20230801105337

Årsredovisning för

Bagaren och Kocken AB

556747-4001

Bagaren och Kocken

Räkenskapsåret
2022-01-01 - 2022-12-31

Innehållsförteckning: **Sida**

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Fastställelseintyg

Undertecknad verkställande direktör i Bagaren och Kocken AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2023-06-12
Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Göteborg 2023-06-19

Charlotta Svarfvar
VD

20230801105338

Årsredovisning för

Bagaren och Kocken AB

556747-4001

Bagaren och Kocken

Räkenskapsåret
2022-01-01 - 2022-12-31

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Pärmen är en del av myndighetshandlingen MB 214-6747-4001

Förvaltningsberättelse

Styrelsen och verkställande direktören för Bagaren och Kocken AB, 556747-4001, med säte i Göteborg, får härmed avge årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31.

Allmänt om verksamheten
Bolaget bedriver handel med husgeråd och köksmaskiner i egen butik samt via webshop till de skandinaviska länderna.
Bolagets redovisningsvaluta är SEK.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr

	2022-12-31	*2021-12-31*	*2020-12-31*	*2019-12-31*	*2018-12-31*
Nettoomsättning	808 059	1 004 624	931 919	496 357	339 595
Rörelsemarginal %	-7,6	0,3	5,8	-4,6	-11,2
Balansomslutning	301 826	384 763	392 349	271 099	341 753
Soliditet %	48,5	42,9	41,3	40,6	17,6

Väsentliga händelser under räkenskapsåret
Under räkenskapsåret 2022 har bolaget påbörjat avvecklingen av affärsområdet Robotexperten vilket medfört stora kostnader av engångskaraktär. Utöver extraordinära kostnader har detta även påverkat omsättningen negativt jämfört med tidigare år.
Bolaget har upplevt en svagare efterfrågan och en ökande konkurrens vilket pressat marginaler. Under slutet av 2022 avgick VD, sedan december är inköps- och sortimentsansvarige tillförordnad VD.

Viktiga förhållanden
Egmont Holding AB, org nr 556082-2339 med säte i Malmö, bibehåller sin ägarandel av bolaget om 100%.

Förväntad framtida utveckling
Bolaget kommer att fortsätta arbetet med att utveckla sortiment och kunderbjudande vilket förväntas förbättra lönsamheten. Bolaget avser också att avsluta den påbörjade processen avseende nedläggning av affärsområdet Robotexperten.

Väsentliga risker och osäkerhetsfaktorer
De risker och osäkerheter som bolaget kan påverkas av kan indelas i två områden:

Risker som bolaget kan påverka
Bolaget arbetar kontinuerligt med att säkerställa en stabil drift genom att förbättra processer och rutiner. Detaljhandel är förknippad med en viss osäkerhet, främst rörande sortiment och leverantörer, bolaget bedömer att dessa risker är av begränsad karaktär.

Yttre faktorer som kan påverka bolaget
Faktorer som bolaget inte kan påverka innefattar allmän konjunktur, säsongsvariationer som påverkas av väder och störningar av den globala handeln.
Under det senaste året har bolaget påverkats negativt av kostnadsökningar kopplat till omvärldssituationen. Bolaget har vidtagit åtgärder för att hantera potentiella effekter i 2023.

Påskrift 5NQBJD-YQQBG6-JWWMAF-BXMG1JBGQA

20230801063339

Eget kapital

	Aktiekapital	*Fritt eget kapital*
2021		
Vid årets början	140	82 187
Överkursfond		79 661
Årets resultat		3 125
Totalt eget kapital	**140**	**164 973**
2022		
Vid årets början	140	85 312
Överkursfond		79 661
Årets resultat		-18 720
Totalt eget kapital	**140**	**146 253**

Villkorlig återbetalningsskyldighet för aktieägartillskott uppgick till 75 901 Tkr (75 901 Tkr).

Förslag till disposition av företagets vinst eller förlust

	Belopp i Tkr
Styrelsen föreslår att till förfogande stående medel:	
överkursfond	79 661
balanserat resultat	85 312
årets resultat	-18 720
Totalt	146 253
disponeras för	
balanseras i ny räkning	146 253
Summa	146 253

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

P2eneeobbmaeabbpykkbWHBG14-6WDB-9AWWWAF-BDDWE51HDSDDA

Resultaträkning

Belopp i Tkr	*Not*	*2022-01-01-2022-12-31*	*2021-01-01-2021-12-31*
Nettoomsättning	*4*	808 059	1 004 624
Övriga rörelseintäkter		14 828	13 639
		822 887	1 018 263
Rörelsens kostnader			
Handelsvaror		-682 438	-813 264
Övriga externa kostnader	*5,6*	-106 072	-114 270
Personalkostnader	*7*	-65 917	-61 368
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-18 938	-14 679
Övriga rörelsekostnader		-11 305	-11 675
Rörelseresultat		-61 783	3 007
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-2 000	-2 000
Övriga ränteintäkter och liknande intäkter		4 556	6 240
Räntekostnader och liknande kostnader		-4 493	-4 122
Resultat efter finansiella poster		-63 720	3 125
Bokslutsdispositioner		45 000	-
Resultat före skatt		-18 720	3 125
Skatt på årets resultat	*8*	-	-
Årets resultat		**-18 720**	**3 125**

Denna handling är undertecknad med BankID av: ANNA-KARIN HATT
Detta dokument är undertecknat av Bolagsverket med ett certifikat som utfärdats av Bolagsverket.

20230801106340

Balansräkning

Belopp i Tkr	*Not*	*2022-12-31*	*2021-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Hyresrätt, webshop och affärssystem	*9*	3 148	8 267
Goodwill	*10*	51 654	61 045
		54 802	69 312
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	*11*	16 118	13 656
		16 118	13 656
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*12*	2 866	4 866
		2 866	4 866
Summa anläggningstillgångar		73 786	87 834
Omsättningstillgångar			
Varulager mm			
Handelsvaror		141 112	242 060
		141 112	242 060
Kortfristiga fordringar			
Kundfordringar		7 676	31 897
Fordringar hos koncernföretag		45 116	-
Aktuell skattefordran		-	10 644
Övriga fordringar		49	1 261
Förutbetalda kostnader och upplupna intäkter	*13*	19 809	5 873
		72 650	49 675
Kassa och bank	*14*	14 278	5 194
Summa omsättningstillgångar		228 040	296 929
SUMMA TILLGÅNGAR		301 826	384 763

Pärmexemplar - Bagaren och Kocken AB - 556747-4001 - 20230801106340

Balansräkning

Belopp i Tkr	*Not*	*2022-12-31*	*2021-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital	*15*		
Aktiekapital		140	140
		140	140
Fritt eget kapital	*16*		
Överkursfond		79 661	79 661
Balanserad vinst eller förlust		85 312	82 187
Årets resultat		-18 720	3 125
		146 253	164 973
Summa eget kapital		146 393	165 113
Kortfristiga skulder			
Förskott från kunder		2 443	2 667
Leverantörsskulder		89 102	120 184
Skulder till koncernföretag		3 347	3 339
Skatteskulder		12	-
Övriga kortfristiga skulder		19 079	30 037
Upplupna kostnader och förutbetalda intäkter	*17*	41 450	63 423
		155 433	219 650
SUMMA EGET KAPITAL OCH SKULDER		301 826	384 763

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20230801063411

Kassaflödesanalys

Belopp i Tkr	*Not*	*2022-01-01-2022-12-31*	*2021-01-01-2021-12-31*
Den löpande verksamheten			
Resultat efter finansiella poster		-63 720	3 125
Justeringar för poster som ej ingår i kassaflödet (av- & nedskrivn)		20 014	16 681
		-43 706	*19 806*
Betald inkomstskatt		10 655	-10 679
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		*-33 051*	*9 127*
Kassaflöde från förändringar i rörelsekapital			
Ökning(-)/Minskning (+) av varulager		100 948	-89 940
Ökning(-)/Minskning (+) av rörelsefordringar		11 381	6 773
Ökning(+)/Minskning (-) av rörelseskulder		-64 229	-10 676
Kassaflöde från den löpande verksamheten		**15 049**	**-84 716**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar	9	-1 678	-2 867
Avyttring av materiella anläggningstillgångar	11	2 223	41
Förvärv av materiella anläggningstillgångar	11	-6 510	-12 654
Kassaflöde från investeringsverksamheten		**-5 965**	**-15 480**
Finansieringsverksamheten			
Kassaflöde från finansieringsverksamheten		**-**	**-**
Årets kassaflöde		**9 084**	**-100 196**
Likvida medel vid årets början		**5 194**	**105 390**
Likvida medel vid årets slut		**14 278**	**5 194**

Noter till kassaflödesanalysen

Not Betalda räntor

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Erhållen ränta	1	-
Erlagd ränta	1 108	197

Not Likvida medel

	2022-12-31	*2021-12-31*
Följande delkomponenter ingår i likvida medel:		
Kassamedel	-	-
Banktillgodohavande	14 278	5 194
	14 278	**5 194**

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:
- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Pärmeedd6bmaeabbyxkkHMBG14-5607MB-20230801063411-BDWT51HD5QNA

Noter

Not 1 Redovisningsprinciper

Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Immateriella anläggningstillgångar

Förvärvade immateriella anläggningstillgångar

Immateriella tillgångar som förvärvats av företaget är redovisade till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. Här rör det sig om en hyresrätt, affärssystem och om externt genererad goodwill från ett inkråmsförvärv. Utgifter för internt genererad goodwill och varumärken redovisas i resultaträkningen som kostnad då de uppkommer.

Avskrivningar

Vid tillfället för inkråmsförvärvet uppkom ett övervärde som representerade förbättrade framtida intjäningsmöjligheter i form av högre intäkter som beräknas kvarstå under lång tid. Bedömning har gjorts att nyttjandeperioden av denna goodwill uppgår till 10 år. Avskrivning av samtliga immateriella tillgångar sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Immateriella anläggningstillgångar	*År*
Förvärvade immateriella tillgångar	
Hyresrätter och affärssystem	2, 3 och 5
Goodwill	10

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Tillkommande utgifter

Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Denna handling är undertecknad med Penneo - 20230615-JWMN-F9QB-XQZB-6HGI-KVQBB

20230801063342

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

Materiella anläggningstillgångar	*År*
Inventarier, verktyg och installationer	3, 5 och 10

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag

Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Leasing

Alla leasingavtal redovisas som operationella leasingavtal.

Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

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.

Varulager

Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt vägda genomsnittspriser.

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse i

Andelar i dotterföretag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Avsättningar
En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras.

Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Intäkter
Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Not 2 Uppskattningar och bedömningar
Ledningen gör uppskattningar och bedömningar om framtiden. Dessa bedömningar utvärderas löpande och baseras på historisk erfarenhet och andra faktorer, inklusive förväntningar på framtida händelser som anses rimliga under rådande förhållande. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan att motsvara det verkliga resultatet. Vid beräkning av verkliga värden vid rörelseförvärv används värderingstekniker för de olika delarna i ett rörelseförvärv. De poster i årsredovisningen som i högre grad baseras på uppskattningar och bedömningar utgörs utav värde av immateriella tillgångar och varulager. De bokförda värdena är beroende av den framtida marknaden för bolagets produkter. Per den 31 december 2022, är det styrelsens bedömning att redovisat värde på dessa poster inte överstiger verkligt värde.

Not 3 Koncernuppgifter
Bagaren och Kocken AB, som utgör moderföretag för en koncern enl. not 13, upprättar ej koncernredovisning med hänvisning till reglerna i ÅRL 7 kap. 2§.
Företaget ägs till 100% av Egmont Holding AB, org nr 556082-2339 med säte i Malmö.
Egmont Holding AB är moderföretag i den minsta koncern där koncernredovisning upprättas.
Egmont Fonden CVR 11456111, Köpenhamn, är moderföretag i den största koncern som företaget ingår i, där koncernredovisning upprättas.

Inköp och försäljning inom koncernen
Av koncernens totala inköp och försäljning mätt i kronor avser 1 % (0 %) av inköpen och 0 % (0 %) av försäljningen andra företag inom hela den företagsgrupp som koncernen tillhör.

Företaget redovisar 0 (0) som internvinster på transaktioner inom koncernen.

