40 093
Årets förlust	-12 313
Summa	**27 780**

Styrelsen föreslår att vinstmedlen disponera så att:

I ny räkning överföres	27 780
Summa	**27 780**

Göteborg den 26 juni 2025

Patrik Dejve
Styrelseordförande och verkställande direktör

Magnus Löndén
Styrelseledamot och vice verkställande direktör

Graham Andrews
Styrelseledamot

Jenny Prepuk
Styrelseledamot

Vår revisionsberättelse har lämnats den 30 juni 2025

Deloitte AB

Johan Hulthin
Auktoriserad revisor

ank=20250710-20250711215512

Not 26 Disposition av företagets resultat

Till årsstämmans förfogande står följande vinstmedel:

Balanserad vinst	40 093
Årets förlust	-12 313
Summa	**27 780**

Styrelsen föreslår att vinstmedlen disponera så att:

I ny räkning överföres	27 780
Summa	**27 780**

Göteborg den 26 juni 2025

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Styrelseordförande och verkställande direktör

Magnus Löndén
Styrelseledamot och vice verkställande direktör

Graham Andrews
Styrelseledamot

Jenny Prepuk
Styrelseledamot

Vår revisionsberättelse har lämnats den 2025

Deloitte AB

Johan Hulthin
Auktoriserad revisor

ank=20250710-20250711121513

Creative Technology Northern Europe AB
556341-2930

Not 26 Disposition av företagets resultat

Till årsstämmans förfogande står följande vinstmedel:

Balanserad vinst	40 093
Årets förlust	-12 313
Summa	**27 780**

Styrelsen föreslår att vinstmedlen disponera så att:

I ny räkning överföres	27 780
Summa	**27 780**

Göteborg den 26 juni 2025

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Styrelseordförande och verkställande direktör

Magnus Löndén
Styrelseledamot och vice verkställande direktör

Graham Andrews
Styrelseledamot

Jenny Prepuk
Styrelseledamot

Vår revisionsberättelse har lämnats den 2025

Deloitte AB

Johan Hulthin
Auktoriserad revisor

ank=20250710-20250711121514

Not 26 Disposition av företagets resultat

Till årsstämmans förfogande står följande vinstmedel:

Balanserad vinst	40 093
Årets förlust	-12 313
Summa	**27 780**

Styrelsen föreslår att vinstmedlen disponera så att:

I ny räkning överföres	27 780
Summa	**27 780**

Göteborg den 26 juni 2025

Patrik Dejve
Styrelseordförande och verkställande direktör

Magnus Löndén
Styrelseledamot och vice verkställande direktör

Graham Andrews
Styrelseledamot

Jenny Prepuk
Styrelseledamot

Vår revisionsberättelse har lämnats den 2025

Deloitte AB

Johan Hulthin
Auktoriserad revisor

ank=20250710-20250711121515

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Creative Technology Northern Europe AB, org.nr 556341-2930

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Creative Technology Northern Europe AB för räkenskapsåret 2024-01-01 – 2024-12-31 med undantag för hållbarhetsrapporten på sidorna 5–7.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Creative Technology Northern Europe ABs finansiella ställning per 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 5–7.

Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 5–7. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

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 Creative Technology Northern Europe 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 på fel.

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 styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel, 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 fel 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 på fel, 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 fel, 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 huruvida 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

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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.

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 för Creative Technology Northern Europe AB för räkenskapsåret 2024-01-01 – 2024-12-31 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 Creative Technology Northern Europe 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. Den 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.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 5–7 och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Vår granskning har skett enligt FARs rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Stockholm 30 juni 2025
Deloitte AB

Johan Hulthin
Auktoriserad revisor

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NEP Group Holdings, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2024 and 2023, and Independent Auditor's Report

Confidential

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

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Submitted

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
NEP Group Holdings, Inc.
Pittsburgh, Pennsylvania

Opinion

We have audited the consolidated financial statements of NEP Group Holdings, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, shareholders' (deficit) equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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

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omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- 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 Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

March 28, 2025

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023
(Amounts in thousands, except share and per share amounts)

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,528	$ 49,016
Accounts receivable—net of allowance for doubtful accounts of $5,919 and $3,900 at December 31, 2024 and 2023, respectively	242,828	232,693
Prepaid expenses and other current assets	49,327	61,741
Current assets held-for-sale	-	10,947
Total current assets	341,683	354,397
PROPERTY, PLANT, AND EQUIPMENT—Net	786,973	874,502
OPERATING LEASE RIGHT-OF-USE ASSETS	229,332	255,299
OTHER ASSETS	6,087	4,879
DEFERRED TAXES	1,112	4,960
INTANGIBLES—Net	257,620	293,691
GOODWILL	1,485,091	1,566,893
NONCURRENT ASSETS HELD-FOR-SALE	-	10,268
TOTAL ASSETS	$ 3,107,898	$ 3,364,889
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 86,467	$ 82,028
Accrued expenses	156,299	188,967
Current portion of long-term debt	44,790	29,084
Current portion of operating lease liabilities	42,669	50,042
Current portion of finance lease liabilities	57,197	42,049
Deferred revenue	38,681	58,640
Current liabilities held-for-sale	-	7,221
Total current liabilities	426,103	458,031
LONG-TERM DEBT	2,328,311	2,324,607
LONG-TERM OPERATING LEASE LIABILITIES	192,192	211,105
FINANCE LEASE LIABILITIES	93,567	75,565
OTHER LIABILITIES	11,978	33,897
DEFERRED TAXES	15,657	12,537
NONCURRENT LIABILITIES HELD-FOR-SALE	-	2,875
Total liabilities	3,067,808	3,118,617
MEZZANINE EQUITY:		
Redeemable preferred stock: $0.01 par value; 225,000 shares authorized; 152,213 shares issued and outstanding (liquidation preference of $204,033) at December 31, 2024 122,173 shares issued and outstanding (liquidation preference of $140,531) at December 31, 2023	203,346	139,904
Total mezzanine equity	203,346	139,904
SHAREHOLDERS' EQUITY:		
Common stock: $0.01 par value—authorized, 12,900,000 shares; 9,543,254 issued and 9,477,542 outstanding at December 31, 2024; 9,468,992 outstanding at December 31, 2023	95	95
Treasury stock, at cost; 65,712 shares at December 31, 2024 and 2023, respectively	(6,727)	(6,727)
Accumulated other comprehensive loss	(76,520)	(40,946)
Additional paid-in capital	974,367	1,000,436
Noncontrolling interest	(1,079)	(636)
Stock subscription	(450)	-
Retained deficit	(1,052,942)	(845,854)
Total shareholders' (deficit) equity	(163,256)	106,368
TOTAL LIABILITIES AND EQUITIES	$ 3,107,898	$ 3,364,889

See accompanying notes to consolidated financial statements.

Rejected

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	2024	2023
REVENUE	$ 1,815,986	$ 1,883,593
COSTS OF SERVICES, EXCLUSIVE OF DEPRECIATION AND AMORTIZATION	700,045	750,966
ENGINEERING	334,344	347,867
SELLING, GENERAL, AND ADMINISTRATIVE	416,838	482,794
DEPRECIATION AND AMORTIZATION	290,057	303,571
INCOME (LOSS) FROM OPERATIONS	74,702	(1,605)
INTEREST EXPENSE	260,860	197,527
GAIN ON DIVESTITURE	(26,053)	-
LOSS ON DIVESTITURE	9,518	-
OTHER EXPENSE	13,545	5,900
LOSS BEFORE INCOME TAXES	(183,168)	(205,032)
INCOME TAX EXPENSE	(24,252)	(9,187)
NET LOSS	(207,420)	(214,219)
LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(332)	(407)
NET LOSS ATTRIBUTABLE TO NEP GROUP HOLDINGS, INC.	(207,088)	(213,812)
UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS—Net of tax of ($135) and $639 for the years ended December 31, 2024 and 2023, respectively	(4,392)	(16,374)
FOREIGN TRANSLATION ADJUSTMENT	(31,182)	8,252
COMPREHENSIVE LOSS	$ (242,662)	$ (221,934)

See accompanying notes to consolidated financial statements.

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEZZANINE AND SHAREHOLDERS' (DEFICIT) EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands, except share amounts)

	Preferred stock		Common Stock		Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Treasury Stock		Stock Subscription	Noncontrolling Interest	Retained Deficit	Total
	Shares	Cost	Shares	Cost			Shares	Cost				
BALANCE—December 31, 2022	-	$ -	9,492,314	$ 95	$ (32,824)	$ 1,008,520	42,390	$ (3,996)	$ (950)	$ (22)	$ (632,042)	$ 338,781
Foreign translation adjustment	-	-	-	-	8,252	-	-	-	-	-	-	8,252
Unrealized loss on interest rate swap contracts—net of $639 tax	-	-	-	-	(16,374)	-	-	-	-	-	-	(16,374)
Shares issued under Series A Preferred Stock Agreement—net of issuance costs	122,173	121,546	-	-	-	250	-	-	-	-	-	250
Accrual of redeemable convertible preferred stock paid-in-kind dividends	-	18,358	-	-	-	(18,358)	-	-	-	-	-	(18,358)
Stock subscription redemption	-	-	(23,322)	-	-	-	23,322	(2,731)	950	-	-	(1,781)
Stock-based compensation	-	-	-	-	-	10,024	-	-	-	-	-	10,024
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(207)	-	(207)
Loss attributable to noncontrolling interest	-	-	-	-	-	-	-	-	-	(407)	-	(407)
Net loss	-	-	-	-	-	-	-	-	-	-	(213,812)	(213,812)
BALANCE—December 31, 2023	122,173	139,904	9,468,992	95	(40,946)	1,000,436	65,712	(6,727)	-	(636)	(845,854)	106,368
Foreign translation adjustment	-	-	-	-	(31,182)	-	-	-	-	-	-	(31,182)
Unrealized loss on interest rate swap contracts—net of ($135) tax	-	-	-	-	(4,392)	-	-	-	-	-	-	(4,392)
Shares issued under Series A Preferred Stock Agreement—net of issuance costs	30,040	29,983	-	-	-	-	-	-	-	-	-	-
Accrual of redeemable convertible preferred stock paid-in-kind dividends	-	33,459	-	-	-	(33,459)	-	-	-	-	-	(33,459)
Issuance of common stock	-	-	8,550	-	-	1,001	-	-	-	-	-	1,001
Common stock subscribed	-	-	-	-	-	-	-	-	(450)	-	-	(450)
Stock-based compensation	-	-	-	-	-	6,389	-	-	-	-	-	6,389
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(111)	-	(111)
Loss attributable to noncontrolling interest	-	-	-	-	-	-	-	-	-	(332)	-	(332)
Net loss	-	-	-	-	-	-	-	-	-	-	(207,088)	(207,088)
BALANCE—December 31, 2024	152,213	$ 203,346	9,477,542	$ 95	$ (76,520)	$ 974,367	65,712	$ (6,727)	$ (450)	$ (1,079)	$ (1,052,942)	$ (163,256)

See accompanying notes to consolidated financial statements.

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	2024	2023
OPERATING ACTIVITIES:		
Net loss	$ (207,420)	$ (214,219)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	290,057	303,571
Stock-based compensation	6,389	10,024
Amortization of original issue discount on debt obligations	11,090	299
Amortization of debt issuance costs	7,849	9,290
Interest accretion on payment-in-kind debt	29,917	-
Unrealized transaction loss (gain) on foreign currency denominated assets and liabilities	10,067	(4,560)
Gain on sale or disposal of fixed assets	(1,441)	(1,512)
Gain on divestiture of businesses	(16,535)	-
Deferred income taxes	4,567	2,530
Provision for doubtful accounts	2,288	(150)
Changes in net assets and liabilities:		
Accounts receivable	(20,973)	16,158
Prepaid expenses and other assets	4,787	5,647
Operating lease assets and liabilities	(208)	(1,285)
Accounts payable	(3,841)	(7,662)
Deferred revenue	(19,069)	19,948
Other accruals and liabilities	(38,095)	40,261
Net cash provided by operating activities	59,429	178,340
INVESTING ACTIVITIES:		
Capital expenditures	(186,476)	(291,906)
Divestiture of businesses—net of cash divested $4,478 for the year ended December 31, 2024	70,548	-
Proceeds from insurance	1,302	315
Proceeds from the sale of assets	1,643	758
Net cash used in investing activities	(112,983)	(290,833)
FINANCING ACTIVITIES:		
Borrowings from line of credit	185,941	155,557
Repayment of line of credit	(160,442)	(173,045)
Repayment of debt obligations	(21,013)	(21,532)
Payment of debt issuance costs	(1,410)	(2,926)
Purchase of treasury stock and stock subscription	-	(2,731)
Cash dividend to noncontrolling interest	(111)	(207)
Proceeds from issuance of common stock	551	-
Proceeds from issuance of redeemable preferred stock, net of issuance costs	29,983	121,796
Proceeds from stock subscription	-	950
Proceeds from sale leaseback	78,764	71,863
Repayment of financing lease obligations	(56,224)	(37,176)
Net cash provided by financing activities	56,039	112,549
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,973)	435
NET INCREASE IN CASH AND CASH EQUIVALENTS	512	491
CASH AND CASH EQUIVALENTS—Beginning of period	49,016	48,525
CASH AND CASH EQUIVALENTS—End of period	$ 49,528	$ 49,016

(Continued)

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NEP GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	2024	2023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 220,816	$ 196,553
Cash paid for taxes	$ 6,562	$ 4,286
SUPPLEMENTAL DISCLOSURES OF NONCASH OPERATING, INVESTING, AND FINANCING ACTIVITIES:		
Investing—deferred consideration in current assets	$ 543	$ -
Investing—capital expenditures in current liabilities	$ 16,365	$ 19,944

See accompanying notes to consolidated financial statements.

(Concluded)

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1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business—NEP Group Holdings, Inc. and its subsidiaries (collectively referred to as the "Company" or "NEP Group") is a provider of customized solutions to the live sports and entertainment markets offering various broadcast and live event services. The Company's engineers design live event solutions and work side-by-side with the Company's clients to customize the Company's solutions and provide real-time support during a broadcast or live event to ensure a seamlessly delivered production. Over time, the Company has developed a wide range of services operating inside and outside of the United States and has supported events worldwide.

Organizational History—The Company was originally founded in 1986. On December 23, 2012, ASP NEP/NCP Holdco., Inc. was acquired by funds affiliated with Crestview Partners II GP, L.P. (collectively, "Crestview") and certain members of executive management; through this acquisition, NEP Group, Inc. was formed.

On October 19, 2018 (the "Closing Date"), NEP Group, Inc. was acquired by funds affiliated with the Carlyle Group and certain members of executive management (the "NEP Group, Inc. Acquisition"); through this acquisition, NEP Group Holdings, Inc. ("NEP Group" or the "Company") was formed.

Summary of Significant Accounting Policies

Principles of Consolidation—The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Such statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances have been eliminated in consolidation.

Cash and Cash Equivalents—Cash equivalents are highly liquid investments purchased with an original maturity of 90 days or less. Cash and cash equivalents are stated at cost, which approximates fair value.

Concentration of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions.

The Company held cash and cash equivalents in various financial institutions across multiple jurisdictions. The Company's cash balances are generally insured by local deposit insurance schemes, subject to limits in each jurisdiction. In the United States, the Company's cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account, per insured bank. For cash balances held in other countries, the Company relies on similar deposit insurance protections, where available, and works with reputable institutions to minimize the risk associated with uninsured deposits.

The Company monitors the levels of insured and uninsured deposits regularly to manage its liquidity needs and mitigate potential risks. At December 31, 2024, the Company had cash deposits exceeding the insured limits in certain financial institutions. The uninsured cash balances, which are subject to the

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risk of loss in the event of the financial institution's failure, totaled $43.2M across all jurisdictions. Management believes that the risk of such an event is minimal, given the financial stability of the institutions holding the cash.

Accounts Receivable and Allowance for Doubtful Accounts—Accounts receivable are recorded at invoiced amounts. The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the receivable portfolio determined based on historical experience, specific allowances for known troubled accounts and other currently available evidence. The Company generally extends credit to clients without requiring collateral; however, prepayments are required from clients when a credit history has not been established. The allowance for doubtful accounts was $5.9 million and $3.9 million at December 31, 2024 and 2023, respectively.

Property, Plant, and Equipment—Property, plant and equipment are recorded on the basis of cost. Expenditures for renewals and improvements that extend the useful life or utility of the asset are capitalized and depreciated over the remaining useful life of the asset, and expenditures for ordinary maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of the respective assets as follows:

Furniture and fixtures	4–10 years
Computer equipment	3–5 years
Vehicles	5–8 years
Broadcast and production equipment	5–10 years

Building and leasehold improvements are depreciated over the lesser of the useful life or the remaining lease term (including required lease periods and renewals deemed to be reasonably assured) at the date of acquisition of the leasehold improvement.

Upon disposal or retirement of property, plant and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is recognized. Amortization of assets under finance leases is included in depreciation and amortization expense.

The Company monitors its long-lived assets for impairment indicators on an ongoing basis in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360, *Property, Plant, and Equipment*. If impairment indicators exist, the Company performs the required analysis and records impairment charges, if necessary. In conducting its analysis, the Company compares the undiscounted cash flows expected to be generated from the long-lived assets to the related net book values. If the undiscounted cash flows exceed the net book value, the long-lived assets are considered not to be impaired; if the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized and the book value of the long-lived asset is adjusted to fair value. An impairment loss is measured as the difference between the book value and the fair value of the long-lived assets. Cash flows are estimated using internal budgets based on recent sales data, projected future operational results and client commitments. Changes in economic or operating conditions impacting these estimates and assumptions could result in the impairment of long-lived assets.

Leasing Arrangements—FASB Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842"), requires the Company to recognize a lease liability, which represents the discounted obligation to make future minimum lease payments, and a corresponding right-of-use ("ROU") asset on its consolidated balance sheet for most leases and disclose key information about leasing arrangements.

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Whenever the Company enters into a new arrangement, it must determine, at the inception date, whether the arrangement is or contains a lease. This determination generally depends on whether the arrangement conveys to the Company the right to control the use of an explicitly or implicitly identified asset for a period of time in exchange for consideration. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and obtain substantially all the economic benefits from the use of the underlying asset.

If a lease exists, the Company must then determine the separate lease and non-lease components of the arrangement. Each right to use an underlying asset conveyed by a lease arrangement should generally be considered a separate lease component if it both: (i) can benefit the Company without depending on other resources not readily available to the Company and (ii) does not significantly affect and is not significantly affected by other rights of use conveyed by the lease. Aspects of a lease arrangement that transfer other goods or services to the Company but do not meet the definition of lease components are considered non-lease components. The consideration owed by the Company pursuant to a lease arrangement is generally allocated to each lease and non-lease component for accounting purposes. However, the Company has elected, for all of its leases, to not separate lease and non-lease components. Each lease component is accounted for separately from other lease components, but together with the associated non-lease components.

For each lease, the Company must then determine the lease term, the present value of lease payments and the classification of the lease as either an operating or finance lease.

The lease term is the period of the lease not cancellable by the Company, together with periods covered by: (i) renewal options the Company is reasonably certain to exercise, (ii) termination options the Company is reasonably certain not to exercise, and (iii) renewal or termination options that are controlled by the lessor.

The present value of lease payments is calculated based on:

- Lease payments—lease payments include fixed and certain variable payments, less lease incentives, together with amounts probable of being owed by the Company under residual value guarantees and, if reasonably certain of being paid, the cost of certain renewal options and early termination penalties set forth in the lease arrangement. Lease payments exclude consideration that is not related to the transfer of goods and services of the Company.
- Discount rate—the discount rate must be determined based on information available to the Company upon the commencement of the lease. Lessees are required to use the rate implicit in the lease whenever such rate is readily available; however, as the implicit rate in the Company's leases is generally not readily determinable, the Company generally uses the hypothetical incremental borrowing rate it would have to pay to borrow an amount equal to the lease payments, on a collateralized basis, over a timeframe similar to the lease term.

In making the determination of whether a lease is an operating lease or a finance lease, the Company considers the lease term in relation to the economic life of the leased asset, the present value of lease payments in relation to the fair value of the leased asset and certain other factors, including the lessee's or lessor's rights, obligations, and economic incentives over the term of the lease.

Generally, upon the commencement of a lease, the Company will record a lease liability and a ROU asset. However, the Company has elected, for all underlying leases with initial terms of twelve months or less (known as short-term leases), to not recognize a lease liability or ROU asset. Lease liabilities are

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initially recorded at lease commencement as the present value of future lease payments. ROU assets are initially recorded at lease commencement as the initial amount of the lease liability, together with the following, if applicable: (i) initial direct costs incurred by the lessee and (ii) lease payments made by the lessor net of lease incentives received, prior to lease commencement.

Over the lease term, the Company generally increases its lease liabilities using the effective interest method and decreases its lease liabilities for lease payments made. For finance leases, amortization and interest expense are recognized separately in the consolidated statements of operations and comprehensive loss, with amortization expense generally recorded on a straight-line basis over the lease term and interest expense recorded using the effective interest method. For operating leases, a single lease cost is generally recognized in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term unless an impairment has been recorded with respect to a leased asset. Lease costs for short-term leases not recognized in the consolidated balance sheets are recognized in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term. Variable lease costs not initially included in the lease liability and ROU asset impairment charges are expensed as incurred. ROU assets are assessed for impairment, similar to other long-lived assets.

See Note 9, Leases, for additional information.