Not 4 Nettoomsättning per rörelsegren

Nettoomsättning per rörelsegren

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Butiksförsäljning	18 936	21 627
Försäljning webshop	789 123	982 997
Summa	**808 059**	**1 004 624**

Personuppgiftsansvarig: MBF-556747-4001 www.mynewsdesk.com/se/mbf-556747-4001 Personuppgiftsansvarig: MBF-556747-4001 www.mynewsdesk.com/se/mbf-556747-4001

20230801053343

Not 5 Operationell leasing och lokalhyror - leasetagare

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal och hyror:		
Inom ett år	10 491	10 796
Mellan ett och fem år	28 508	35 508
Senare än fem år	-	-
	38 999	46 304
Räkenskapsårets kostnadsförda leasingavgifter och hyror	11 976	13 193

Företaget innehar avtal om operationell leasing huvudsakligen avseende inventarie- och lokalhyra.

Not 6 Arvode och kostnadsersättning till revisorer

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Ernst & Young AB		
Revisionsuppdrag	136	340
Andra uppdrag	70	29

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Pärmeedokumentnyckel:MBC314-556747-20230801053343-DIGEDA-YDZDQ-GIEGH-JWWMJ-AFBDW-E1JDS-QNDA

Not 7 Anställda och personalkostnader

Medelantalet anställda

	2022-01-01-2022-12-31	*Varav män*	*2021-01-01-2021-12-31*	*Varav män*
Sverige	114	51	99	45
Totalt	**114**	**51**	**99**	**45**

Redovisning av könsfördelning i företagsledningar

	2022-12-31	*2021-12-31*
Andel kvinnor		
Styrelsen	0%	0%
Övriga ledande befattningshavare	45%	50%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Styrelse och VD	2 189	2 367
Övriga anställda	42 286	42 120
Summa	**44 475**	**44 487**
Sociala kostnader	16 701	15 163
(varav pensionskostnader) 1)	3 145	2 642

1) Av företagets pensionskostnader avser 608 tkr (589 tkr) företagets VD och styrelse. Företagets utestående pensionsförpliktelser till dessa uppgår till 0 tkr (0).

Not 8 Skatt på årets resultat

	2022-01-01-2022-12-31	*2021-01-01-2021-12-31*
Aktuell skattekostnad	-	-
	-	-

Avstämning av effektiv skatt

	2022-01-01-2022-12-31		*2021-01-01-2021-12-31*	
	Procent	Belopp	Procent	Belopp
Resultat före skatt		-18 720		3 125
Skatt enligt gällande skattesats	20,6	-3 856	20,6	644
Skatteeffekt ej avdragsgilla kostnader	-3,1	579	22,4	701
Skatteeffekt ej skattepliktiga intäkter	1,5	-272	-	-
Ökning av underskottsavdrag utan motsvarande aktivering av uppskjuten skatt	-19	3 549	-	-
Utnyttjande av tidigare ej aktiverade underskottsavdrag	-	-	-43	-1 345
Redovisad effektiv skatt	**-**	**-**	**-**	**-**

Not 9 Förvärvade immateriella tillgångar

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	20 512	17 645
-Nyanskaffningar	1 678	2 867
Vid årets slut	22 190	20 512
Ackumulerade avskrivningar		
-Vid årets början	-12 245	-8 553
-Årets avskrivning	-6 797	-3 692
Vid årets slut	-19 042	-12 245
Redovisat värde vid årets slut	**3 148**	**8 267**

Not 10 Goodwill

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	93 916	93 916
Vid årets slut	93 916	93 916
Ackumulerade avskrivningar		
-Vid årets början	-32 871	-23 479
-Årets avskrivning	-9 391	-9 392
Vid årets slut	-42 262	-32 871
Redovisat värde vid årets slut	**51 654**	**61 045**

Pärmexemplet är upprättat i Inkoll Hybrid med unik id: 6A0EBD-2D2E6-1MMMA-BSMS1-HB6QA

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Not 11 Inventarier, verktyg och installationer

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	17 512	4 899
-Nyanskaffningar	6 510	12 654
-Avyttringar och utrangeringar	-2 223	-41
	21 799	17 512
Ackumulerade avskrivningar		
-Vid årets början	-3 856	-2 259
-Återförda avskrivningar på avyttringar och utrangeringar	1 187	3
-Årets avskrivning	-3 012	-1 600
	-5 681	-3 856
Redovisat värde vid årets slut	**16 118**	**13 656**

Not 12 Andelar i koncernföretag

	2022-12-31	*2021-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	4 866	6 866
-Nedskrivning	-2 000	-2 000
Redovisat värde vid årets slut	**2 866**	**4 866**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*Antal-andelar*	*Kapital andel i %*	*Rösträtts andel i %*	*Redovisat värde*
Go Shopping ApS, CVRnr 30521153, Herning	125 000	100	100	2 866
				2 866

	*Eget kapital**	*Årets resultat***
Go Shopping ApS, CVRnr 30521153, Herning	2 889	46

* Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
** Med Årets resultat avses resultat efter finansiella poster

Not 13 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	*2021-12-31*
Upplupna intäkter	12 897	947
Förutbetalda varukostnader	1 540	389
Förutbetalda kostnader för övriga externa tjänster	5 372	4 537
	19 809	**5 873**

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IP: 213.89.xxx.xxx
2023-08-01 06:33:44 UTC

Not 14 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2022-12-31	*2021-12-31*
För egna skulder och avsättningar		
Avseende skulder till kreditinstitut		
Tullgaranti	554	554
Summa ställda säkerheter	**554**	**554**

Not 15 Antal aktier och kvotvärde

	2022-12-31	*2021-12-31*
antal aktier	1 404	1 404
kvotvärde (kr)	100	100

Not 16 Disposition av vinst eller förlust

Förslag till disposition av företagets vinst eller förlust
Styrelsen föreslår att fritt eget kapital, 146 253 Tkr, disponeras enligt följande:

	2022-12-31
Balanseras i ny räkning (Tkr)	146 253
	146 253

Not 17 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	*2021-12-31*
Uppl. löner och andra ersättn samt sociala kostn. inkl. pensionskostn.	9 674	5 501
Upplupna varukostnader	21 271	41 955
Upplupna kostnader för övriga externa tjänster	10 505	15 967
	41 450	**63 423**

Not 18 Hållbarhetsrapport

Bagaren och Kocken AB omfattas av en Hållbarhetsrapport upprättad av Egmont International Holding A/S, orgnr 67262, Köpenhamn. Rapporten kan hämtas från:
https://www.egmont.com/sites/default/files/2023-03/Egmont_Sustainability_Report_2022_web.pdf

PÅemaecobkalomaeatbtgrykkeIMBG314-B6WG1JDSQN2A-6GQEEB-YQZ8GB-HWMMN-BBWG1JDSQN2A

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Underskrifter

Göteborg den dag som framgår av vår elektroniska underskrift

Cato Broberg
Styrelseordförande

Eric Sandtrö
Styrelseledamot

Torsten Rasmussen
Styrelseledamot

Charlotta Svarfvar
Verkställande direktör

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

Alexandra Funseth
Auktoriserad revisor
Ernst & Young AB

Pdfmaskinen tillhandahålls av Bolagsverket - Version 1.0.0.0

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Building a better working world

Revisionsberättelse

Till bolagsstämman i Bagaren och Kocken AB, org.nr 556747 - 4001

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Bagaren och Kocken AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Bagaren och Kocken ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

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

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

Styrelsens och verkställande direktörens ansvar

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

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om 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 att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

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

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

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

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Bagaren och Kocken AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten 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 Bagaren och Kocken AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

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

Styrelsens och verkställande direktörens ansvar

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

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

Revisorns ansvar

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

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

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

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

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

Göteborg den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Alexandra Funseth
Auktoriserad revisor

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EGMONT FONDEN

Annual Report 2022

CVR No. 11456111

Godkendt på årsmødet den 7/3 2023

dirigent
Helle
Bjørnskov Fischer

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www.egmont.com
Registered office: Copenhagen

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Management's Review

CONSOLIDATED FINANCIAL HIGHLIGHTS	2022	2021	2020	2019	2018 (*)
Key figures (EUR million)					
Revenue	2,303.1	2,073.5	1,542.0	1,681.7	1,602.8
Profit before net financials, depreciation, amortisation and impairment losses (EBITDA)	255.9	390.2	224.6	249.6	190.3
Operating profit	81.1	255.9	97.8	125.3	85.0
Profit/(loss) from investments in associates	0.4	4.4	3.4	(32.2)	2.2
Operating profit after result from associates	81.6	260.2	101.2	93.1	87.2
Financial income and expenses, net	(14.4)	(14.6)	(16.4)	(12.8)	(5.8)
Profit before tax (EBT)	67.1	245.6	84.8	80.3	81.4
Profit for the year	61.6	224.2	74.4	55.2	50.8
Total assets	2,545.2	2,500.4	1,948.6	1,885.7	1,711.4
Investments in intangible assets	129.6	89.7	60.5	76.5	58.2
Investments in property, plant and equipment	27.3	21.4	18.8	26.0	20.4
Net interest-bearing debt**	495.1	306.2	121.1	169.6	69.1
Equity	1,099.5	1,097.7	885.8	885.9	869.3
Cash generated from operations ***	218.3	301.3	223.2	255.2	133.1
Financial ratios (%)					
Operating margin	3.5	12.3	6.3	7.5	5.3
Equity ratio	42.6	43.3	44.8	46.8	50.5
Return on equity	5.6	22.3	7.8	6.3	6.1
Average number of full-time employees	6,201	5,376	4,310	4,264	3,959

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

** *Including IFRS 16 leasing debt*

*** *Calculated before net financials and tax*

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

EGMONT

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Egmont is a leading Nordic media group focused on storytelling, journalism and great content across media platforms. We are tech-driven in creating superior user experiences and we strive to employ and partner with some of the most talented creators and developers.

Our four divisions – TV 2, Nordisk Film, Story House Egmont and Egmont Books – span the globe with a strong Nordic foothold. More than 6,000 employees from many different countries are instrumental in making us live up to our company tagline, *We bring stories to life*!

In line with our 2025 strategy, *Grow with the Modern Consumer - Scale Up & Stand Out,* we aim to grow our revenue to EUR 2.7 billion in 2025.

Egmont is a foundation, and our profits are used to develop our media business and to support children and young people at risk in Scandinavia. In 2022, EUR 13.2 million was donated in Denmark, Norway and Sweden.

Consolidated revenue in 2022 grew by 11% to all-time-high EUR 2.3 billion. EBIT amounted to EUR 82 million, corresponding to an EBIT-margin of 3.5%. Pre-tax profit (EBT) in 2022 stood at EUR 67 million against EUR 168 million in 2021 (adjusted for value adjustments in 2021). The result is satisfactory given the general macroeconomic headwind giving cost increases on energy, paper and print. In addition comes the loss of Premier League rights in Norway and longstanding negotiations with TV distributors that resulted in eight months blackout in part of the market in Norway. Also, the e-commerce businesses had lower demand after tailwind from Covid-19 in the previous years.

Egmont's growth was driven by content success, strong products and titles within e.g. films, TV, games, books and magazines, and overall solid business performance. Sales in the e-commerce portfolio decreased following above normal demand in 2021 related to Covid 19.

TV 2 saw revenue growth in 2022 following strong subscription and advertising sales and full consolidation of RiksTV's revenue, but with the expiry of Premier League rights affecting negatively. TV 2 maintained solid market shares and grew its streaming service TV 2 Play and the news site tv2.no. Operating profit was down primarily related to conflicts with Telenor and Altibox resulting in eight months blackout in part of the market.

Nordisk Film had a very good year with all-time-high revenue and strong operating profit. Customer demand for content was high across business areas and a range of new films and games were released. The Cinemas business moved towards normal conditions, although still below pre-Covid levels. The portfolio of computer games studios was further strengthened with the acquisition of the remaining shares in Supermassive Games.

Including impact from acquisitions in 2022, Story House Egmont realised a revenue on-par with 2021 while operating profit decreased. Operational excellence and increased ad sales led to solid performance in Media despite very high increase in paper and printing costs. The e-commerce portfolio saw decreasing sales and profit levels in 2022 after above normal growth and profit levels in 2021 related to Covid 19. The e-commerce company AndLight was acquired during the year. The portfolio of agencies delivered strong results and profit margins.