Sale and Leaseback Transactions—The Company accounts for the sale and leaseback of broadcast equipment and vehicles in accordance with ASC 606, *Revenue from Contracts with Customers ("ASC 606"),* and ASC 842. If the determination is made that a transaction is within the scope of the sale and leaseback guidance in ASC 842, the transaction is further assessed to determine if the transfer of the asset meets the requirements to be accounted for as a sale under ASC 606. If the sale and leaseback is at fair value, a gain or loss for the difference between the transaction price and the carrying amount of the underlying asset is immediately recognized. If the sale-leaseback transaction is not made at fair value, the difference between the transaction price and the fair value of the underlying asset is recognized as a financing asset or liability in accordance with ASC 842.

When a sale and leaseback does not qualify for sale accounting, the transaction is accounted for as a financing transaction and considered a "failed sale and leaseback" transaction. The Company continues depreciating the asset as if it was the legal owner and the sales proceeds received from the buyer-lessor are recognized as a financial liability.

Goodwill and Intangible Assets—Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is not amortized. Any intangibles acquired in business combinations are recorded based upon their fair value at the date of acquisition. Intangible assets with finite lives are amortized on a straight-line basis over the estimated economic lives of the assets and reviewed for impairment when indicators of potential impairment are present. Goodwill and indefinite-lived intangible assets are tested for impairment at the reporting unit level at least annually; the Company performs its annual impairment test during the fourth quarter, as of October 1, and also tests for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company's reporting units include NEP Media Services and NEP Live Events.

Based on impairment tests performed, the Company has not recognized an impairment of the Company's goodwill or other intangible assets during any of the periods presented herein. See Note 7, Goodwill, for additional information.

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Fair Value of Financial Instruments—The carrying amounts of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value due to their short maturities. The carrying value of the Company's long-term debt obligations approximates fair value because they have an interest rate that varies with market interest rates. The Company's derivative instruments are required to be measured at fair value on a recurring basis.

Fair Value Measurement—Fair value is based on the price that would be received from the sale of an identical asset or paid to transfer an identical liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy has been established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2—Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.

Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

Debt Issuance Costs—The origination costs related to the issuance of debt are recorded as a reduction to the related liability and are amortized to interest expense over the contractual term of the loan facility using the effective interest method.

Business Combinations—The Company accounts for business combinations using the acquisition method of accounting. The acquisition method of accounting requires that the purchase price, including the fair value of contingent consideration, of the acquisition be allocated to the assets acquired and liabilities assumed using the fair value determined by management at the acquisition date.

The Company generally uses the following methodologies for valuing our significant acquired tangible and intangible assets:

- *Property, Plant, and Equipment*—The Company values by estimating the replacement cost of such assets.

- *(Un)favorable Leasehold Interests*—The Company values using the market approach.

- *Tradename*—The Company uses the relief-from-royalty method, a variation of the income approach, to value trademarks and tradenames. The key assumptions for the model are forecasted net revenue, the royalty rate, the effective tax rate and the discount rate.

- *Customer Relationships and Customer Contracts*—The Company uses the multi-period excess earnings method to value customer relationships and customer contracts. The key assumptions for the model are forecasted net revenue, Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), the estimated allocation of earnings between different classes of assets, the attrition rate, the effective tax rate and the discount rate.

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Derivatives and Hedging—The Company does not engage in speculative transactions for trading purposes. The Company uses derivative financial instruments in the normal course of business to manage its exposure to interest rate changes under its debt agreements, which bear interest at variable rates, and to manage its exposure to foreign currency exchange rates.

The Company records derivative instruments as either assets or liabilities in the consolidated balance sheets at their fair value. The Company has designated the interest rate swap derivative instruments as effective cash flow hedges, and changes in the fair value of these derivative instruments are recorded in accumulated other comprehensive loss on the consolidated balance sheets. See Note 16, Financial Instruments and Risk Management, for additional information about these contracts.

Foreign Currency Translation—For the Company's foreign operations, the functional currency is the local currency. Assets and liabilities of these operations are translated at the exchange rate in effect on the balance sheet date while income and expenses are translated at the average exchange rates prevailing during the period.

Foreign currency gains and losses resulting from transactions, and the translation of consolidated financial statements are recorded in the Company's consolidated financial statements based upon the provisions of ASC 830, *Foreign Currency Matters*. The effects of currency exchange rate changes on intercompany transactions and balances of a long-term investment nature are accumulated and carried as a component of accumulated other comprehensive loss. The effects of currency exchange rate changes on intercompany transactions that are denominated in a currency other than an entity's functional currency are charged or credited to earnings through other expense or other income for the period presented. The foreign currency impact for the years ended December 31, 2024 and December 31, 2023 was $10.7 million loss and $2.5 million gain, respectively. This amount is presented within Other Expense on the consolidated statement of operations and comprehensive loss.

Revenue Recognition Policy (ASC 606)—Revenue is recognized when control of promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. This is achieved by applying the following five-step model:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as performance obligations are satisfied

The Company's revenue is derived principally from the following services:

- *Remote Production Services*—These services provide the Company's clients with a mobile control room to facilitate the capture and creation of live content, including a mobile unit or fly pack equipped with the Company's assets (e.g., cameras and related audio and video equipment) together with a NEP Group broadcast engineering team.

- *Studio Control Room Production Services*—These services include the supply and operation of studios and/or control rooms together with a NEP Group broadcast engineering team that support live and near-live format television programming for entertainment clients.

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- *Video Display Services*—These services provide the Company's clients with large-scale, modular, LED video screens and related capabilities together with a NEP Group technical display engineering team.

- *Other Media Solutions Services*—The Other Media Solutions Services are comprised of several service offerings which provide the Company's clients with media supply chain management solutions, including media asset management, automated video content delivery and IT monitoring tools.

The Company enters into contracts to provide the above services to their customers for a specified event over a specified period of time, generally one month or less. Each event and each period of service is distinct in the context of the contract and are accounted for as a separate performance obligation. Revenues for these services are recognized over time (output method) as the services are performed and control of the services are transferred to the customer.

The Company typically incurs certain event-related direct costs for additional services required by the event that are classified as variable consideration. This variable consideration is typically passed through to the client as additional revenue with no mark-up or margin earned by the Company. To determine the transaction price, the Company estimates the variable consideration using the expected value method, based on the contract terms and the known performance during the service period. When determining if variable consideration should be constrained, the Company considers whether factors outside of its control could result in a significant reversal of revenue. In making these assessments, the Company considers the likelihood and magnitude of a potential reversal of revenue. The Company's service periods are typically of a short duration and the estimates are reassessed during each reporting period.

Revenue is recorded net of taxes collected or accrued. Sales, value-added and goods and services taxes are recorded as current liabilities until remitted to the relevant government authority.

Deferred Revenue—Deferred revenue consists of payments received in advance of revenue recognition from the Company's contracts with customers. The timing of revenue recognition may differ from the timing of payments from customers. The time between invoicing and when payment is due is not significant.

Income Taxes—The Company utilizes the asset and liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for expected future consequences of temporary differences between the financial reporting and income tax basis of assets and liabilities using enacted tax rates. The Company's management makes estimates, assumptions and judgments to determine the Company's provision for income taxes and also for deferred tax assets and liabilities, and any valuation allowances recorded against the Company's deferred tax assets. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent the Company believes that recovery is not likely, the Company must establish a valuation allowance.

The calculation of the Company's current provision for income taxes involves the use of estimates, assumptions and judgments while taking into account current tax laws, interpretation of current tax laws and possible outcomes of future tax audits. The effects of future changes in tax laws or rates are not anticipated. Although the Company believes its estimates, assumptions and judgments to be reasonable, any changes in tax law or its interpretation and the resolutions of potential tax audits could impact the amounts provided for income taxes in the Company's consolidated financial statements.

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The calculation of the Company's deferred tax balance involves the use of estimates, assumptions and judgments while taking into account estimates of the amounts and type of future taxable income and tax laws. Actual future operating results and the underlying amount and type of income could differ materially from the Company's estimates, assumptions and judgments thereby impacting the Company's consolidated financial position and results of operations.

The Company evaluates uncertain tax positions using the recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in the Company's income tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company includes interest and penalties related to unrecognized tax benefits within income tax expense in the accompanying consolidated statements of operations and comprehensive loss. The Company has not incurred any material interest or penalties related to unrecognized tax benefits in any of the periods presented.

Other Comprehensive Loss—Comprehensive loss is defined as net income and all other nonowner changes in shareholders' equity. Other comprehensive loss results from items deferred from recognition into the consolidated statements of operations and comprehensive loss. The Company follows the provisions of ASC 220, *Comprehensive Income*, for the reporting and display of comprehensive loss and its components. The Company's accumulated other comprehensive loss consists of foreign currency translation adjustments and the unrealized gain on interest rate swap contracts, net of tax. Accumulated other comprehensive loss ("AOCI") is separately presented on the Company's consolidated balance sheets as part of shareholders' equity.

Equity-Based Compensation—The Company accounts for equity-based compensation using the fair value method as set forth in the ASC 718, *Compensation—Stock Compensation*, which requires the measurement and recognition of compensation expense for all share-based payment awards based on estimated fair values. This method requires companies to estimate the fair value of stock-based compensation on the date of grant using an option pricing model. The Company estimates the fair value of each equity-based payment award on the date of grant using the Black-Scholes pricing model.

The Black-Scholes model determines the fair value of equity-based payment awards based on the fair value of the underlying common stock on the date of grant and requires the use of estimates and assumptions, which are discussed in Note 13, Stock-Based Compensation.

Common Stock Valuation—Determining the fair value of the Company's common stock requires complex and subjective judgment and estimates. There is inherent uncertainty in making these judgments and estimates. The absence of an active market for the Company's common stock required the Company's Board of Directors to estimate the fair value of the common stock for purpose of setting the exercise price of the options and estimating the fair value of the common stock at the time options were granted based on factors such as valuations of comparable companies, the status of the Company's development and sales efforts, revenue growth, and additional objective and subjective factors relating to the Company's business. The Company performed its analysis in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants' ("AICPA") *Practice Guide, Valuation of Privately Held Company Equity Securities Issues as Compensation*; with this guidance, the Company's Board of Directors exercised reasonable judgment

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and considered numerous and subjective factors to determine the best estimate of fair value of the Company's common stock, including the following:

Company Specific Factors

- Actual and forecasted operating and financial performance based on management's estimate
- Historical acquisition valuations of the Company
- The development and maintenance of client relationships
- Client and industry recognition
- The hiring and retention of key personnel
- The historical lack of a public market for the Company's common stock

General Economic Factors

- Industry trends and competitive environment
- Trends in client and the at-large public spending, including client and public confidence
- Overall economic indicators
- The general economic outlook

The common stock valuations have historically leveraged the historical prices paid to acquire the Company's common stock in change of ownership transactions, which were representative of fair value. The purchase price is allocated to those shares outstanding at the time of purchase to calculate the fair value of each share of common stock. This approach was applied consistently from the December 23, 2012, change in ownership forward as well as for the NEP Group, Inc. acquisition. The Company's valuation of common stock has historically been estimated utilizing a market approach. When coincident with the grant date of options, the Company has utilized the valuation ascribed in private equity change in ownership transactions.