In Egmont Books, Cappelen Damm had all-time-high publishing revenue, double-digit growth and especially high growth rates in the educational business. Cappelen Damm was behind the year's best-selling books, won prestigious prizes and is by far the largest publishing house in Norway. Lindhardt og Ringhof had revenue on-par with 2021, took home important prizes and added 22,000 digital publications. Profits were impacted by rising paper and printing costs. The digital educational publisher Clio was acquired and was merged into Lindhardt og Ringhof on 1 January 2023.

THE GROUP

Revenue

Egmont's revenue for 2022 amounted to EUR 2.3 billion, an increase of 11% compared to 2021. The growth is related to strong content and products across Egmont's businesses and acquisitions. In line with expectations, the organic growth was 4.2% excluding the impact from negotiations with distributors in TV2.

Both traditional media and new growth businesses delivered well. E-commerce, however, was challenged by the big negative shift in consumer confidence and spending and thus revenue was on par with last year.

Earnings

Profit before net financials, depreciation and amortisation (EBITDA) amounted to EUR 256 million, corresponding to an EBITDA margin of 11.1% compared to a normalised EBITDA margin of 15.0% in 2021.

The pre-tax profit (EBT) in 2022 amounted to EUR 67.1 million. EBT in 2021 (adjusted for value adjustments (gains) in connection with step acquisitions) was EUR 167.5 million. The result is satisfactory given the general macroeconomic headwind giving cost increases, the loss of Premier League rights in Norway and longstanding negotiations with TV distributors that resulted in eight months blackout in part of the market. Also, the e-commerce businesses had lower demand after tailwind from Covid-19 in the previous years. Considering this, EBT is in line with the expectations.

Adjusted for re-measurement of shares in connection with step acquisitions, local tax credit schemes and adjustments for prior year, the effective tax rate was in the level of 22% (2021: 19%).

The net profit for the year was EUR 61.6 million in 2022 against EUR 224.2 million in 2021 (adjusted for value adjustments EUR 146.1 million).

Balance sheet

Total assets of EUR 2,545.2 million have increased slightly compared to 2021 (EUR: 2,500.4 million), mainly due to the acquisition of Clio and step-acquisition of Supermassive Games.

Net interest-bearing debt amounted to EUR 495.1 million compared to EUR 306.2 million in 2021. The increase is mainly driven by acquisitions.

Equity at the end of 2022 amounted to EUR 1,099.5 million compared to EUR 1,097.7 million last year. Equity was affected by positive earnings and positive value adjustments of hedging instruments, but off-set by foreign exchange adjustments on translation of foreign entities (lower SEK and NOK exchange rates), put-options on minorities, acquisitions of minorities and donations.

Return on equity was 5.6% compared to 14.5% in 2021 (adjusted for value adjustments (gains) in connection with step acquisitions). The equity ratio at the end of 2022 came to 42.6% compared to 43.3% in 2021.

Cash flow

Cash generated from operations amounted to EUR 218.3 million against EUR 301.3 million in 2021. Cash flow from change in working capital was negatively affected by the negative shift in consumer confidence and spending resulting in reduced net working capital, from lower receivables from sales as well as lower payables. Cash flows from investing activities amounted to an expense of EUR 277 million, primarily regarding acquisition of film rights, and further investments in subsidiaries.

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TV 2, Norway

Revenue in 2022: EUR 653 million (2021: EUR 618 million)
Operating profit after result from associates in 2022: EUR 8 million (2021: EUR 50 million)
Employees in 2022: 1,165 (2021: 1,079)

TV 2 is Norway's commercial public service broadcaster and one of the country's most innovative media companies. TV 2 operates eight TV channels, TV 2 Play, which is Norway's largest paid streaming service, and the news site tv2.no, which ranks among the top-three commercial online news sites in Norway. The TV 2 group includes RiksTV, Vimond Media Solutions, Aventia Media, Screen Story, TV 2 Invest, Broom.no, TV 2 Skole, Wolftech Broadcast Solutions and Electric Friends.

Revenue in 2022 amounted to EUR 653 million, compared to EUR 618 million in 2021, an increase mainly due to growth in subscriptions on TV 2 Play and full consolidation of RiksTV's revenue following the 50% acquisition on 1 July 2021 to become full owner. Operating profit after result from associates came to EUR 8 million, influenced by a conflict with TV distributors and therefore significantly lower than 2021. All in all, 2022 was a demanding year with the expiry of long-term Premier League rights, rapidly changing market conditions and the demanding negotiations with TV distributors that resulted in two blackouts, first with Telenor (seven weeks) and later with Altibox (seven months). The combined effect of these elements had a negative impact on TV 2's revenue and profitability in 2022. Long-term, however, TV 2's position is strengthened with the broad distribution of TV 2 Play through TV distributors and the take-over of Norwegian football rights starting from 2023.

During 2022, TV 2 continued its efforts to strengthen corporate brand and visual identity to reinforce the position in the consumer market. The public service channel was renamed *TV 2 Direkte* and the 24-hour TV news channel was re-labelled *TV 2 Nyheter.*

TV 2 CHANNELS

Despite the effects of blackouts with Telenor and Altibox, the TV 2 channels performed well and were able to deliver fairly stable market shares. TV 2's market share in the commercial market (age group 10-79 years) was 51.2%, a decrease of 4.1 percentage points compared to 2021. TV 2's share in the total market (age group 10-79 years) was 25.6%, a 1.5 percentage points decrease.

TV 2's public service channel, TV 2 Direkte, demonstrated high ratings on several flagship concepts. The third season of *Kompani Lauritzen (Celebrity Task Force)* once again delivered strong numbers and reached a total screen rating of more than 1 million viewers in average per episode on TV 2 Play and TV 2 Direkte combined. New concepts, such as the *Kompani Lauritzen* spin-off *Tropp 1 (Troop 1)* and *Forræder (Traitor)*, were well received by the audience.

TV 2 Nyheter, Norway's only 24-hour TV news channel, continued to do well following the Covid 19 pandemic. Throughout 2022, the channel's market share (age group 10-79 years) ended on 3.9%, a slight decrease of 0.5 percentage points compared to 2021.

The main sports channels, TV 2 Sport 1 and TV 2 Sport 2, maintained their positions in the market. TV 2's Sport Premium channels experienced a drop in ratings because of TV 2 no longer having the rights to Premier League football. Total market share (age group 10-79 years) for the sports channels was 1.4%, down 0.5 percentage points compared to 2021. TV 2's other genre channels, Livsstil and Zebra, saw a slight increase of 0.5 percentage points in the total marked (age group 10-79 years) reaching 3.3 percent in 2022.

TV 2 PLAY

TV 2's streaming service, TV 2 Play, strengthened its position through agreements with the TV distributors, enabling customers broad and easy access to the TV 2 Play HVOD (with ads) via set-top-boxes and smart TVs, reaching an even greater part of private households. At the end of 2022, Strim, Telia, Telenor and Allente had all onboarded TV 2 Play, while Altibox households will receive an expanded offering during 2023.

Through a combination of strategic content deals (Disney+ and Norwegian elite football from Discovery) and data driven retention/anti-churn activities and customer communication, TV 2 managed to retain a substantially higher share of TV 2 Play subscribers upon expiry of the Premier League rights than expected. Through advanced data-driven and editorial content presentation TV 2 Play also increased daily usage and viewing time making TV 2 Play well positioned for further growth.

TV2.NO

In 2022, TV 2 announced a scale-up plan for the news site tv2.no. Compared to H2 2021, tv2.no increased the number of unique users by 20% percent in H2 2022. tv2.no also reached a new daily record of 1.8 million unique users. Page views have increased by 19% during H2 2022, compared to H2 2021, reaching a daily record of more than 7.5 million page views per day.

RIKSTV

RiksTV is a distributor of pay TV channels in the Norwegian digital terrestrial TV network with additional operations in the fiber and streaming market and has approximately 267,000 customers. RiksTV saw strong growth primarily driven by the streaming service Strim where subscribers have access to live TV from leading broadcasters and content from different streaming services.

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Nordisk Film

Revenue in 2022: EUR 573 million (2021: EUR 472 million)
Operating profit after result from associates in 2022: EUR 48 million (2021: EUR 72 million)
Employees in 2022: 2,007 (2021: 1,478)

Nordisk Film is a leading Nordic entertainment and experience company focused on storytelling in films, series and computer games across platforms.

Revenue in 2022 amounted to EUR 573 million, compared to EUR 472 million in 2021, reflecting strong content demand and success across the main business areas despite global macroeconomic turmoil with high inflation and reduced consumer confidence. The cinema business began to bounce back after a long period of restrictions and forced government closures due to Covid 19 and the portfolio of computer game companies grew further through acquisitions. Nordisk Film's extraordinary high result of 2021 held non-recurring value adjustment gains of EUR 15 million. In 2022, operating profit after result from associates came to a very solid EUR 48 million.

FILM & SERIES

Nordisk Film provides Nordic consumers with high-quality film and series through its own and associated production companies and through collaborations. The first quarter of 2022 was impacted by Covid 19 leading to many theatrical releases either underperforming or being moved. The theatrical markets in the Nordics, and especially in Denmark, recovered to some extend during the year.

The fully owned production company Nordisk Film Production had a record number of films and series in various stages of production across the Nordics. In Denmark, Niels Arden Oplev's *Rose* (approximately 360,000 cinema tickets sold), Paprika Steen's *Fathers and Mothers* (360,000 tickets) and franchise comedy *All For Four* (300,000 tickets) were the second, third and fourth best-selling local releases. In Norway, long-awaited WW2 epic *Narvik* premiered just before Christmas to rave reviews and high attendance (500,000 tickets).

Nordisk Film also distributed and marketed a range of other local and international titles such as the number one Danish blockbuster of the year, the biopic *A Lucky Man* (480,000 tickets), *Håkan the Troublemaker* in Sweden (300,000 tickets), *The Grump 3* in Finland (200,000 tickets) and the children's classic *When the Robbers Came to Cardamom Town* in Norway (350,000 tickets locally). All in all, Nordisk Film's slate accumulated a total of more than 5 million tickets sold across the Nordics.

The markets for digital buy and rent maintained the high levels reached during previous years, spearheaded by *Checkered Ninja 2* that generated sales of 150,000 units, bought or rented, across the Nordics as well as 130,000 units for *The Burning Sea* in Norway.

2022 marked the successful OTT launch of the streaming service Nordisk Film+ which at year-end had more than 100,000 subscribers on the platform as well as distribution on partner platforms in both Denmark, Norway and Sweden. Nordisk Film also entered a landmark three-year film deal with Amazon Prime Video and TV 2 Norway.

Nordisk Film's VFX and post-production company, Nordisk Film Shortcut, opened Shortcut LED Stage, one of the most advanced and unique LED stages ever built, providing endless possibilities of creative, flexible and cost-cutting visual storytelling.

CINEMAS

Nordisk Film Cinemas is a leading cinema chain in the Nordics. In 2022, Nordisk Film Cinemas won the right to operate a cinema in Sarpsborg, Norway, which opened in the beginning of 2023. Nordisk Film Cinemas now operates a total of 47 cinemas – 23 in Denmark, 22 in Norway and 2 in Sweden.

The beginning of 2022 was impacted by Covid 19 closures and restrictions, but all territories were fully opened from spring and delivered very solid performance throughout the rest of the year with May even reaching record-high attendance. This emphasises that customer demand for the cinemas is strong, but the market continued to lack supply of international titles and therefore the total number of cinema tickets sold in 2022 was still below the levels of pre-Covid (2019). Nordisk Film Cinema's media business had a good year, especially Dansk Reklame Film performed very strong.