Mezzanine Equity—The Company follows the guidance of ASC 480, *Distinguishing Liabilities from Equity*, in determining the treatment of its preferred shares. The convertible preferred stock is classified in mezzanine equity under the terms of ASC 480 as it represents a contingently redeemable security due to the following contingent redemption features:

(1) Mandatory redemption—upon the occurrence of an exit event
(2) Exchange—upon the occurrence of an IPO, the stock can be exchangeable, at the option of the Company, for shares of the Corporation's Class B Common Stock
(3) Optional redemption—at any time after the third anniversary of the issue date (See FN 12), the Company may redeem all or a portion of the shares

The convertible preferred stock is initially measured at its fair value at the issuance date, and the carrying amount is not remeasured as long as it is not probable of becoming redeemable. Costs directly associated with the issuance of the convertible preferred stock (e.g., legal costs) were recorded at issuance as a reduction to the convertible preferred stock amount. At the time when a deemed liquidation event is considered probable, the convertible preferred stock balance will be remeasured to its redemption value (See Note 12, Shareholders' (Deficit) Equity) and the carrying amount of the instrument will be adjusted to equal the redemption value at the end of each reporting period.

As of December 31, 2024, the Company concluded that a deemed liquidation event was not probable and therefore the carrying amount was not remeasured.

Use of Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the Company to make estimates and

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assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Immaterial Restatement of Prior Period Financial Statements - Subsequent to the issuance of the consolidated financial statements for the fiscal year ended December 31, 2023, the Company identified immaterial errors related to the accounting for certain assets following the NEP Group, Inc. Acquisition on October 19, 2018. Specifically, the Company determined that it had inappropriately recorded depreciation for certain assets subsequent to the NEP Group, Inc. Acquisition. The cumulative effect of the depreciation error resulted in an overstatement of accumulated depreciation of $63.1 million as of December 31, 2023.

Additionally, the Company identified an error in the recording of the opening balance sheet for certain assets acquired in the NEP Group, Inc. Acquisition. The effect of the error resulted in an understatement of property, plant, and equipment - gross of $6.1 million and an offsetting overstatement of goodwill of $6.1 million as of December 31, 2023.

The associated tax effects resulted in an understatement of deferred tax liabilities of $19.6 million, an overstatement of valuation allowance of $18.3 million, and an understatement of deferred tax expense of $1.3 million as of December 31, 2023.

Management evaluated the materiality of the errors based on qualitative and quantitative factors and determined that the related impacts were not material to the Company's previously issued consolidated financial statements for any of the prior fiscal years in which they occurred, individually or in the aggregate, but that correcting the error in the current fiscal year would be material to the Company's results of operations for the fiscal year ended December 31, 2024. Therefore, the Company has restated the consolidated financial statements for the prior periods presented, including the comparative prior period amounts in the applicable notes to the consolidated financial statements. The effected footnotes included within this restatement are as follows: Footnote 5 Property, Plant, and Equipment – Net; Footnote 7 Goodwill; Footnote 9 Leases; and Footnote 11 Income Taxes.

The following tables present the effect of the immaterial misstatements on the Company's consolidated balance sheet and consolidated statements of operations and comprehensive loss, mezzanine equity and shareholders' equity, and cash flows for the period indicated:

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CONSOLIDATED BALANCE SHEET

(in thousands)	As of December 31, 2023 As Previously Reported	Adjustments	As Restated
ASSETS			
PROPERTY, PLANT, AND EQUIPMENT - Net	$ 805,280	$ 69,222	$ 874,502
GOODWILL	1,572,993	(6,100)	1,566,893
Total assets	3,301,767	63,122	3,364,889
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY			
Deferred Taxes	11,267	1,270	12,537
Total Liabilities	3,117,347	1,270	3,118,617
SHAREHOLDERS' EQUITY:			
Retained deficit	(907,610)	61,756	(845,854)
Accumulated other comprehensive loss	(41,042)	96	(40,946)
Total stockholders' equity	44,516	61,852	106,368
Total liabilities and equities	$ 3,301,767	$ 63,122	$ 3,364,889

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands)	Fiscal Year Ended December 31, 2023 As Previously Reported	Adjustments	As Restated
Depreciation and amortization	$ 307,275	$ (3,704)	$ 303,571
Loss from operations	(5,309)	3,704	(1,605)
Loss before income taxes	(208,736)	3,704	(205,032)
Income tax expense	(9,179)	(8)	(9,187)
Net loss	(217,915)	3,696	(214,219)
Net loss attributable to NEP Group, Inc.	(217,508)	3,696	(213,812)
Foreign translation adjustment	8,156	96	8,252
Comprehensive loss	$ (225,726)	$ 3,792	$ (221,934)

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CONSOLIDATED STATEMENTS OF MEZZANINE AND SHAREHOLDERS' EQUITY

	Preferred stock		Common Stock		Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Treasury Stock		Stock Subscription	Noncontrolling Interest	Retained Deficit	Total
	Shares	Cost	Shares	Cost			Shares	Cost				
As Previously Reported												
BALANCE—December 31, 2022	-	$ -	9,492,314	$95	$(32,824)	$1,008,520	42,390	$(3,996)	$(950)	$ (22)	$ (690,102)	$ 280,721
Foreign translation adjustment	-	-	-	-	8,156	-	-	-	-	-	-	8,156
Net loss	-	-	-	-	-	-	-	-	-	-	(217,508)	(217,508)
BALANCE—December 31, 2023	122,173	139,904	9,468,992	95	(41,042)	1,000,436	65,712	(6,727)	-	(636)	(907,610)	44,516
Adjustments												
BALANCE—December 31, 2022	-	-	-	-	-	-	-	-	-	-	58,060	58,060
Foreign translation adjustment	-	-	-	-	96		-	-	-	-	-	96
Net loss	-	-	-	-	-	-	-	-	-	-	3,696	3,696
BALANCE—December 31, 2023	-	-	-	-	96	-	-	-	-	-	61,756	61,852
As Restated												
BALANCE—December 31, 2022	-	-	9,492,314	95	(32,824)	1,008,520	42,390	(3,996)	(950)	(22)	(632,042)	338,781
Foreign translation adjustment	-	-	-	-	8,252	-	-	-	-	-	-	8,252
Net loss	-	-	-	-	-	-	-	-	-	-	(213,812)	(213,812)
BALANCE—December 31, 2023	122,173	139,904	9,468,992	95	(40,946)	1,000,436	65,712	(6,727)	-	(636)	(845,854)	106,368

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Fiscal Year Ended December 31, 2023 As Previously Reported	Adjustments	As Restated
Operating Activities:			
Net loss	$ (217,915)	$ 3,696	$ (214,219)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	307,275	(3,704)	303,571
Deferred income taxes	2,522	8	2,530

Recent Accounting Pronouncements

Accounting Standards Issued Not Yet Adopted— In March 2024, the FASB issued ASU No 2024-01, "Compensation - Stock Compensation (Topic 718): Scope application for profits interest and similar awards" ("ASU 2024-01"). This update adds an illustrative example to demonstrate how an entity should apply the scope guidance to determine whether profits interest and similar awards ("profits interest awards") should be accounted for in accordance with Topic 718. ASU 2024-01 is effective for fiscal years beginning after December 15, 2025. Early adoption is permitted. ASU 2024-01 should be applied retrospectively to all prior periods presented in the financial statements or prospectively. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which amends the Codification to enhance the transparency and decision usefulness of income tax disclosures. This ASU requires additional disaggregation of the reconciliation between the statutory and effective tax rate for an entity and of income taxes paid, both of which are disclosures required by current GAAP. The amendments improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The standard is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the impact ASU 2023-09 will have on the consolidated financial statements.

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2. DIVESTITURES

On January 31, 2024, the Company completed the divestiture of its SOS Global Express, Inc. ("SOS") business, which is a global provider of asset light, freight forwarding and logistics management services for $61.9 million, net of cash divested of $4.3 million. For the year ended December 31, 2023, the pre tax net income of SOS and pre tax net income of SOS attributable to the Company was $1.1M and $1.0 million, respectively. The pre-tax net income of SOS for the year ended December 31, 2024 was not significant.

The assets and liabilities of SOS were classified as held-for-sale as of December 31, 2023 and are presented respectively within the major classes of assets and liabilities in the consolidated balance sheet.

	SOS December 31, 2023
Accounts receivable	$10,947
Total current assets held-for-sale	$10,947
Intangible assets	$ 9,155
Other assets	1,113
Total noncurrent assets held-for-sale	$10,268
Accounts payable	$ 3,867
Accrued expenses	3,354
Total current liabilities held-for-sale	$ 7,221
Deferred taxes	$ 2,111
Other liabilities	764
Total noncurrent liabilities held-for-sale	$ 2,875
Net assets held-for-sale	$11,119

On July 5, 2024, the Company completed the divestiture of its Screen Scene Group business ("SSG"), which is a post-production and visual effects (VFX) business for $9.2 million, net of cash divested of $0.2 million. The transaction was completed as a management buyout, with an investor group that included certain former members of SSG's management team. For the year ended December 31, 2024 and 2023, pre tax net loss of SSG was $1.4 million and $1.5 million, respectively.

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3. ACCOUNTS RECEIVABLE—NET

Accounts receivable consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Billed receivables	$ 191,151	$ 183,418
Unbilled receivables	57,596	53,175
Allowance for doubtful accounts	(5,919)	(3,900)
Accounts receivable—net	$ 242,828	$ 232,693

The opening balance for Accounts receivable—gross, and Deferred revenue—current, and Deferred revenue—long term as of January 1, 2023 was $260.0 million, $38.5 million, and $1.7 million respectively.

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Prepaid insurance	$ 4,422	$ 4,429
Prepaid taxes	2,841	9,463
Prepaid deposits	5,613	5,465
Prepaid maintenance agreements	7,634	8,384
Prepaid direct cost	11,499	10,938
Derivative assets	4,166	7,519
Prepaid other	13,152	15,543
	$ 49,327	$ 61,741

5. PROPERTY, PLANT, AND EQUIPMENT—NET

Property, plant, and equipment consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Broadcast and production equipment	$ 1,787,708	$ 1,755,352
Furniture and fixtures	14,090	17,304
Building and leasehold improvements	75,594	77,975
Computer equipment	46,916	39,090
Vehicles	57,474	55,439
Construction in progress	39,443	85,960
Property, plant, and equipment—gross	2,021,225	2,031,120
Accumulated depreciation	(1,234,252)	(1,156,618)
Total property, plant, and equipment—net	$ 786,973	$ 874,502

The Company's depreciation expense was $262.7 million and $275.1 million, for the years ended December 31, 2024 and 2023, respectively.

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6. INTANGIBLE ASSETS—NET

Intangible assets relate primarily to those customer relationships obtained through acquisitions (see Note 1). The intangible asset amortization is recorded on a straight-line basis over the estimated useful life of each relationship with a weighted-average useful life remaining of 98 months and 110 months as of December 31, 2024 and 2023, respectively.

The following table presents the gross carrying amount, accumulated amortization, and resulting net intangibles as of December 31, 2024 and 2023:

	2024	2023
Gross carrying amount	$ 399,683	$ 402,483
Accumulated amortization	(166,861)	(140,607)
Foreign currency impact	(16,202)	(9,185)
Net intangibles	$ 216,620	$ 252,691
Indefinite-lived intangible assets—tradenames	$ 41,000	$ 41,000

The Company incurred intangible asset amortization expense of $27.4 million and $28.5 million, for the years ended December 31, 2024 and 2023, respectively. The estimated aggregate intangible asset amortization for the next five years and thereafter is expected to be as follows:

2025	$ 26,626
2026	26,626
2027	26,626
2028	26,596
2029	26,584
Thereafter	83,562
	$ 216,620

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7. GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired (see Note 1). Goodwill is not amortized but is reviewed annually during the fourth quarter for impairment. The following table presents the Company's roll forward of goodwill for the years ended December 31, 2024 and 2023:

Balance—December 31, 2022	$ 1,549,304
Acquisitions of businesses	-
Adjustments [1]	198
Foreign currency adjustment	17,391
Balance—December 31, 2023	$ 1,566,893
Acquisitions of businesses	-
Divestiture of businesses	(34,275)
Adjustments [1]	75
Foreign currency adjustment	(47,602)
Balance—December 31, 2024	$ 1,485,091

[1] In accordance with the accounting for business combinations, the Company recorded adjustments to goodwill for the effect of the changes in the provisional fair values of the assets required and liabilities assumed during the measurement period (up to one year from the acquisition date) as the Company obtained new information about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date.

8. ACCRUED EXPENSES

Accrued expenses consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Accrued direct costs	$ 40,193	$ 49,535
Accrued compensation	56,462	71,298
Accrued professional services fees	7,607	9,612
Payroll and other taxes	26,253	25,184
Accrued employee benefit costs	9,332	14,448
Derivatives liabilities	2,385	-
Accrued capital expenditures	6,599	6,434
Other accruals	7,468	12,456
Total accrued expenses	$ 156,299	$ 188,967

9. LEASES

The Company leases its office facilities, office equipment, broadcast equipment and vehicles under noncancelable lease agreements which expire at various dates through 2080. Some of these lease agreements include an option to renew at the end of the term. The Company also leases certain office facilities on a month-to-month basis. In some instances, the Company is also required to pay its pro rata

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share of real estate taxes and utility costs in connection with the premises. Some of the leases contain fixed annual increases of minimum rent.

The Company's leases frequently allow for lease payments that could vary based on factors such as inflation and the incurrence of contractual charges such as those for common area maintenance or utilities.

Renewal and/or early termination options are common in the lease arrangements, particularly with respect to real estate leases. The Company's right-of-use assets and lease liabilities generally include periods covered by renewal options and exclude periods covered by early termination options (based on the conclusion that it is reasonably certain that the Company will exercise such renewal options and not exercise such early termination options).

The Company is also party to certain sublease arrangements related to real estate leases, where the Company acts as the lessee and intermediate lessor.

The following table presents information about the Company's right-of-use assets and lease liabilities as of December 31, 2024 and 2023:

	Consolidated Balance Sheet Line Item	2024	2023
Right-of-use (ROU) asset:			
Operating lease ROU assets	Operating lease right-of-use assets	$ 229,332	$ 255,299
Finance lease ROU assets	Property, plant, and equipment—net	152,642	103,531
Total ROU assets		$ 381,974	$ 358,830
Operating lease liabilities:			
Current operating lease liabilities	Current portion of operating lease liabilities	$ 42,669	$ 50,042
Noncurrent operating lease liabilities	Long-term operating lease liabilities	192,192	211,105
Total operating lease liabilities		$ 234,861	$ 261,147
Finance lease liabilities:			
Current finance lease liabilities	Current portion of finance lease liabilities	$ 57,197	$ 42,049
Noncurrent finance lease liabilities	Finance lease liabilities	93,567	75,565
Total finance lease liabilities		$ 150,764	$ 117,614

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The following table presents information about lease costs and expenses for the years ended December 31, 2024 and 2023:

	2024	2023
Operating lease costs	$ 60,021	$ 71,474
Finance lease costs:		
Amortization of ROU assets	$ 32,277	$ 26,485
Imputed interest on lease liabilities	12,868	4,826
Other lease costs and income:		
Short-term lease costs	$ 5,648	$ 2,069
Variable lease costs [1]	8,918	7,208

[1] Amounts represent variable costs incurred that were not included in the initial measurement of the lease liability such as common area maintenance and utilities costs associated with leased real estate.

The following table provides the undiscounted amount of future cash flows included in the Company's lease liabilities as of December 31, 2024, for each of the five years subsequent to December 31, 2024, and thereafter, as well as a reconciliation of such undiscounted cash flows to the Company's lease liabilities as of December 31, 2024:

	Operating Leases	Finance Leases
2025	$ 54,495	$ 65,966
2026	45,190	50,862
2027	37,694	36,953
2028	31,185	8,353
2029	24,177	2,763
Thereafter	135,710	2,587
Total future lease payments	328,451	167,484
Less: amount representing interest	(93,590)	(16,720)
Present value of future lease payments	$234,861	$150,764

The following table provides the weighted average remaining lease terms and weighted average discount rates for the Company's leases as of December 31, 2024 and 2023:

	2024	2023
Weighted average remaining lease term, weighted based on lease liability balances:		
Operating leases	10.5 years	10.7 years
Finance leases	2.9 years	3.1 years
Weighted average discount rate, weighted based on remaining balance of lease payments:		
Operating leases	6.1 %	5.5 %
Finance leases	7.6 %	7.4 %

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The following table provides certain cash flows and supplemental non-cash information related to our leases for the years ended December 31, 2024 and 2023:

	2024	2023
Non-cash operating lease assets obtained in exchange for operating lease liabilities	$ 61,254	$ 70,150
Operating cash payments for operating leases	59,346	71,605
Financing cash payments for finance leases	56,224	37,176

Sale-Leaseback Arrangements

During the year ended December 31, 2024, the Company entered into eleven failed sale-leaseback arrangements under ASC 842 for the purpose of financing capital expenditures. The sales leaseback transactions were as follows:

Sale Leaseback Transactions

Start Date	Cash Received	Term (months)
Feb 2024 (Arrangement 1)	$ 2,120	36
Feb 2024 (Arrangement 2)	34,333	48
Apr 2024 (Arrangement 1)	1,600	36
Apr 2024 (Arrangement 2)	4,216	36
Apr 2024 (Arrangement 3)	557	36
May2024 (Arrangement 1)	13,812	36
May2024 (Arrangement 2)	4,397	36
May 2024 (Arrangement 3)	1,412	36
May 2024 (Arrangement 4)	1,353	36
May 2024 (Arrangement 5)	12,402	48
July 2024	2,562	36
Proceeds from sale leaseback	$ 78,764	

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During the year ended December 31, 2023, the Company entered into eleven failed sale-leaseback arrangements under ASC 842 for the purpose of financing capital expenditures. The sales leaseback transactions were as follows:

Sale Leaseback Transactions

Start Date	Cash Received	Term (months)
May 2023 (Arrangement 1)	$ 1,345	36
May 2023 (Arrangement 2)	3,672	36
May 2023 (Arrangement 3)	2,237	36
June 2023	1,005	36
July 2023	9,216	36
August 2023 (Arrangement 1)	4,644	48
August 2023 (Arrangement 2)	5,606	36
September 2023 (Arrangement 1)	4,942	48
September 2023 (Arrangement 2)	24,569	48
December 2023 (Arrangement 1)	7,338	48
December 2023 (Arrangement 2)	7,289	48
Proceeds from sale leaseback	$ 71,863	

10. LONG-TERM DEBT

Long-term debt consisted of the following as of December 31, 2024 and 2023:

	2024	2023
First lien term loan—USD	$ 1,429,207	$ 1,422,093
First lien term loan—Euro	511,352	540,631
Second lien term loan	240,000	240,000
First lien term loan—Outside Broadcast	953	1,197
Revolving line of credit	201,000	171,490
Revolving line of credit—NEP Australia	17,360	19,128
Revolving line of credit—NEP New Zealand	3,366	7,900
First lien term loan—NEP Sweden	436	1,214
	2,403,674	2,403,653
Less current portion	(44,790)	(29,084)
Less unamortized discount and issuance costs	(30,573)	(49,962)
Long-term portion	$ 2,328,311	$ 2,324,607

The Company's Credit Arrangements

On October 19, 2018, the Company entered into multiple credit agreements with a financial institution and other lenders. The credit agreements were entered into as a means to finance a portion of the NEP Group, Inc. Acquisition and were comprised of a $250.0 million revolving credit facility, a $1,130.0 million USD first lien term loan, a 397.1 million EUR, or approximately $450.3 million USD,

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Euro first lien term loan (collectively, the "First Lien Credit Facilities"), and a $240.0 million USD second lien term loan (all together collectively, the "Credit Agreements").

First Lien Credit Facilities—On August 13, 2019, the Company amended its Euro first lien term loan, increasing it by 110.0 million EUR, or approximately $122.3 million.

On June 2, 2020, the Company amended its USD first lien term loan and entered into a New Term Facility (the "2020 Dollar Term Facility") in an aggregate amount of $100.0 million. On February 26, 2021, the Company elected to exercise its right to borrow $25.0 million on the Delayed Draw Term Loans under the 2020 Dollar Term Facility.

On November 23, 2021, the Company amended its USD first lien term loan and entered into a New Term Facility (the "2021 Dollar Term Facility") in an aggregate amount of $210.0 million.

On October 7, 2022, the Company amended its revolving credit facility to extend the maturity date. Under this amendment, the maturity date of the revolving credit facility was extended to February 28, 2025, and applied to $245.0 million of the $250.0 million of revolving credit facility limit. The remaining $5.0 million of revolving credit facility not included in the extended maturity date matured on October 19, 2023. Additionally, the revolving credit facility's LIBOR rate loan borrowings were converted to SOFR rate loan borrowings.

On March 6, 2023, the Company amended its revolving credit facility to increase the letter of credit sublimit by $10.0 million from $20.0 million to $30.0 million.

On May 26, 2023, the Company amended the reference rate of its first lien credit facilities whereby all existing LIBOR borrowings converted to SOFR Rate Loan borrowings.