COMPUTER GAMES

Nordisk Games holds a portfolio of seven European game studios that continued to grow organically and through acquisitions. During 2022, Nordisk Games bought the remaining shares of UK's Supermassive Games and the portfolio showed solid revenue growth in 2022. Fully owned Avalanche Studios Group grew its business receiving even more success with *theHunter: Call of the Wild*, the world's largest hunting game, while also launching *theAngler: Call of the Wild*, an ambitious new fishing game. Majority-owned Star Stable Entertainment strengthened its position as the world's leading online adventure horse game. Supermassive Games launched *The Devil in Me* and *The Quarry,* the latter winning Game of the Year at the Tiga Awards and being named the third best game of the year by Time Magazine. Fully owned Flashbulb Games expanded *Trailmakers* and *Rubber Bandits* while minority-owned Mercury Steam worked on two large undisclosed titles. Majority-owned Nitro Games launched *Nerf: Superblast,* based on Nerf, one of the biggest toy brands in the world owned by Hasbro.

Nordisk Film Interactive is the official distributor of Sony PlayStation in the Nordic and Baltic countries. In 2022, the PlayStation 5 (PS5) had its second full year in the market with strong consumer demand for the console. However, supply constrains continued to be a source of frustration to many PlayStation customers. Critically acclaimed exclusive PlayStation games such as *Gran Turismo 7* and *Horizon Forbidden West* were released early in the year. *God of War Ragnarök* broke the bank in November and became the fastest selling PlayStation published game ever. Excitement for 2023 was built by announcing more detail and content on PlayStation VR2, the next generation VR headset released in February 2023.

GIFTING

GoGift is a global gifting company. Most markets experienced growth, especially outside the Nordics, but revenue was still impacted by the removal of previous years' extraordinary Covid 19 tax incentives in some markets and the general global macroeconomic downturn. GoGift continued to invest in systems, scalable earnings initiatives and a global roll-out and launched The Global Gift Card, a global cross-border and cross-currency gift card, which has been well received across the world.

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Story House Egmont

Revenue in 2022: EUR 853 million (2021: EUR 851 million)
Operating profit after result from associates in 2022: EUR 31 million (2021: EUR 79 million)
Employees in 2022: 2,045 (2021: 1,943)

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

Revenue in 2022 amounted to EUR 853 million compared to EUR 851 million in 2021. Adjusted for acquisitions, revenue decreased slightly. This reflects the global macroeconomic turmoil with high inflation and reduced consumer confidence that impacted several aspects of Story House Egmont's businesses compared to an above normal demand for many products and services during the Covid 19 pandemic in 2021. Operating profit after results from associates was EUR 31 million, a decrease from the all-time-high result in 2021 where Story House Egmont reached profits above normal level. Additionally, the 2022 result was impacted negatively by trademark amortisations, impairments and stock write-downs.

MEDIA

Story House Egmont's media business is focused on magazine and digital publishing contributing to a diverse and high-quality content-based media landscape in 24 countries across the Nordics, Europe and some international markets. Story House Egmont also has a range of digital media, digital services, and lifestyle sites. The many media brands reach millions of consumers every day, and the magazines raised a variety of important agendas throughout 2022. Story House Egmont downscaled the media organisations and saw solid performance in all key markets based on strong operations and optimisations.

The media business in both the Kids and Consumer categories experienced challenging market conditions in 2022 that resulted in substantial cost increases especially related to paper and print. On a more positive note, print and digital advertising recovered from the negative Covid 19 effects. A minor add-on acquisition of rights in the Kids market was made in Poland enabling the business to further expand the position as top Kids magazine publisher.

People are continuously consuming more media and entertainment online and Story House Egmont saw growth in digital channels in fierce competition with the global tech giants and streaming services. Influencer marketing is still a growth market in high demand among advertisers and Story House Egmont continued to invest in the area with the Norwegian influencer network PEOPLE.

E-COMMERCE

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

In the beginning of 2022, Story House Egmont acquired AndLight, a strong Danish player within the interior segment, as an addition to the Royal Design Group (behind RoyalDesign and Rum21). The e-commerce portfolio now consists of Fjellsport, Outnorth, SkittFiske, Bagaren och Kocken (including KitchenOne), Royal Design Group, Nicehair and Garnius. Story House Egmont is also the minority owner of Jollyroom and Med24.

In 2020 and 2021, Story House Egmont realised above normal growth and profit levels. As the pandemic ended and the macroeconomic environment changed dramatically Story House Egmont realised decreasing sales and profit

levels in the e-commerce business in 2022 with substantial differences among niche areas and markets. The adoption of e-commerce was strong during the two years of the Covid 19 pandemic, but now the market levels resemble the trend-curve pre-Covid (2019) why the long-term trend is unchanged and in favor of more online shopping. Profitability was down based on lower revenue, margin pressure, increased marketing costs and one-off costs related to warehouses, upgrading of IT infrastructure, retail outlets, impairments and the closure of Roboteksperten. All in all, Story House Egmont is well positioned within e-commerce in a tough environment where consolidation and shake-out is expected in the coming years.

AGENCIES

Story House Egmont has a portfolio of seven agencies that have been consolidated through 12 investments. They can be categorised as *Performance marketing, B2B/inbound marketing and Digital full-service* and they are all active in the Nordic market with some activity in Germany as well. The portfolio continues to develop through a combination of organic growth and targeted M&A activities.

All agencies work actively connecting brands and consumers in an increasingly digital world and thereby helping other companies tell their stories and build strong brands.

The portfolio currently consists of the following agencies: Ingager, s360 (including Helion), Core Content, Klintberg/ Niléhn, Markedspartner, KAN and OKTO. During 2022, KAN acquired Dazy and the integration of Dazy and Winston (acquired by KAN in 2021) resulted in the creation of a Stockholm-based KAN office.

All companies delivered strong results and profit margins and the worsening macroeconomic trends have so far had limited impact on financial performance. Further consolidation is expected to take place in the market in the coming years, both at a national and Nordic level, and Story House Egmont sees a potential for further expansion in Europe with selected agencies.

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Egmont Books

Revenue in 2022: EUR 224 million (2021: EUR 136 million)
Operating profit after result from associates in 2022: EUR 12 million (2021: EUR 70 million)
Employees in 2022: 850 (2021: 749)

Egmont Books comprises Norway's largest publishing house Cappelen Damm and Denmark's publishing house Lindhardt og Ringhof. Revenue in 2022 amounted to EUR 224 million, reflecting both organic and acquisitional growth as well as full consolidation of Cappelen Damm's revenue following the acquisition up to full ownership in July 2021. Operating profit after result from associates came to EUR 12 million, negatively affected by the acquisition of the digital educational publisher Clio. It was EUR 3 million down compared to 2021 when adjusting for a one-time-gain of EUR 55 million in connection with the step-acquisition of Cappelen Damm included in the 2021 result.

CAPPELEN DAMM

Cappelen Damm publishes analogue and digital publications in all genres in the general market and for all educational levels in the teaching markets. Cappelen Damm further strengthened its position as Norway's leading publishing house in 2022 launching more than 3,000 new publications: hardcover editions, digital teaching aids, audiobooks, e-books and paperbacks. This constituted, according to The Publishers' Association's Industry Statistics, almost 40% of all book publications in Norway.

Cappelen Damm saw an organic growth of 12% and all-time-high publishing revenue in 2022. The record year was driven by solid growth in the general market and extraordinary strong growth in education – Cappelen Damm's educational division had a great year with 22% growth thus making further advance from an equally successful 2021.

Literary success and award-winning publications along with strong growth in audiobooks contributed to increased margins and overall growth in the general market. Cappelen Damm published two of three bestselling titles in Norway in 2022, Valerié Perrin's novel *Å vanne blomster om kvelden* and the biography *Min Skyld* by Abid Raja. Cappelen Damm authors won three out of five of the prestigious Brage awards; Ingeborg Arvola won the award for Best Fiction Book, Trygve Riiser Gundersen won for Best Non-fiction Book and Gro Dahle received the Honorary Award.

Cappelen Damm owns the distribution company Sentraldistribusjon, co-owns the audiobook streaming service Storytel Norway with Storytel and co-owns the academic digital reader and learning experience Allvit with Aschehoug.

LINDHARDT OG RINGHOF

Lindhardt og Ringhof publishes books in all genres, is behind the digital publisher SAGA and has a leading educational business. The book publications include novels from promising debutants, local and international bestsellers, literature from prize-winning authors, non-fiction and

children's literature. Lindhardt og Ringhof published more than 600 titles on the Danish market in 2022 and SAGA added 20,000 digital publications to its global catalogue of e-books and audiobooks.

Excluding acquisitions, Lindhardt og Ringhof's revenue in 2022 was on par with 2021. In 2022, Lindhardt og Ringhof was – as its competitors – negatively impacted by increase in paper, transportation and energy costs as well as declining retail sales in second half of 2022.

Lindhardt og Ringhof's authors received a range of awards in 2022, including The Golden Laurel 2022 to Maren Uthaug for her novel *11%* – it was the second year in a row that an author from Lindhardt og Ringhof received this prestigious reward. Among other prizes were DR Romanprisen to Anne-Marie Vedsø Olesen and Weekendavisen's Literature Award to Rakel Haslund Gjerrild, while the digital publisher SAGA was named Audiobook Publisher of the Year at The London Book Fair. The year's strong book titles include Leif Davidsen's crime novel *Lenin's Bodyguard*, Ukrainian president Volodymyr Zelensky's *A Message From Ukraine* and Charlotte Koldbye's biography on Danish scientist Niels Bohr, *Bohr – det beskedne geni.*

SAGA continued its international expansion with the acquisition of Germany's largest, independent e-publishing house dotbooks and the acquisition of the French audiobook publisher Compagnie du Savoir's audiobook portfolio. SAGA now has more 120,000 digital publications in +30 languages in its catalogue which is sold by 450 distributors worldwide.

Lindhardt og Ringhof's educational business includes Alinea that publish printed and digital teaching material to all levels in primary school. Alinea saw continued growth especially within digital learning material and cemented its market-leading digital position with the acquisition of Clio, one of Denmark's leading providers of digital learning materials for primary schools, from Bonnier. Clio was merged into Lindhardt og Ringhof on 1 January 2023.

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The Charitable Activities

Egmont as a foundation was established in 1920 with the aim of alleviating the consequences of poverty for children and families. Today, the UN's Sustainable Development Goal number four is the overarching goal or ambition i.e. to ensure inclusive and equitable quality education and lifelong learning opportunities for all. The charitable activities are managed by Egmont's Support and Grant Administration (SGA).

Children and young people at risk constitute the target group of Egmont's support and donations. SGA has a child-centric, databased and co-operation oriented approach and uses a variety of philanthropic instruments: The Helping Hand programme, which distributes support directly to children and families at risk, donations, partnerships, incubator grants and signature projects. In 2022, the foundation granted a total of EUR 13.2 million in 35 grants. In sum, since 1920 approx. EUR 490 million (present value) has been donated.

In 2022, Egmont launched a new charitable strategy (2022-25). The strategic aim is for all young people to be able to complete an upper secondary education by 2030. Two issues will be addressed, reducing learning inequity and educational drop-out rates among young people at risk. The new strategy builds on Egmont's many years of experience of combating learning inequity whereas reducing drop-out rates will be a new focus area.

ADDRESSING THE NEGATIVE CONSEQUENCES OF CHILD POVERTY

Based on its legacy of combating child poverty, in 2022 Egmont focused on the negative consequences of poverty on children. Thus, Egmont earmarked up to EUR 13.3 million for the Helping Hand programme (2022-25). The programme provides individual support through partnerships with organisations in Denmark, Norway and Sweden providing direct support for children and young people at risk. In 2022, Egmont distributed EUR 3.9 million through the programme.

As a result of the economic crisis, Egmont gave an extra EUR 0.13 million for Christmas aid to Danish People's Aid through the Helping Hand programme benefitting more than 600 children from families at risk.

Furthermore, Egmont donated EUR 67,200 for Plus Pictures for a documentary TV series and campaign on poor children and EUR 0.5 million for the organisation Skole og Forældre (School and Parents) to ensure increased participation in school communities for poor children.

Finally, Egmont launched an action tank of change makers who will address the issue of poor children lacking memorable activities and a survey focusing on the deprivation of poor families during the current economic crisis.