On December 14, 2023, the Company amended its first lien credit facilities to extend the maturity dates. Other terms and conditions are as follows:

	Maturity		Extended	Original Issuance Discount		Interest Rate	Exit
USD (in millions)	Former	Amended	Tranche[1]	PIK[2] %	PIK[2] Amount	PIK[3] %	Premium[4]
USD First Lien Term Loan[6]	Oct 2025	Aug 2026	$ 1,069.3	1.50 %	$ 16.0	1.50 %	2.00 %
2020 Dollar Term Facility	Jun 2025	Jun 2026	121.1	2.00	2.4	1.50	2.00
2021 Dollar Term Facility	Oct 2025	Aug 2026	206.3	1.50	3.1	1.50	2.00
Euro First Lien Term Loan[7]	Oct 2025	Aug 2026	533.8	1.50	8.0	1.50	2.00

	Interest Rates as of December 31,		Installment	Final
	2024	2023	Payments[8]	Payment[5]
USD First Lien Term Loan[6]	7.72 %	8.72 %	$ 2.8	$ 1,054.8
2020 Dollar Term Facility	12.72	13.72	0.3	120.4
2021 Dollar Term Facility	8.47	9.47	0.5	203.7
Euro First Lien Term Loan[7]	6.36	7.34	1.4	526.6

Notes

(1) Represents the amount of outstanding debt principal immediately prior to the amendment
(2) "Paid-in-kind" upfront fee
(3) "Paid-in-kind" interest per annum. All PIK interest is automatically capitalized and added to outstanding principal and bears interest
(4) Applies for any prepayment, exit event, or maturity
(5) Plus any exit premium and incremental accrued PIK

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(6) A "non-extended" tranche of the remaining original term loan amount of $7.0 million did not extend maturity and was not subject to any change in terms conditions.
(7) Functional currency as follows - extended tranche (483.6 million EUR), OID PIK (7.3 million EUR), installment payment (1.3 million EUR), final payment (477.0 million EUR)
(8) Installment payments are issued quarterly

Revolving Credit Facility—The amendment extended the maturity date from February 2025 to May 2026. No other terms or conditions were modified from the amendment.

The combined amount of outstanding borrowings under the revolving line of credit and the letters of credit may not exceed $245.0 million. The total amounts available under the revolving line of credit at December 31, 2024 and 2023, were $24.3 million and $53.9 million, respectively. The total amount of outstanding letters of credit as of December 31, 2024 and 2023, were $19.7 million and $19.6 million, respectively.

Interest rates for the revolving credit facility were 7.84%–10.00% and 8.86%–11.00% at December 31, 2024 and 2023, respectively.

USD Second Lien Term Loan—The USD Second Lien Term Loan is payable in full at maturity date at October 2026.

Interest is charged at either the lender's base rate or at SOFR plus an applicable margin, at the Company's discretion.

Interest rates for the USD Second Lien Term Loan were 11.47% and 12.47% at December 31, 2024 and 2023, respectively.

The Credit Agreements are guaranteed on a senior basis by all of the Company's subsidiaries and are collateralized by substantially all of the assets of the Company and its subsidiaries. The Credit Agreements contain certain covenants that require the Company to maintain a minimum leverage coverage ratio. The credit agreements further limit declaration of dividends and additional indebtedness and contain restrictions on the transferring of assets and the transferring or encumbering of the Company's stock. The Company is currently in compliance with all financial covenants required under the Credit Agreements.

Borrowings under the Company's Credit Agreements are subject to mandatory prepayment terms in the event of a debt or equity issuance, a recovery event, asset disposition, or excess cash flows, as defined in the Credit Agreements.

Interest for both the First Lien Credit Facilities and Second Lien Term Loan is charged at either the lender's base rate or SOFR plus an applicable margin and are payable in one-, two-, three-, or six-month interest periods at the Company's discretion.

Outside Broadcast Debt—In connection with the Company's acquisition of Outside Broadcast on April 29, 2015, the Company assumed Outside Broadcast's debt. As of December 31, 2024 and 2023, respectively, this debt balance is comprised of an outstanding loan with a third party financial institution.

Outside Broadcast's remaining outstanding loan balance as of December 31, 2024 and 2023 was approximately 0.9 million EUR, or $1.0 million, and 1.1 million EUR, or $1.2 million, respectively, and matures in November 2029. Principal and interest payments are payable quarterly. As of December 31, 2024 and 2023, the interest rate was 1.21% and 1.83%, respectively.

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NEP Sweden Debt—In connection with the Company's asset purchase of Jupiter Technologies AB (Jupiter) on November 1, 2022, the Company assumed Jupiter's debt. The acquired debt was comprised of two outstanding loans (Loan A and Loan B) with a third party legal entity.

NEP Sweden's remaining outstanding loan balance as of December 31, 2024 and 2023 was approximately 4.8 million SEK, or $0.4 million, and 12.3 million SEK, or $1.2 million, respectively. Loan A matures on October 31, 2025 and Loan B matured on April 30, 2024. Principal and interest payments are payable monthly. As of December 31, 2024 and 2023, the interest rate was 5.0% and 0.0%, respectively. The interest rate for Loan A increases to 10.0% in calendar year 2025.

NEP Australia and New Zealand Debt—During 2015, NEP Australia entered into a credit agreement with a third-party financial institution. The credit agreement is comprised of a few revolving credit facilities as summarized in the table below, with the respective outstanding balances (in USD) as of December 31, 2024 and 2023:

Revolving Credit Facilities

Facility	Borrowing Capacity	Maturity	2024	2023
Facility A	28.0M AUD, or $17.4M	March 31, 2025	$ 17,360	$ 19,068
Facility E1	14.0M NZD, or $7.9M	March 31, 2024	-	4,108
Facility E2	6.0M NZD, or $3.4M	March 31, 2027	3,366	3,792

Other Credit Facilities

Facility	Borrowing Capacity	Maturity	Facility Type
Facility B	4.5M AUD, or $2.8M	July 31, 2025	Multi Option
Facility C	2.0M AUD, or $1.2M	March 31, 2025	Overdraft
Facility D	1.5M AUD, or $0.9M	March 31, 2025	Travel Credit Card

As of December 31, 2024 and 2023, the other credit facilities did not have an outstanding balance. The total amount of outstanding letters of credit under Facility B as of December 31, 2024 and 2023, were 3.0 million AUD, or $1.9 million and 4.5 million AUD, or $3.1 million, respectively.

Generally, the interest payments are payable in one, two, three, or six-month interest periods, at the Company's discretion. These loans bear interest at the Australian Bank Bill Swap Reference Rate plus an applicable margin. As of December 31, 2024 and 2023, the interest rates in effect for Facility A and Facility E2 were approximately 6.54% and 7.07%, and 6.27% and 8.33%, respectively. As of December 31, 2023, the interest rate in effect for Facility E1 was 8.33%.

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The same covenants apply to all of the facilities, which are a minimum leverage ratio and interest cover ratio and a fixed charge coverage ratio covenant. The Company is currently in compliance with the covenants contained in these agreements.

Five-year maturities of long-term debt as of December 31, 2024 were as follows:

2025	$ 44,790
2026	2,354,910
2027	3,539
2028	173
Thereafter	262
	$ 2,403,674

11. INCOME TAXES

The Company files income tax returns in the US federal jurisdiction and various state and foreign jurisdictions. The Company is responsible for paying the taxes relating to such items, including any subsequent adjustments resulting from the redetermination of such tax liabilities by the applicable taxing authorities.

Loss before income taxes as of December 31, 2024 and 2023, were as follows:

	2024	2023
United States	$ (166,503)	$ (166,165)
International	(16,665)	(38,867)
Loss before income taxes	$ (183,168)	$ (205,032)

Income tax benefit (expense) as of December 31, 2024 and 2023, consisted of the following:

	2024	2023
Current:		
Federal	$ (138)	$ (154)
State	(169)	(957)
Foreign	(19,378)	(5,546)
Total	(19,685)	(6,657)
Deferred:		
Federal	(3)	(733)
State	(1,124)	(2,132)
Foreign	(3,440)	335
Total	(4,567)	(2,530)
Income tax expense	$ (24,252)	$ (9,187)

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A reconciliation of US income tax computed at the statutory rate to the effective tax rate is as follows:

	Year Ended December 31, 2024 Tax Benefit		Year Ended December 31, 2023 Tax Benefit	
	(Expense)	Rate	(Expense)	Rate
US federal statutory rate	$ 38,563	21.00 %	$ 42,976	21.00 %
Tax rate differential on foreign income	(4,456)	(2.43)	4,515	2.20
State income tax—less applicable federal income tax	5,429	2.96	6,540	3.19
Permanently disallowed deductions	3,429	1.87	(1,531)	(0.75)
Adjustments to prior year taxes	(9,394)	(5.12)	(2,481)	(1.21)
Stock Compensation	(1,131)	(0.62)	(1,768)	(0.86)
Foreign Currency Gain	(190)	(0.10)	305	0.15
US tax of foreign sourced income	6,171	3.36	1,618	0.79
Valuation allowance	(61,458)	(33.47)	(60,231)	(29.37)
Unrealized Gain	(2,649)	(1.44)		
Other	1,434	0.78	870	0.42
				0
Effective tax rate	$ (24,252)	(13.21)%	$ (9,187)	(4.48)%

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The components of net deferred tax assets and liabilities were as follows as of December 31, 2024 and 2023:

	2024	2023
Deferred tax assets:		
Accrued expenses	$ 4,015	$ 4,923
Deferred rent		155
Compensation accruals	4,364	6,031
Stock options	1,879	1,648
Transaction costs	503	211
Unrealized loss	9,866	7,747
Disallowed interest expense	159,053	108,867
Operating lease liabilities	57,964	64,284
Capitalized research and development	900	934
Debt refinancing	149	6,868
Partnership basis differences	1,253	1,256
Interest rate swap	270	-
Other	2,793	4,331
Net operating losses:		
Federal	89,038	97,177
State	21,727	20,856
Foreign	58,358	50,770
Deferred tax assets	412,132	376,058
Valuation allowance	(219,559)	(160,717)
Net deferred tax assets	192,573	215,341
Deferred tax liabilities:		
Property, plant, and equipment	(70,711)	(78,004)
Intangible assets	(77,103)	(80,322)
Operating lease right of use assets	(56,625)	(62,844)
Unrealized gain	(2,679)	-
Interest rate swap	-	(1,748)
Total deferred tax liabilities	(207,118)	(222,918)
Net deferred tax liabilities	$ (14,545)	$ (7,577)

At December 31, 2024, the Company has federal, state, and foreign net operating loss carryforwards in the amount of $422.8 million, $326.1 million, and $246.6 million, respectively, which are set to expire in various periods from 2025 through 2043. At December 31, 2023, the Company has federal, state, and foreign net operating loss carryforwards in the amount of $462.7 million, $314.3 million, and $218.8 million, respectively, which are set to expire in various periods from 2024 through 2044.

Deferred taxes arise due to temporary differences in the basis of assets and liabilities and from net operating losses and credit carryforwards. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the Company's consolidated statements of operations and comprehensive loss become deductible under applicable income tax laws, or loss and credit carryforwards are utilized. Accordingly, realization of deferred tax assets is dependent on future taxable income against which these deductions, losses, and credits can be utilized. In assessing the

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realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As of December 31, 2024 and 2023, the Company maintained a valuation allowance of $147.2 million and $101.9 million, respectively, on US federal and state net deferred tax assets and $72.3 million and $77.0 million, respectively, on non-US deferred tax assets. During 2024, the Company increased the US valuation allowance by $45.4 million in accordance with the expected reversal of deferred tax assets and liabilities. The Company maintains a valuation allowance where it has determined it is more-likely-than-not that the benefit of certain deferred tax assets will not be realized. The entire amount of the US balance of $147.2 million relates to U.S. federal and state net operating losses and IRC Section 163j interest limitation carryforwards that the Company does not believe it will generate sufficient taxable income to utilize. The non-US valuation allowances are primarily in Australia, Ireland, Sweden, the United Kingdom, and the Netherlands and are related to a history of pre-tax losses.

The Company does not anticipate it will dispose of any additional foreign subsidiaries in the foreseeable future and therefore has not recorded deferred taxes on the difference between the financial reporting and tax basis of its investments. The Company had an overall accumulated deficit in its foreign subsidiaries as of December 31, 2017 and therefore no transition tax was incurred under the Tax Cuts and Jobs Act ("Tax Act"). Certain of the Company's foreign subsidiaries with accumulated earnings that were deemed remitted under the Tax Act were not significant and are considered indefinitely reinvested. Upon actual cash distribution of these earnings, the Company may be subject to US taxation on currency gains or losses that occur between the date the earnings were deemed remitted and the date cash is distributed in the future, state income taxes and withholding taxes where applicable. We estimate that we will not incur significant additional taxes on those potential remittances.

The following is a reconciliation of the gross amounts of unrecognized income tax benefits as of December 31, 2024 and 2023:

	2024	2023
Balance—January 1	$ 3,465	$ 3,382
Gross decreases for tax positions of prior years	(43)	(71)
Gross increases for tax positions of current year	242	256
Lapse of statute of limitations	(104)	(102)
Balance—December 31	$ 3,560	$ 3,465

As of December 31, 2024 approximately $2.9 million of the $3.6 million and as of December 31, 2023 approximately $2.8 million of the $3.4 million, respectively, of unrecognized tax benefits would reduce the Company's effective tax rate if recognized.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. In 2024, the Company continued to accrue an insignificant amount of interest expense in income tax expense. In 2024 and 2023, approximately $0.1 million and $0.2 million, respectively, were accrued for payment of interest and penalties.

During 2024 or 2023, the Company has not identified new uncertain tax positions related to the acquisitions which occurred during the year.

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The statute of limitations for the Company's federal and state income tax returns is generally three years. However, to the extent there are federal and state net operating losses being carried forward from prior years, those tax years remain open under statute until the net operating loss has been utilized, upon which time the three-year statute begins. As such, the Company's federal and state tax returns that remain subject to examination would be primarily from 2004 and thereafter. The Company's foreign tax returns that remain subject to examination would be primarily from 2021 and thereafter for the Netherlands, from 2018 and thereafter for Sweden, 2021 and thereafter for Finland, from 2020 and thereafter for Australia, from 2023 and thereafter for Germany, and from 2022 and thereafter for the United Kingdom.

The Organization for Economic Co-operation and Development (OECD) has a framework to implement a global minimum corporate tax of 15% for companies with global revenues above €750.0 million (referred to as Pillar 2). Under these rules, the Company may be required to pay a "top-up" tax to the extent our effective tax rate in any given country is below 15%. Several countries have enacted the Pillar Two Rules effective January 1, 2024, with many countries postponing implementation to January 1, 2025 or later, if at all. After determining which jurisdictions are not required to calculate a Pillar Two liability as a result of the existing safe harbors, the Company has determined that the impact of the Pillar Two Rules in the countries that have enacted such rules effective for tax years ending on or before December 31, 2024, is not material to our results of operations for the year ended December 31, 2024. While the Pillar Two Rules did not have a significant impact on the 2024 tax provision or financial results, the Company will continue to monitor and evaluate the evolving tax legislation in the jurisdictions in which we operate which could impact future tax provision and financial results.

12. SHAREHOLDERS' (DEFICIT) EQUITY

NEP Common Stock—Class A and Class B

In conjunction with the NEP Group, Inc. Acquisition, the Company was formed with the authority to issue 12,500,000 shares of Common Stock, with a par value of $0.01 per share. In January 2023 and August 2023, the Company's Board of Directors authorized an increase of 300,000 shares and 100,000 shares of Common Stock, respectively, for an accumulated total authorized issuance of 12,900,000. Of the total Common Shares, 11,500,000 shares are designated "Class A Common Stock" and 1,400,000 shares are designated "Class B Common Stock." There were no shares of the Class B Common Stock issued as of December 31, 2024.

Voting Rights—Each holder of Class A Common Stock shall be entitled to one vote for each share thereof held of record by such holder on all matters on which stockholders generally are entitled to vote. Each holder of Class B Common Stock shall not be entitled to any voting powers for such shares thereof, except as (and then only to the extent) otherwise required by the laws of the State of Delaware. If a vote or consent of the holders of Class B Common Stock should at any time be required by the laws of the State of Delaware on any matter, each holder of the shares of Class B Common Stock shall be entitled to 1/1,000,000th of a vote on such matter for each share of Class B Common Stock held of record by such holder.

Liquidation Preferences—In the event of any dissolution, liquidation or winding up of the Company, the holders of Class A Common Stock shall first be entitled to receive an amount of the distributable assets of the Company equal to the aggregate amount of catch-up contributions on a pro rata proportion to the number of shares held. Secondly, each holder of shares of Class B Common Stock shall be entitled to the pro rata portion of the remaining amount of the distributable assets after the aforementioned

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distribution to each of the holders of Class A Common Stock and to each holder of shares of the Class A Common Stock, the remaining amount of distributable assets not otherwise allocated to the holders of Class B Common Stock pro rata in proportion to the number of such shares held.

Series A Preferred Stock

On January 19, 2023 (the "issue date"), NEP's shareholders authorized the issuance of 225,000 shares of Preferred Stock and NEP entered into a Series A Preferred Stock ("Preferred Stock") Agreement with an original six month term with the Carlyle Group and members of management under which Carlyle Group had the right to purchase up to 176,942 shares. 122,173 shares were issued during the year at a purchase price of $1,000 per share. Issuance costs of $0.6 million were deducted from the related proceeds. As of December 31, 2023, total accrued paid-in-kind dividends were $18.4 million, and total balance of preferred stock was $139.9 million.

On February 28, 2024, the Company entered into an investment agreement with a member of management to issue 30,000 additional shares of preferred stock at a purchase price of $1,000 per share. Issuance costs of $0.1 million were deducted from the related proceeds.

On October 17, 2024, the Company entered into a management subscription agreement and agreed to issue 40 additional shares of preferred stock at a purchase price of $1,000 per share inclusive of accrued dividends.

As of December 31, 2024, total accrued paid-in-kind dividends were $51.8 million, and total balance of preferred stock was $203.3 million.

Redemption Features—At any time after the 3rd anniversary of the issue date, the Company shall have the right, at its option, to redeem all or any portion of the shares of Series A Preferred Stock at a redemption price of $1,000 per share (the "liquidation value") plus accrued dividends plus any additional premium as determined in good faith by the Board of Directors in the event of excess equity from an exit event (the "redemption price"). Upon the occurrence of an exit event, the Company shall redeem all of the shares of Preferred Stock at the redemption price.

Voting Rights—Each holder of Preferred Stock shall be entitled to one vote for each share held of record on all matters voted on by holders of Class A Common Stock; voting together as a single class. As long as any share of the Preferred Stock is outstanding, the Company must obtain Preferred Stock voter majority prior to modifying any by-laws of incorporation, authorizing any class of senior securities, or to change the authorized number of shares of Preferred Stock.

Liquidation Preferences—In the event of any liquidation, each holder shall be entitled to receive liquidating distributions out of the assets of the Company legally available for distribution to its stockholders, after satisfaction of all liabilities and obligations to creditors of the Company, but before any payment or distribution of any assets of the Company is made or set apart for holders of any Junior Securities, including the Common Stock, for such Holder's shares of Series A Preferred Stock in an amount equal to the redemption price, in each case of such shares as of the date of the liquidation, and each holder would not be entitled to any further payment with respect to such shares.

Dividends—Holders of the issued and outstanding shares of Series A Preferred Stock are entitled to receive dividends annually on December 31 of each year, commencing on the first such date following the issue date. Dividends shall accrue on a daily basis at the rate of SOFR plus 15% on the liquidation value and on any accrued dividends with respect to such share, whether or not declared by the Company and whether or not the Company has funds available to make payment thereof. In the event

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of any liquidation, each holder of the Preferred Stock is entitled to receive liquidating distributions in an amount equal to the redemption price. Since the accrued dividends increase the liquidation preferences, this feature was treated as a paid-in-kind dividend. No dividends have been declared as of December 31, 2024.

13. STOCK-BASED COMPENSATION

NEP Share-Based Awards—The NEP Group Holdings, Inc. Equity Incentive Plan (the "Option Plan") provides for the grant of incentive stock options, nonqualified stock options and other share-based awards to persons or entities that provide services to the Company or its affiliates who, in the opinion of the Company's Board of Directors, are in a position to make a contribution to the long-term success of the Company. The Option Plan initially authorized the issuance of awards up to an aggregate of 1,000,000 shares of the Company's common stock. It was amended by the Company's Board of Directors in August 2020 to increase the limit to 1,300,000 shares and further amended in September 2023 to 1,400,000 shares of the Company's common stock.

In accordance with ASC 718, *Compensation—Stock Compensation*, compensation expense for stock options is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock options at the date of grant was calculated using the Black-Scholes model, and the assumptions are listed below:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Expected dividend yield	- %	- %
Expected life (years)	6.5	6.5
Expected volatility	43.89%–44.10%	43.04%–43.82%
Risk-free interest rate	3.63%–4.67%	3.44%–4.54%
Weighted average fair value of options granted	$ 59.13	$ 59.08

The Black-Scholes model determines the fair value of equity-based payment awards based on the fair value of the underlying common stock on the date of grant and requires the use of estimates and assumptions, including the fair value of the Company's common stock, exercise price of the stock option, expected volatility, expected life, risk-free interest rate, and dividend rate.

Volatility—The Company estimates the expected volatility of its stock options by taking the average historical volatility of a group of comparable publicly traded companies over a period equal to the expected life of the options; it is not practical for the Company to estimate its own volatility due to the lack of a liquid market and historical prices.