A REFUGEE PROGRAMME FOLLOWING THE WAR IN UKRAINE

Following the war in Ukraine and based on the foundation's humanitarian legacy, Egmont earmarked EUR 4 million for a refugee programme in Denmark, Sweden and Norway to ensure that children, young people and families fleeing the war in Ukraine get the best possible start of life in Scandinavia. The support is given to seven organizations across Scandinavia. The supported initiatives focus on providing psychosocial support to children, young people and families upon arrival in the Scandinavian countries, as well as initiatives that can improve their integration. The seven organizations include the Danish Red Cross and Norwegian Red Cross, Swedish Save the Children, Norwegian Save the Children and Danish Save the Children, The Danish Refugee Council and the Norwegian Women's Public Health Association.

FOCUSING ON PATERNITY LEAVE

Paternity leave was the annual theme in 2022. SGA gathered data on the needs of infants and the need of support of their fathers. The data was published in the Egmont Report 2022, which resulted in substantial press coverage and debate on social media. The report concluded that an early attachment between the infant and the father as well as the mother is crucial to the child's development and the well-being and the stability of the family. Paternity leave can contribute positively to this.

Based on the report, Egmont recommended, (1) a higher awareness of the advantages for the child of paternity leave, (2) more relevant activities for the fathers on leave and

improved support of the fathers and (3) increased focus by health professionals on the importance of the role of the father for the development of the child.

ACTIVITIES IN SWEDEN AND NORWAY

Since 2009, charitable activities have been run in Norway. In 2022, EUR 0.8 million was granted through the Helping Hand programme, the refugee programme and a partnership with Kronprinsparets Fond (The Crown Prince Couple's Foundation).

In 2021, the first donations in Sweden were granted as Egmont's business has grown in Sweden and Egmont wants to take social responsibility here as well. In 2022, a partnership was established with Sveriges Stadsmissioner (Sweden's City Missions). EUR 0.25 million was donated through the Helping Hand programme and EUR 0.5 million through the refugee programme.

A NEW SIGNATURE PROGRAMME

Based on a 2022 grant, Egmont will initialise a new signature programme focussing on seriously ill young people. It will be a long-term commitment to improve the life skills of the target group and their chances of completing an upper secondary education.

In 2022, Egmont also worked systematically with several other strategic focus areas. SGA continued its comprehensive partnership with Børns Vilkår (Children's Rights National Association) on school absenteeism. It continued its partnership with Mødrehjælpen (Mother's Aid) on the first 1,000 days of children's lives, which is a central part of the foundation's focus on young children. SGA also continued its partnership with Lær for Livet (Learn for Life) on reducing the learning gaps for children and young people placed in care.

NORDISK FILM FONDEN

Nordisk Film Fonden aims to spark curiosity among film talents in order to explore the possibilities in today's available technology and hereby foster a strong, diverse, and front-end Nordic film culture that will continue to bring stories to life. In 2022, Nordisk Film Fonden donated EUR 1.0 million. Examples include 18Frames, Editing Workshop for Young Talents, the Virtual Production School 2023-2024, the Polar Bear Writing Camp Norway and Data & Insight-driven Film Development. Also, a partnership was established with the European Film College providing scholarship for young film talents 2023-2025. The scholarships Store Isbjørn and Lille Isbjørn was received by 57 film talents. The Nordisk Film Award went to director and writer Amalie Næsby Fick in Denmark and in Norway to cinematographer Sturla Brandt Grøvlen. The Balling Award went to director Frelle Petersen and the Ove Sprogøe Award to actress Josephine Park.

Egmont Fonden (parent entity)

The profit reported by Egmont Fonden, the parent entity of the Egmont Group, excluding dividends from equity investments in subsidiaries, was EUR 2.0 million (2021: 2.1 million) as expected. Egmont Fonden's commercial activities primarily comprise royalty income from the Foundation's publishing rights and management of the Foundation's assets. For 2023, Egmont Fonden expects an unchanged profit excluding dividends.

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Corporate Social Responsibility

Egmont's Sustainability Report provides detailed information on sustainability and our responsible business behaviour. The Sustainability Report serves as a supplement to the United Nations Global Compact Communication on Progress, which in 2023 will be submitted through the new CoP digital platform. The Sustainability Report includes Egmont's mandatory non-financial reporting in accordance with article 99a, Egmont's report on targets and policy with respect to the underrepresented gender in accordance with article 99b, and Egmont's statement on data ethics in accordance with article 99d of the Danish Financial Statements Act. The full report can be downloaded at: www.egmont.com/key-figures-reports.

The highlights from Egmont's Sustainability Report 2022 are set out below.

GO GREENER FAST

Go Greener fast is Egmont's climate strategy, describing Egmont's ambitions to contribute to a low- carbon economy and a better planet for future generations. From 2021, Egmont has been carbon neutral by way of buying best in class carbon credits to compensate for our emissions in own operations (scope 1 and 2). From 2022, Egmont has matched its electricity consumption (scope 2) with 100% green electricity, which has significantly decreased Egmont's emissions (market-based) from own operations from 10,470 tCO2e in 2021 to 1,891 tCO2e in 2022.

During 2022, Egmont performed a comprehensive high-level value chain screening with the purpose to establish a full scope 3 baseline and to get a better understanding of the carbon emissions generated by Egmont companies across their value chains, beyond the scope 3 categories Egmont has focused on so far. Egmont expects on that basis to widen its scope 3 focus to more categories.

ANTI-CORRUPTION AND BUSINESS ETHICS

Egmont does not tolerate any use of corruption or bribery, and since 2013 Egmont has had a clear policy on that.

Egmont's Business Ethics Policy incorporates a wider range of legal compliance areas in addition to anti-corruption, such as conflicts of interest, gifts and entertainment, competition law, anti-fraud, marketing law, data protection, piracy and illegal use of content, human rights, and environment, and it is an overall umbrella to communicate compliance policies and how Egmont expects all managers and employees to act. The Business Ethics e-learning presents the employees with dilemmas and cases, which they may encounter in their daily business. During 2022, Egmont rolled out its annual refresher e-learning to all relevant employees and 89% completed the training. The target is to reach as close to 100% completion rate as possible and follow up with employees that do not complete on time is done systematically. The training is automatically assigned to all new, relevant employees. During 2022, Egmont has not detected any corruption or bribery in Egmont or in the supply chain or received reports of any such incidents.

WHISTLEBLOWING POLICY AND SYSTEM

Egmont has a whistleblowing policy which can be accessed online by employees in Egmont and by external parties (via Egmont.com). During 2022, the system was updated to ensure easy access to reporting from mobile phones. In 2022, very few whistleblower reports were submitted in Egmont's whistleblowing system. No compliance issues were identified in any of these cases but relevant follow up was made and all matters have been closed.

DATA PROTECTION, ETHICS, AND SECURITY

Egmont has implemented a group-wide, general framework for ongoing GDPR compliance, and its businesses continue to actively implement GDPR compliance into the way they work. Egmont also has a group-wide Information Security Policy, and all employees are educated in general information security on an annual basis. Finally, Egmont has introduced a policy on data ethics to ensure that Egmont companies manage data in an ethical way. The principles in the policy are universal and relevant across Egmont but currently it only applies directly to all 100% owned Danish companies.

EMPLOYEE ENGAGEMENT

Egmont's leaders are vital to the well-being and development of its people, and it is crucial for Egmont's continued success that its leaders understand how to guide their employees through the rapid changes in business models. Therefore, Egmont continues to invest in leadership training, which aims at unfolding Egmont's strategy in a set of key leadership principles. By the end of 2022, a total of 675 leaders from across the businesses have completed the "Committed to Lead" programmes during a period of six years and more leaders are lined up for the programmes in 2023. Egmont's engagement remains at a high level, both in terms of participation rate in surveys (88%) and the overall engagement level (8.2 on a 10-point scale) according to the latest survey in November 2022. This constitutes a 2% higher participation rate and an overall engagement level on par with the engagement level in November 2021.

EGMONT SOCIAL COMPLIANCE

Egmont's approach to social compliance is guided by Egmont's Code of Conduct that is aligned with UN Global Compact's ten principles and covers topics related to human rights, labour rights, environment and anti-bribery. The Code of Conduct sets out our minimum requirements on responsible business practices for our business partners and suppliers, while the Egmont Social Compliance Programme (ESCP) defines processes and practices on how to ensure compliance and how to mitigate non-compliance issues at our direct suppliers and selected sub-suppliers. During 2022, Egmont continued to monitor its manufacturers' social compliance level via social audits, and on-going dialogue to remedy audit findings.

Outlook for 2023

2023 is a very unpredictable year with much uncertainty on macro level and low consumer confidence . Further both inflation and prices for raw materials is increasing. Egmont is overall expecting a slight increase in activity level (revenue) for 2023 and EBT is expected to be in the same level as realised in 2022.

Egmont will carry on developing media platforms, continuously adapting its media products to changing consumer needs and new technology and run profitability programmes and efficiency-enhancing measures. The greatest uncertainty is associated with advertising revenue, which is sensitive to economic fluctuations and changes in consumer habits, development in circulation of magazines and consumer demands that impacts sales in especially the e-commerce business.

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Foundation and Corporate Governance

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

Egmont Fonden fully supports the Danish Recommendations on Foundation Governance and complies with most of the recommendations. Egmont Fonden's Statutory Report on Foundation Governance for the financial year 2022 can be reviewed and downloaded at: www.egmont.com/foundationgovernance. The report includes a full description of Egmont's approach to each of the recommendations from the Committee on Foundation Governance.

The Board of Trustees has also prepared a Report on Corporate Governance for the financial year 2022 based on the Recommendations on Corporate Governance. The report can be reviewed and downloaded at: www.egmont.com/corporategovernance.

DISTRIBUTION POLICY

The Board of Trustees has set the framework for distributing donations in the charitable strategy for 2022-2025. During the year, the Funding and Grant Administration presented individual proposals for donations to be distributed within that framework to the Board of Trustees.

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

ORGANISATION

At the Annual Meeting in March 2022, Martin Enderle was reappointed to the Board of Trustees for another four-year period. Jeppe Skadhauge resigned from the board and no new board member was appointed and the board was reduced from ten to nine members, six of which are appointed by the annual meeting and three elected by the employees. During January 2023, elections were held for employee representatives to the board and the employees elected Anna von Lowzow (re-election), Peder Høgild (re-election) and Jesper Lyders Andersen (newly elected) as employee representatives. They were all elected for a four-year period running from March 2023.

In connection with the Annual Meeting in March 2023, Lars-Johan Jarnheimer will resign from the Board of Trustees. He has been a member of the Board of Trustees since 2011. It is expected that Rebekka Glasser Herlofsen will be appointed to the Board of Trustees for a four-year period.

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

BOARD OF TRUSTEES AND MANAGEMENT BOARD OF EGMONT FONDEN

Board Of Trustees

Lars-Johan Jarnheimer (Chair)[135]
Director, born 1960, appointed 2011, election period expires 2023
Chairman of the Funding and Grant Committee
Member of the boards of Egmont International Holding A/S (C), Ejendomsselskabet Vognmagergade 11 ApS (C), Ejendomsselskabet Gothersgade 55 ApS (C), Nordquist HAB, Sweden, SAS Group, Sweden, SSRS-holding, Sweden, INGKA Holding BV (C), the Netherlands, Telia Company AB (C), Sweden

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

Participated in 7 out of 7 board meetings.

Merete Eldrup (Vice Chair) [235]
Director, born 1963, appointed 2020, election period expires 2024
Member of the board of Egmont International Holding A/S, University of Copenhagen (C), Rockwool Fonden (C), Nykredit Realkredit A/S (C), Nykredit Holding A/S (C), Kalaallit Airports International, Ramboll and Molslinjen A/S.

Special competences: media, finance, strategy, management

Participated in 7 out of 7 board meetings.

Martin Enderle[135]
Managing Director allmyhomes GmbH, Germany, born 1965, appointed 2014, election period expires 2026
Member of the boards of Egmont International Holding A/S, Delivery Hero SE (C), Germany; MeinAuto AG (C), Germany; Crown Proptech Acquisitions, US; allmyhomes GmbH, Germany

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

Participated in 7 out of 7 board meetings.

Josh Bottomley[135]
Principal, CVC Capital, UK, born 1967, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

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

Participated in 6 out of 7 board meetings.

Christian Wegner[135]
CEO Südwestdeutsche Medienholding (SWMH), Germany, born 1974, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

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

Participated in 7 out of 7 board meetings.