Expected Life—The expected life or term of the units was determined by applying the simplified method, using the mid-point between the vesting period and the contractual term for each grant as the expected life.

Risk-Free Interest Rate—The risk-free interest rate is the estimated average interest rate based on US Treasury zero-coupon notes with terms consistent with the expected life of the awards.

Forfeiture Rate—The Company accounts for forfeitures of awards as they occur.

Dividend Yield—The Company has not historically paid and does not expect to pay dividends in the near future. As such, the dividend yield is 0%.

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The aforementioned assumptions used in calculating the fair value of the stock options represent management judgment. As a result, if factors change and different assumptions are used, the stock-based compensation expense could be materially different in the future.

Class A Time-Vesting Options and Class B Units

A portion of the stock options granted vest based on the passage of time (Time-vesting Options) and a portion vest based on the achievement of performance conditions (Performance-vesting Options).

Changes in the Company's time-vesting Class A stock options were as follows:

	Time-Vesting Class A Options	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Options outstanding—December 31, 2022	470,651	104.11	7.4
Granted	301,317	117.11	-
Exercised	-	-	-
Forfeited	(54,812)	103.40	-
Options outstanding—December 31, 2023	717,156	109.52	7.7
Options vested and expected to vest—December 31, 2023	717,156	109.52	7.7
Options exercisable—December 31, 2023	291,448	102.61	5.5
Options outstanding—December 31, 2023	717,156	109.52	7.7
Granted	72,400	117.11	-
Exercised	-	-	-
Forfeited	(63,472)	105.84	-
Options outstanding—December 31, 2024	726,084	110.61	7.1
Options vested and expected to vest—December 31, 2024	726,084	110.56	7.0
Options exercisable—December 31, 2024	348,988	105.45	5.4

The Option Plan also provides for the grant of Class B Unit awards. The grant date fair value of the Class B Unit awards is determined by Management on the date of grant and approved by the Board of Directors. A portion of the Class B Unit awards vest based the passage of time (Time-vesting Class B Units) and a portion vest based on the achievement of performance conditions (Performance-vesting Class B units).

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Changes in the Company's time-vesting Class B Unit awards were as follows:

	Time-Vesting Class B Units	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Class B Units outstanding—December 31, 2022	484,000	101.84	7.5
Granted	-	-	-
Exercised	-	-	-
Forfeited	(148,800)	101.84	-
Class B Units outstanding—December 31, 2023	335,200	101.84	6.5
Class B Units vested and expected to vest—December 31, 2023	335,200	101.84	6.5
Class B Units exercisable—December 31, 2023	311,600	101.84	6.4
Class B Units outstanding—December 31, 2023	335,200	101.84	6.5
Granted	12,000	117.11	-
Exercised	-	-	-
Forfeited	-	-	-
Class B Units outstanding—December 31, 2024	347,200	102.45	5.6
Class B Units vested and expected to vest—December 31, 2024	347,200	102.36	5.6
Class B Units exercisable—December 31, 2024	322,000	101.84	5.4

Compensation expense relating to all time-vesting stock awards (employee and nonemployee) is recorded on a straight-line basis. During the years ended December 31, 2024 and 2023, compensation expense related to stock options was $5.4 million and $4.5 million, respectively. As of December 31, 2024 and 2023, the total unrecognized compensation cost related to time-vesting options outstanding was $19.3 million and $21.5 million, respectively, and is expected to be recognized over a weighted average period of 3.6 years and 4.4 years, respectively.

During the years ended December 31, 2024 and 2023, compensation expense related to Class B Units was $1.0 million and $5.5 million, respectively. As of December 31, 2024 and 2023, the total unrecognized compensation cost related to time-vesting Class B Units outstanding was $1.9 million and $1.6 million, respectively, and is expected to be recognized over a weighted average period of 3.2 years and 2.0 years, respectively.

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Class A Performance-Vesting Options and Class B Units

The Company has certain options and Class B Units that vest based on performance conditions achieved.

Changes in the Company's performance-vesting Class A stock options were as follows:

	Performance-Vesting Class A Options	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Options outstanding—December 31, 2022	117,551	104.11	7.4
Granted	73,995	117.11	-
Exercised	-	-	-
Forfeited	(13,703)	103.40	-
Options outstanding—December 31, 2023	177,843	109.54	7.7
Options exercisable—December 31, 2023	-	-	-
Options outstanding—December 31, 2023	177,843	109.54	7.7
Granted	18,100	117.11	-
Exercised	-	-	-
Forfeited	(15,361)	105.84	-
Options outstanding—December 31, 2024	180,582	110.61	7.1
Options exercisable—December 31, 2024	-	-	-

None of the performance-vesting options vested and no stock-based compensation expense was recognized, as the performance condition was not considered probable, during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the total unrecognized compensation cost related to performance-vesting options outstanding was $9.0 million and $8.6 million, respectively.

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Changes in the Company's performance-vesting Class B Unit awards were as follows:

	Performance-Vesting Class B Units	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Class B Units outstanding—December 31, 2022	121,000	101.84	7.5
Granted	-	-	-
Exercised	-	-	-
Forfeited	(51,000)	101.84	-
Class B Units outstanding—December 31, 2023	70,000	101.84	6.5
Class B Units exercisable—December 31, 2023	-	-	-
Class B Units outstanding—December 31, 2023	70,000	101.84	6.5
Granted	3,000	117.11	-
Exercised	-	-	-
Forfeited	-	-	-
Class B Units outstanding—December 31, 2024	73,000	102.45	5.6
Class B Units exercisable—December 31, 2024	-	-	-

None of the performance-vesting Class B Units vested and no stock-based compensation expense was recognized as the performance condition was not considered probable, during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the total unrecognized compensation cost related to performance-vesting Class B Units outstanding was $6.3 million and $6.0 million, respectively.

14. RELATED-PARTY TRANSACTIONS

The Company has a consulting agreement with its majority shareholder, The Carlyle Group. As part of this consulting agreement, the Company is to pay an annual management fee of $2.5 million, plus expense reimbursements of up to $0.3 million. These fees are payable in advance in equal quarterly installments. For each of the years ended December 31, 2024 and 2023, management fees paid were $1.3 million. These fees are recorded within Other Expense on the statement of operations and comprehensive loss.

In March 2024, the Company entered into a stock subscription agreement with an employee and shareholder that was collateralized with a recourse note. The outstanding balance under the recourse note was $0.5 million at December 31, 2024.

The Company's corporate facility is leased through Development Partners, a real estate partnership, the ownership of which is comprised of certain members of management. For each of the years ended December 31, 2024 and 2023, the Company made payments on the lease totaling $1.0 million.

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15. EMPLOYEE BENEFIT PLAN

The Company has a 401(k) Savings Plan (the "Plan") that allows employees to contribute from their annual compensation, subject to statutory limitations. The Plan covers all full-time employees who have attained age 18 as of the first of the month following the date of hire. The Company matches up to 2.0% of employee contributions and may make additional discretionary contributions equal to a percentage of eligible compensation. The Company's contribution remitted to the Plan during each of the years ended December 31, 2024 and 2023, was $3.4 million.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk Management Objective of Using Derivatives

The Company is exposed to risk from both its business operations and economic conditions. The Company principally manages its exposures to operational risks through its core business activities. Economic risks, including interest rate, liquidity, and credit risk are managed through the use of derivative financial instruments. Specifically, the Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During 2024 and 2023, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in comprehensive loss and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive loss related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt.

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The Company entered into the following series of forward starting swaps to hedge against changes in interest rates with the credit facility, and were designated as cash flow hedges.

Trade Date	Effective Date	Maturity Date	Notional
October 2022	December 2022	October 2024	75M - 350M EUR
January 2023	October 2023	October 2024	400M USD
October 2022	October 2022[1]	October 2024	300M - 713M USD
October 2022	October 2022[1]	October 2024	100M - 238M USD
December 2023	October 2024	December 2025	500M USD
January 2024	October 2024	December 2025	500M USD
April 2024	October 2024	December 2025	250M EUR

(1) In accordance with the LIBOR to SOFR reference rate transition described in ASU 2020-04, the effective date for the swaps were amended to begin May 2023.

Credit Risk Management

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from the failure of any counterparties to perform under any agreements. The Company is not subject to any obligations to post collateral under derivative instrument contracts. Certain derivative instrument contracts entered into by the Company are governed by master agreements, which contain credit-risk-related contingent features that would allow the counterparties to terminate the contracts early and request immediate payment should the Company trigger an event of default on other specified borrowings. The Company records all derivative instruments on a gross basis in the consolidated balance sheets. Accordingly, there are no offsetting amounts that net assets against liabilities.

Fair Value of Derivative Instruments

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of December 31, 2024 and 2023.

		Derivatives	
	Consolidated Balance Sheet Location	2024	2023
Asset—Interest rate swaps	Other current assets	$ 4,166	$ 7,519
Liability—Interest rate swaps	Other liabilities	(2,385)	(1,355)

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Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Loss

The table below presents the effect of cash flow hedge accounting on accumulated other comprehensive loss as of December 31, 2024 and 2023.

	Amount of Gain/(Loss) Recognized in AOCL (Net of Tax) on Derivatives (Effective Portion)	
	2024	2023
Interest rate swaps	$ (4,392)	$ (16,374)

Effect of Cash Flow Hedge Accounting on the Consolidated Statements of Operations and Comprehensive Loss

The table below presents the effect of the Company's derivative financial instruments on the consolidated statements of operations and comprehensive loss for the years ended December 31, 2024 and 2023.

	Consolidated Income Statement Location	Amount of (Income) Loss Reclassified from AOCL into Earnings (Effective Portion)	
		December 31, 2024	December 31, 2023
Interest rate swaps	Interest expense	$ (15,915)	$ (26,258)

Fair Value Measurement

Financial assets and liabilities carried at fair value are classified in the tables below in one of three categories described within Note 1, Organization and Significant Accounting Policies.

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Interest rate swap contracts, net	$ -	$ 1,781	$ -	$ 1,781

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Interest rate swap contracts, net	$ -	$ 6,164	$ -	$ 6,164

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The following section describes the valuation methodology used to measure the Company's financial assets and liabilities that were accounted for at fair value:

	Level	Significant Inputs
Interest rate swap contract	2	Broker quotations, market transactions in either listed or over-the counter markets

Overview of Valuation Methodology

As required by U.S. GAAP for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and Level 2 during the periods presented.

17. SUBSEQUENT EVENTS

On March 28, 2025, the Company amended its NEP Australia Revolving Credit Facility A. The Company exercised its right to extend the maturity date from March 31, 2025 to March 31, 2028.

The Company has evaluated and disclosed subsequent events through March 28, 2025, the date when these consolidated financial statements were available to be issued. Except as indicated, no matters were identified that require adjustment to or disclosure within the consolidated financial statements.

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