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

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

Participated in 7 out of 7 board meetings.

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

Participated in 6 out of 7 board meetings.

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

Participated in 7 out of 7 board meetings.

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

Participated in 7 out of 7 board meetings.

Management Board

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

Hans J. Carstensen
Executive Vice President and CFO, born 1965
Member of the board of Statens Ejendomssalg A/S (Freja Ejendomme A/S) (C)
Chair, Vice Chair or member of boards of Egmont Group companies

All information as of 7 March 2023.

C: Chair
VC: Vice Chair

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

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

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

Income Statement of the Group
(EURk)

Note		2022	2021
2	Revenue	2,303,063	2,073,472
3	Other operating income	29,779	127,991
	Raw materials and consumables	(397,884)	(369,094)
	Other external expenses	(1,172,878)	(1,008,928)
4	Personnel expenses	(501,842)	(432,873)
5	Depreciation, amortisation and impairment losses	(174,803)	(134,368)
	Other operating expenses	(6,410)	(7,446)
13	Profit/(loss) after tax from investments in joint ventures	2,121	7,105
	Operating profit	81,146	255,859
14	Profit/(loss) after tax from investments in associates	434	4,362
	Operating profit after result in associates	81,580	260,221
6	Financial income	5,453	4,395
7	Financial expenses	(19,901)	(18,985)
	Profit before tax	67,132	245,631
8	Tax on profit for the year	(5,537)	(21,455)
	Net profit for the year	61,595	224,176
	Net profit for the year attributable to:		
	Egmont Fonden	60,162	218,696
	Non-controlling interests	1,433	5,480
	Total	61,595	224,176

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Statement of Comprehensive Income of the Group

(EURk)

Note		2022	2021
	Profit for the year	61,595	224,176
	Items that will not be reclassified to the income statement in subsequent periods:		
	Actuarial gains/(losses) on defined benefit pension plans	712	(231)
	Other equity transactions in joint ventures and associates	1,742	(48)
	Tax on items that will not be reclassified to the income statement in subsequent periods	(157)	51
		2,297	(228)
	Items to be reclassified to the income statement in subsequent periods:		
	Foreign exchange adjustments on translation to presentation currency	(121)	1,582
	Foreign exchange adjustments on translation of foreign entities	(63,655)	41,242
19	Net value adjustment of hedging instruments	34,163	(19,868)
	Tax on items to be reclassified to the income statement in subsequent periods	(6,784)	3,752
		(36,397)	26,708
20	Other comprehensive income after tax	(34,100)	26,480
	Total comprehensive income	27,495	250,656
	Total comprehensive income attributable to:		
	Egmont Fonden	26,428	245,176
	Non-controlling interests	1,067	5,480
	Total	27,495	250,656

Statement of Financial Position of the Group at 31 December

(EURk)

Note	Assets	2022	2021
	Film rights and other acquired rights, etc.	125,247	92,794
	In-house produced film rights	71,942	54,586
	Goodwill	807,283	754,042
	Trademarks	200,348	199,942
	Intangible assets in progress and prepayments for film rights	28,579	21,750
9	Intangible assets	1,233,399	1,123,114
	Land and buildings	121,474	125,425
	Plant and machinery	28,973	29,198
	Tools and equipment	22,090	16,239
	Leasehold improvements	10,190	8,341
	Property, plant and equipment under construction	2,763	5,588
10	Property, plant and equipment	185,490	184,791
11	Investment properties	45,003	40,611
12	Lease assets	154,440	147,927
13	Investments in joint ventures	36,724	36,967
14	Investments in associates	118,888	146,413
	Other investments	7,137	7,553
27	Receivables from joint ventures and associates	1,684	1,594
22	Deferred tax	5,284	5,438
	Other non-current assets	169,717	197,965
	Total non-current assets	1,788,049	1,694,408
15	Inventories	202,381	200,680
26	Trade receivables	245,946	265,266
27	Receivables from joint ventures and associates	2,851	1,423
	Other receivables	101,669	82,857
16	Prepayments	146,199	187,931
	Receivables	496,665	537,477
17	Cash and cash equivalents	58,062	67,860
	Total current assets	757,108	806,017
	TOTAL ASSETS	2,545,157	2,500,425

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Statement of Financial Position of the Group at 31 December

(EURk) (Continued)

Note	Equity and liabilities	2022	2021
	Capital fund	29,583	29,583
	Retained earnings and other reserves	1,054,890	1,054,339
	Egmont Fonden's share of equity	1,084,473	1,083,922
	Non-controlling interests	15,016	13,728
18	Equity	1,099,489	1,097,650
21	Pension obligations and similar obligations	2,234	3,352
22	Deferred tax	35,695	29,611
23	Other provisions	39,920	60,337
26	Mortgage debt	111,285	111,198
26	Other credit institutions	236,298	55,847
26	Lease liabilities	153,869	166,846
	Other payables	25,149	36,788
28	Deferred income	5,308	7,007
	Non-current liabilities	609,758	470,986
26	Mortgage debt	0	251
26	Other credit institutions	17,183	19,869
26	Lease liabilities	35,988	19,469
	Prepayments from customers	49,735	53,055
26	Trade payables	302,918	367,310
26,27	Payables to joint ventures and associates	191	2,220
	Corporate income tax	11,866	27,483
	Other payables	206,650	254,885
23	Other provisions	102,347	89,636
28	Deferred income	109,032	97,611
	Current liabilities	835,910	931,789
	Total liabilities	1,445,668	1,402,775
	TOTAL EQUITY AND LIABILITIES	2,545,157	2,500,425

Cash Flow Statement of the Group

(EURk)

Note		2022	2021
	Operating profit	81,146	255,859
	Adjustment for non-cash operating items, etc.:		
	Other non-cash operating items, net	(13,688)	(102,076)
5	Depreciation, amortisation and impairment losses	174,803	134,368
	Profit/(loss) after tax from investments in joint ventures	(2,121)	(7,105)
	Provisions	(1,899)	59,779
	Cash generated from operations before change in working capital	**238,241**	**340,825**
	Change in inventories	(9,820)	(40,904)
	Change in receivables	57,558	(25,094)
	Change in trade payables and other payables	(67,697)	26,425
	Change in working capital	**(19,959)**	**(39,573)**
	Cash generated from operations	**218,282**	**301,252**
	Interest received	1,609	1,150
	Interest paid	(10,793)	(8,145)
	Interest expense, lease liabilities	(8,219)	(8,436)
	Corporate income tax paid	(25,880)	(19,995)
	Cash flows from operating activities	**174,999**	**265,826**
	Acquisition of intangible assets	(123,491)	(90,596)
	Acquisition of property, plant and equipment	(33,287)	(24,161)
	Disposal of property, plant and equipment	2,304	280
	Acquisition of financial assets	(4,883)	(44,658)
	Disposal of financial assets	6,674	30,241
	Disposal of securities	0	106,479
	Acquisition of subsidiaries	(124,287)	(203,323)
	Disposal of subsidiaries	0	396
	Cash flows from investing activities	**(276,970)**	**(225,342)**
	Acquisitions of minorities	(30,466)	(9,904)
	Disposal of minorities	1,356	0
26	Borrowing from credit institutions, etc.	178,264	19,869
26	Repayments to credit institutions, etc.	(7,788)	(31,197)
26	Instalments on lease liabilities	(33,019)	(32,869)
	Dividends from joint ventures and associated companies	5,374	2,588
	Dividends to non-controlling shareholders	(2,684)	(758)
	Donations	(13,221)	(12,944)
	Cash flows from financing activities	**97,816**	**(65,215)**
	Net cash flows from operating, investing and financing activities	**(4,155)**	**(24,731)**
	Cash and cash equivalents at 1 January	62,418	76,222
	Foreign exchange adjustment of cash and cash equivalents	(2,737)	10,927
17	**Cash and cash equivalents at 31 December**	**55,526**	**62,418**

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

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Statement of Changes in Equity of the Group

(EURk)

Note		Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
	Equity at 1 January 2022	29,583	(35,728)	(159,598)	1,249,665	13,728	1,097,650
	Net profit for the year	0	0	0	60,162	1,433	61,595
20	Other comprehensive income	0	28,804	(64,711)	2,173	(366)	(34,100)
	Total comprehensive income in 2022	0	28,804	(64,711)	62,335	1,067	27,495
	Used for charitable purposes and associated costs	0	0	0	(13,221)	0	(13,221)
	Acquisition/disposal, non-controlling interests	0	0	0	(13,080)	2,905	(10,175)
	Dividends, non-controlling interests	0	0	0	0	(2,684)	(2,684)
	Share-based payment	0	0	0	424	0	424
	Equity at 31 December 2022	29,583	(6,924)	(224,309)	1,286,123	15,016	1,099,489
	Equity at 1 January 2021	29,571	(19,075)	(201,295)	1,064,098	12,487	885,786
	Net profit for the year	0	0	0	218,696	5,480	224,176
20	Other comprehensive income	12	(16,653)	41,697	1,424	0	26,480
	Total comprehensive income in 2021	12	(16,653)	41,697	220,120	5,480	250,656
	Used for charitable purposes and associated costs	0	0	0	(12,944)	0	(12,944)
	Acquisition/disposal, non-controlling interests	0	0	0	(21,609)	(3,481)	(25,090)
	Dividends, non-controlling interests	0	0	0	0	(758)	(758)
	Equity at 31 December 2021	29,583	(35,728)	(159,598)	1,249,665	13,728	1,097,650

List of Notes to the Consolidated Financial Statements

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1 Accounting policies

The annual report of Egmont Fonden for 2022 comprises both the consolidated financial statements of Egmont Fonden and its subsidiaries (the Group) and the separate financial statements of Egmont Fonden.

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

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

BASIS OF PREPARATION

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

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

The accounting policies have been applied consistently to the financial year and to the comparative figures for 2021 apart from insignificant reclassifications between trade payables and deferred income amounting to EUR 36.7 million.

Significant accounting estimates and judgements

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

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

- Acquisition of businesses where a number of estimates and judgments are carried out related to allocation of the purchase consideration to identifiable net assets including intangible assets/goodwill as well as value adjustments (step-up acquisitions). Please refer to note 31 for further information.

- Provisions for onerous contracts relating to binding content supply contracts, which is based on an assessment of the future income and unavoidable costs over the contract periods. Please refer to note 23 for further information.

- Impairment testing related to intangible assets, including asset groups with indefinite life such as goodwill and the TV2 trademark as well as investment in associates. Outcome of impairment testing is dependent on the critical assumptions applied related to cash flow forecasts, which are affected by the increased macroeconomic uncertainties such as increased inflation rates and changed consumer confidence, but also other factors such as discount rates and expected growth rates, cf. note 9 for further information.

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

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

- Other provisions include items such as goods sold with a right of return, warranty provisions and provisions for litigation and claims include estimates and judgements

related to how many goods are expected to be returned or exchanged, to what extent warranties compensations are needed and probabilities of various likely outcome of litigation and claims. Please refer to note 23 for further information.

- Deferred taxes are subject to some judgements related to whether tax assets may be utilised. Please refer to note 22 for further information.

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

Consolidated financial statements

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

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

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

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

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

Business combinations

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

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

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

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

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

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

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

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

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

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

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

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

Non-controlling interests

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

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

Foreign currency translation

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

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising

1 Accounting policies (continued)

between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

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

In the consolidated financial statements, the income statements of entities, joint ventures and associates with another functional currency than the presentation currency (EUR) are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the end of the reporting period. An average exchange rate for each month is used as the transaction date exchange rate to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign entities at the exchange rates at the end of the reporting period and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognised directly in other comprehensive income and presented in equity under a separate translation reserve. The exchange rate adjustment is allocated between Egmont Fonden and the non-controlling interests.

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

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

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

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

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

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and a set-off of positive and negative values is only made when the entity has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

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

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

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resulting from such hedged transactions are transferred to other comprehensive income and recognised under the same item as the hedged item.

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

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

INCOME STATEMENT

Revenue

Egmont recognises revenue from the following significant revenue streams:

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

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

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

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

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

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

Generally, payment terms are based on customary terms in local markets.

Revenue from sale of goods and services

Revenue from sale of goods comprise sale of playstation products, sale from e-commerce, sale of gift cards etc. are recognised at point in time when control is transferred, usually when the goods are delivered. For goods sold with a right of return Egmont only recognises revenue to the extent that it is highly probable that a subsequent reversal will not occur.

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

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

Revenue from magazine sales

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

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

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

Revenue from TV and film production

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

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

TV and cable distribution

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

Revenue from advertising

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

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

Gaming revenue

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

Work for hire

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

Self-published games

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

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

Subscription based revenue

Subscription based revenue primarily comprise TV2 Play and educational platforms in Books. Subscription based revenue comprise one performance obligation that is satisfied over the subscription period, thus having a right to consideration that corresponds directly with the value transferred to the customer to date. Prepaid subscriptions for a certain subscription period are recognised as deferred income and disclosed as contract liabilities.

Other operating income and costs

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

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

Government grants

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

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

TV 2, Norway has a public service broadcasting agreement with the Norwegian state, which compensates TV 2 for additional cost regarding production of Norwegian news, film and TV content for EUR 13.4 million in 2022 (2021: EUR 13.3 million). Compensation under the agreement with the Norwegian state is recognised in the income statement as a reduction of the related expenses.

Share of results from investments in joint ventures and associates

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

Financial income and expenses

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

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

Tax for the year

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

BALANCE SHEET

Film rights, etc.

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

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

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

In-house produced film rights

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

1 Accounting policies (continued)

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

Goodwill

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

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

Trademarks

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

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

Intangible assets in progress

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

Property, plant and equipment

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

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

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

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

Land is not depreciated.

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

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

Investment properties

Investment properties are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, consisting of the acquisition cost of the property and any costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in the fair

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value are recognised in the income statement as a value adjustment of investment properties under other operating income/costs in the financial year in which the change occurs.

Leases

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

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

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

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

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

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

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

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

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

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

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

1 Accounting policies (continued)

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

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

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

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

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

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

Investments in joint ventures and associated companies

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

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

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

Other investments

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

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

Call options

Call options related to equity investments are included under derivatives (other receivables) and measured at fair value through the income statement. The fair value is based on a valuation methodology comparing the expected equity value with the agreed exercise prices (level 3 in the fair value hierarchy).

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

Inventories

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

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

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

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

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

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

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

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

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

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

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

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

Deferred tax is measured using the balance sheet liability method on the basis of all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill that is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without

affecting either result for the year or taxable income. Where different tax rules can be applied to determine the tax value, deferred tax is measured based on planned use of the asset or settlement of the liability.

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

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

Other provisions

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

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

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

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

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

Put options on non-controlling interests

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

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

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

Financial and non-financial liabilities

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

Other liabilities are measured at net realisable value.

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Deferred income

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

CASH FLOW STATEMENT

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

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

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

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

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

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

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

FINANCIAL TERMS

In this annual report the following financial terms are used:

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

FINANCIAL RATIOS

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

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

Operating margin

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

Equity ratio

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

Return on equity

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

2 Revenue

	Nordic Countries		Other Countries		Total	
Geographical markets	2022	2021	2022	2021	2022	2021
Sale of goods	1,074,916	951,211	132,239	109,051	1,207,155	1,060,262
Sale of services	993,291	912,600	763	794	994,054	913,454
Royalty	92,632	86,864	113	3,783	92,745	90,647
Rental income	9,109	9,109	0	0	9,109	9,109
Total	2,169,948	1,959,844	133,115	113,628	2,303,063	2,073,472
At point in time	1,913,794	1,684,693	131,418	113,178	2,045,212	1,797,871
Transferred over time	256,154	275,151	1,697	450	257,851	275,601
Total	2,169,948	1,959,844	133,115	113,628	2,303,063	2,073,472

Contract balances	2022	2021
Trade receivables (note 26)	245,946	265,266
Contract assets	10,062	12,208
Contract liabilities (note 28)	114,340	104,618

The overall decrease in trade receivables primarily relates to timing differences of payments at year-end. In 2022, EUR 5.2 million (2021: EUR 4.7 million) was recognised as provision for expected credit losses on trade receivables, cf. note 26.

Contract assets primarily relate to revenue from work for hire contracts where the customer has been invoiced less than the stage of completion. As such, the balances of this account vary and depend on the number of ongoing work for hire contracts at the end of the year. Contract assets are primarily presented in trade receivables.

Contract liabilities include advances on gift cards, subscriptions, work for hire contracts, etc. The outstanding balances of these accounts increased in 2022 due to the continuous increase in the Group's customer base. Contract liabilities are presented as deferred income.

3 Other operating income

Other operating income	2022	2021
Received Covid-19 grants	6,932	22,263
Gain on sale of shares Raw Fury AB (ass. company)	0	16,891
Re-measurement of shares in Cappelen Damm (step-acquisitions)	0	55,298
Re-measurement of shares, earn-outs and sale of activities in other companies	14,704	22,698
Fair value adjustment investment properties	734	5,789
Miscellaneous	7,409	5,052
Total	29,779	127,991

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4 Personnel expenses	2022	2021
Wages and salaries	(419,799)	(366,913)
Defined contribution pension plans	(28,989)	(22,703)
Defined benefit pension plans	(3)	17
Other social security costs	(52,627)	(43,274)
Share-based payment	(424)	0
Total	(501,842)	(432,873)

Average number of full-time employees	6,201	5,376

Compensation to Management Board amounted to 5,697 (2021: 5,807), of which pension contributions amounted to 448 (2021: 435).

Compensation to the Board of Trustees amounted to 600 (2021: 568).

Annual compensation to members of the Board of Trustees per task	2022	2021
Egmont Fonden, general:		
Member	11	10
Vice chair	16	15
Chair	21	20
Egmont Fonden, charitable activities:		
Member	10	7
Vice chair	15	10
Chair	19	13
Funding and Grant Committee, charitable activities:		
Member	15	13
Chair	31	27
Egmont International Holding A/S:		
Member	34	30
Vice chair	51	45
Chair	68	60

Share-based payment

A long term share-based incentive programme has been issued in Nordisk Games A/S. The program is targeted at executive employees, selected second level management and senior specialists in Nordisk Games Group. The share options have been granted for free and without any related performance conditions, however certain key employees have acquired 1 share option for every 9 free share opions at the fair value at the grant date.

All share options vest 3 years after grant, followed by a 2 years excercise window. The options are settled in shares, however the Board of Directors in Nordisk Games A/S has the right to settle the option in cash at market price.

Usual good and bad leaver conditions applies for the exercise of the options. Special provisions applies if changes in the capital structure of Nordisk Games A/S occur.

The fair value of the share options of EUR 3.78 is calculated on the basis of a share price equal to the exersice price.

4 Personnel expenses (continued)

Share option programmes	Granted in 2022
Number of persons included in the programme	13
Total number of share options granted	1,525,000
Vesting date	31.05.2025
Exercise period begins	01.06.2025
Exercise period ends	31.05.2027
Exercise price	3.78
Fair value at the date of the grant	1.48

Outstanding share options	
1. January 2022	0
Share options granted during the year	1,525,000
31. December 2022	1,525,000

The fair value calculated at the grant date is based on a Black-Scholes warrant pricing model.

Fair value, liability and expense recognised in the statement of profit or loss:
The share options granted are recognised in profit or loss for 2022 corresponding to the fair value at the time of grant. The total expense recognised in respect of equity-settled programmes amounted to EUR 424 thousands before tax.
At 31 December 2022, the fair value of the remaining equity-settled programmes amounts to EUR 1,584 thousands.

5 Depreciation, amortisation and impairment losses	2022	2021
Amortisation, intangible assets	(112,976)	(64,104)
Impairment losses, intangible assets	(2,190)	(5,981)
Depreciation, property, plant and equipment	(24,778)	(23,371)
Impairment losses, property, plant and equipment	(3,377)	(3,709)
Depreciation of lease assets	(30,336)	(28,478)
Impairment of lease assets	(1,146)	(8,725)
Total	(174,803)	(134,368)

6 Financial income	2022	2021
Interest income, financial assets, measured at amortised cost	926	1,273
Foreign exchange gains, net	841	117
Gain on disposal of securities	2,953	1,835
Other financial income	733	1,170
Total	5,453	4,395

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7 Financial expenses

	2022	2021
Interest expenses, financial liabilities, measured at amortised cost	(5,547)	(3,648)
Interest expenses, derivative financial instruments	(3,019)	(4,175)
Loss on disposal of securities	(73)	(560)
Interest expense on lease liabilities	(8,219)	(8,436)
Other financial expenses	(3,043)	(2,166)
Total	(19,901)	(18,985)

8 Taxes

	2022	2021
Current tax	(8,282)	(28,953)
Deferred tax	495	4,538
Adjustments for prior years, current tax	(3,755)	(237)
Adjustments for prior years, deferred tax	6,005	3,197
Total	(5,537)	(21,455)

Tax on the profit for the year results as follows:

Calculated tax, 22.0% on profit before tax	(14,769)	(54,039)
Adjustment of calculated tax in foreign entities relative to 22.0%	1,007	1,396
Tax effect of:		
Non-taxable income	10,679	26,872
Non-deductible expenses	(5,198)	(2,781)
Share of net profit/(loss) in joint ventures	467	1,563
Share of net profit/(loss) in associates	95	960
Utilisation and recognition of previously unrecognised tax losses	0	1,694
Adjustments for prior years	2,250	2,960
Withholding taxes	(68)	(80)
Total	(5,537)	(21,455)
Effective tax rate	8.2%	8.7%

The effective tax rate in 2022 was affected by non-taxable gains from divestments and value adjustments in connection with step acquisitions, adjustment of earn-out, as well as adjustments for prior years. Adjusting for this, the effective tax rate for 2022 was in the level of 22%.

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

Tax recognised in other comprehensive income:

	2022	2021
Tax on value adjustment of hedging instruments	(7,246)	4,239
Foreign exchange adjustments on translation of foreign entities	462	(487)
Tax on actuarial gains/(losses) on defined benefit pension plans	(157)	51
Total	(6,941)	3,803

	Film rights and other acquired rights, etc.	In-house produced film rights *	Goodwill	Trade-marks	Intangible assets under development and pre-payments
Cost at 1 January 2022	577,023	287,868	829,990	241,806	21,750
Adjustments relating to previous years	539	5,176	27	0	0
Foreign exchange adjustments	(5,160)	(6,844)	(43,551)	(13,091)	(36)
Additions through business combinations	28,476	0	87,229	24,988	357
Additions	25,188	51,123	7,398	(88)	45,991
Goverment grants	0	0	0	0	0
Transferred	39,153	0	0	0	(39,153)
Disposals	(9,984)	(5,132)	(2,935)	0	(330)
Cost at 31 December 2022	655,235	332,191	878,158	253,615	28,579
Amortisation and impairment losses at 1 January 2022	(484,229)	(221,437)	(75,948)	(41,864)	0
Adjustments relating to previous years	(512)	(5,176)	0	0	0
Foreign exchange adjustments	4,183	5,578	3,738	2,819	0
Disposals	7,168	5,132	1,335	0	0
Reversal of previous impairment loss	0	978	0	0	0
Impairment losses	(428)	(759)	0	(1,981)	0
Amortisation	(56,170)	(44,565)	0	(12,241)	0
Amortisation and impairment losses at 31 December 2022	(529,988)	(260,249)	(70,875)	(53,267)	0
Carrying amount at 31 December 2022	125,247	71,942	807,283	200,348	28,579

* EUR 11,845 thousand included as a reduction of cost at 1 January 2022 has been re-classified to deferred income due to being grants from external parties.

Goodwill

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

	2022	2021
TV 2, Norway	199,596	202,537
Nordisk Film, Cinemas	62,456	62,824
Nordisk Film, Games	122,868	91,174
Story House Egmont	245,028	244,774
Books	167,999	141,606
Other units	9,336	11,127
Carrying amount	807,283	754,042

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9 Intangible assets (continued)

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

The recoverable amount is based on the value in use, determined by using expected net cash flows that are based on management-approved budgets and business plans for 2023, projections for subsequent years up to and including 2027, and average growth during the terminal period.

Key assumptions

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

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

An average annual growth in revenues in the budget and forecast period is expected to be between 1% and 14% mainly due to increase in revenue from subscription sales while advertising sales for traditional flow-TV is expected to decline.

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

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

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

Revenue in the budget and forecast period is expected to grow between 0% and 12% annually as the cinemas business will slowly return to a new normal. Margins are expected to come under pressure due to increasing fixed costs.

Nordisk Film, Games
Revenues in the Games cash-generating unit is expected to grow between 2% and 39% annually from an increased focus on self-published games and work for hire projects while at the same time maintaining a stable cost base resulting in improved profitability.

Story House Egmont
The traditional publishing business is expected to be reduced. On the other hand revenue from other business areas such as e-commerce and agencies are expected to increase significantly while maintaining stable margins. An annual growth in revenue between 2% and 6% is expected.

9 Intangible assets (continued)

Books

The general shift from analogue to digital sales will continue. The digital business will increase significantly in both Retail and Education and be the main driver of growth. An annual growth up to 8% is expected in the budget and forecast period while maintaining a stable cost base resulting in slightly improved profitability.

Discount rates and growth rate during terminal period

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

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

The market risk premium is calculated as a general market risk premium of 6.2% multiplied by the non-leveraged beta value of each cash-generating unit. Further, a small-cap premium is added.

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

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

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

	Pre-tax discount rates		Growth rate during terminal period	
	2022	2021	2022	2021
TV 2, Norway	10.1%	9.7%	2.5%	2.0%
Nordisk Film, Cinemas	9.1%	8.6%	2.0%	2.0%
Nordisk Film, Games	12.1%	11.1%	2.0%	2.0%
Story House Egmont	11.3%	10.8%	2.0%	2.0%
Books	8.8%	8.3%	2.0%	2.0%

The rise in WACC rates are generally driven by higher interest rate premiums and higher small size premiums.

Impairment tests for goodwill for 2022 regarding the identified cash-generating units of the Group show that the recoverable amount exceeds the carrying amount.

Sensitivity

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

Trademarks with definite lifetime

The impairment on trademarks with definite lifetime in 2022 is mainly related to e-commerce due to lower revenue (2021: impairments on certain magazines due to lower revenue).

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9 Intangible assets (continued)

Trademarks

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

	2022	2021
TV 2, Norway	133,490	140,709

Trademarks for TV 2, Norway are tested by using the Relief from Royalty method to assess future cash flows from royalty income for the individual trademarks. The royalty rate, determined on the basis of the cash-generating unit's products and the reputation of such products is 4.5% (2021: 4.5%).

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

	Pre-tax discount rates		Growth rate during terminal period	
	2022	2021	2022	2021
TV 2, Norway	10.1%	9.7%	2.5%	2.0%

Impairment tests for trademarks with an indefinite life for 2022 show that the recoverable amount exceeds the carrying amount.

Sensitivity

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

Film rights and in-house produced film rights

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

The Group continuously receives sales estimates, and if impairment indicators are identified, film rights and in-house produced film rights are written down for impairment. The useful lives of film rights and in-house produced film rights for 2022 were in general at the expected level.

10 Property, plant and equipment

	Land and buildings	Plant and machinery	Tools and equipment	Leasehold improve-ments	Property, plant and equipment under construction
Cost at 1 January 2022	230,357	72,859	87,918	36,915	5,588
Adjustments relating to previous years	0	24	354	(30)	0
Foreign exchange adjustments	(2)	(3,934)	(1,794)	(1,052)	(96)
Additions through business combinations	18	0	1,581	1,159	0
Additions	1,557	10,402	10,355	2,300	2,687
Transferred	775	0	2,906	1,481	(5,162)
Disposals	(1,973)	(194)	(22,364)	(9,859)	(254)
Cost at 31 December 2022	230,732	79,157	78,956	30,914	2,763
Depreciation and impairment losses at 1 January 2022	(104,932)	(43,661)	(71,679)	(28,574)	0
Adjustments relating to previous years	0	(6)	56	(32)	0
Foreign exchange adjustments	145	2,949	1,747	1,071	0
Disposals	1,973	194	22,155	9,717	0
Impairment losses	(28)	(589)	(2,398)	(362)	0
Depreciation	(6,416)	(9,071)	(6,747)	(2,544)	0
Depreciation and impairment losses at 31 December 2022	(109,258)	(50,184)	(56,866)	(20,724)	0
Carrying amount at 31 December 2022	121,474	28,973	22,090	10,190	2,763

11 Investment properties

	2022	2021
Fair value at 1 January	40,611	30,917
Foreign exchange adjustments	0	12
Fair value adjustment	734	5,790
Construction in progress	3,658	3,892
Fair value at 31 December	45,003	40,611

Investment properties consist of a rental property in Denmark, let under a long-term lease. The fair value is calculated according to the net rental method, and thus the value of the property has been calculated on the basis of its expected operating income (pre-tax return) of EUR 2,841 thousand (2021: EUR 2,400 thousand) and a required rate of return of 3.38% (2020: 3.00%), determined on the basis of the general market level and specific circumstances relating to the property (level 3). Fair value adjustment of investment properties in 2022 amounts to EUR 734 thousand (2021: EUR 5.790 thousand).

If the required rate of return increase or decrease by 0.25%, the fair value of the investment property will be affected by approx EUR 4.3 million.

Rental income amounted to EUR 2,090 thousand (2021: EUR 2,069 thousand) and operating costs to EUR 666 thousand (2021: EUR 604 thousand).

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12 Lease assets

	2022	2021
Carrying amount at 1 January	147,927	135,965
Foreign exchange adjustments	(5,750)	3,648
Additions through business combinations	0	22,937
Re-measurement	19,646	4,055
Additions, net	24,099	18,525
Depreciation	(30,336)	(28,478)
Impairment	(1,146)	(8,725)
Carrying amount at 31 December	154,440	147,927

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

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

Recognised in profit and loss:	2022	2021
Depreciation of lease assets	30,336	28,478
Impairment of lease assets	1,146	8,725
Interest expense on lease liabilities	8,219	8,436
Lease expenses related to variable lease payments not included in the lease liabilities	1,921	981
Lease payments relating to short-term building leases (under 12 months) and low-value leases	579	3,323

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

In 2022, an amount of EUR 1,146 thousand has been impaired on certain unerous locations, primarily in our e-commerce business (2021: EUR 8,725 thousand primarily in Cinemas due to Covid-19).

13 Investments in joint ventures

	2022	2021
Cost at 1 January	22,382	27,031
Transferred	1,394	694
Foreign exchange adjustments	(767)	0
Additions	380	14,354
Disposals	(1,596)	(19,697)
Cost at 31 December	21,793	22,382
Adjustments at 1 January	14,585	9,920
Transferred	(1,394)	0
Foreign exchange adjustments	(473)	1,169
Share of profit for the year	2,121	7,105
Equity transactions in joint ventures	1,742	0
Dividends	(2,565)	(1,648)
Disposals	915	(1,961)
Adjustments at 31 December	14,931	14,585
Carrying amount at 31 December	36,724	36,967

Note 32 includes a list of the Group's investments in joint ventures.

	2022	2021
Comprehensive income		
Revenue	175,148	143,639
Net profit for the year	4,443	6,837
Dividend received	2,565	1,648
Balance sheet		
Non-current assets	12,378	25,362
Current assets	75,476	52,849
Non-current liabilities	4,530	702
Current liabilities	48,350	45,587
Equity	34,973	31,922
Egmont Fonden's share of equity	17,348	16,167
Goodwill	19,376	20,800
Investments in joint ventures	36,724	36,967

The Group has investment in 10 joint ventures. No joint ventures are presented separately as they are considered individually immaterial relatively to the total portfolio.

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14 Investments in associates

	2022	2021
Cost at 1 January	154,519	148,503
Foreign exchange adjustments	(5,150)	(1,378)
Acquisitions through business combinations	0	583
Additions	2,325	42,826
Disposals	(4,636)	(36,015)
Cost at 31 December	147,058	154,519
Adjustments at 1 January	(8,106)	(23,368)
Foreign exchange adjustments	1,536	1,042
Share of profit/(loss) for the year	434	4,614
Impairment losses	0	(252)
Equity transactions in associates	0	(48)
Dividends	(2,809)	(940)
Disposals	*(19,225)*	*10,846*
Adjustments at 31 December	(28,170)	(8,106)
Carrying amount at 31 December	118,888	146,413

The disposals in 2022 is mainly related to step-acquisition of Supermassive Games Ltd. resulting in obtaining control. Please refer to note 31.

Note 32 includes a list of the Group's investments in associates.

	Star Stable		Jollyroom		Others	
	2022	2021	2022	2021	2022	2021
Comprehensive income						
Revenue	33,323	34,310	171,448	213,852	105,668	157,614
Net profit for the year	(3,293)	3,577	(4,122)	2,726	5,294	11,775
Dividend received	0	0	0	0	3,082	1,723
Balance sheet						
Non-current assets	2,849	2,751	14,841	14,315	52,923	62,140
Current assets	5,166	10,689	41,259	47,119	102,794	116,816
Non-current liabilities	3,663	0	8,285	14,539	10,669	16,141
Current liabilities	2,825	4,628	38,073	20,132	101,170	107,984
Equity	1,527	8,812	9,742	26,763	43,878	54,831
Egmont Fonden's share of equity	864	4,991	4,772	13,109	18,896	21,322
Goodwill and other PPA-values	52,369	49,748	20,759	23,268	21,228	33,975
Investments in associates	53,233	54,739	25,531	36,377	40,124	55,297

In 2021, Star Stable was included in the 'Others category'. In 2022 Star Stable is presented individually. Comparative figures for the 'Others' category for 2021 has been adjusted accordingly.

15 Inventories

	2022	2021
Raw materials and consumables	4,360	4,839
Work in progress	2,325	3,999
Manufactured goods and goods for resale	182,788	180,359
TV programmes	12,908	11,483
Total	202,381	200,680

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

The cost of inventories sold and write-down of inventories for the year amounted to 388,636 (2021: 360,445) and 9,003 (2021: 19,702), respectively. Reversed write-down of inventories in the income statement amounted to -2,705 (2021: -2,700). Inventories included capitalised payroll costs in the amount of -737 (2021: -1,649).

16 Prepayments

In the amount prepayments sports broadcasting rights are included with 10,595 (2021:10,316), which are terminated more than 12 months from balance sheet day.

17 Cash and cash equivalents

Cash and cash equivalents include fixed-term deposits of 1,660 (2021: 2,341). Cash and cash equivalents pledged as collateral amounted to 2,536 (2021: 5,442).

18 Equity

Egmont Fonden is a commercial foundation and thus subject to special conditions relating to its capital, as set out in the Foundation's Charter. The Foundation's assets are used for donations in connection with the Foundation's Charitable Activities. The balance of Egmont Fonden's assets is transferred to a reserve to ensure that the Foundation is provided with the necessary capital for consolidating and expanding in accordance with sound principles. Egmont Fonden's equity ratio stood at 42.6% (2021: 43.3%).

19 Hedging instruments

	2022	2021
Value adjustments for the year	7,730	17,479
Value adjustments transferred to other external expenses	24,630	(39,746)
Value adjustments transferred to financial expenses	1,803	2,642
Value adjustments transferred to intangible assets	0	(243)
Total	34,163	(19,868)

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20 Other comprehensive income

	Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	712	0	712
Equity transactions in joint ventures and associates	0	0	0	1,742	0	1,742
Foreign exchange adjustments on translation to presentation currency	0	1	2	(124)	0	(121)
Foreign exchange adjustments on translation of foreign entities	0	1,886	(65,175)	0	(366)	(63,655)
Net value adjustments of hedging instruments	0	34,163	0	0	0	34,163
Tax on other comprehensive income	0	(7,246)	462	(157)	0	(6,941)
Other comprehensive income 2022	0	28,803	(64,713)	2,173	(366)	(34,100)
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	(231)	0	(231)
Equity transactions in joint ventures and associates	0	0	0	(48)	0	(48)
Foreign exchange adjustments on translation to presentation currency	12	(7)	(80)	1,652	5	1,582
Foreign exchange adjustments on translation of foreign entities	0	(1,017)	42,264	0	(5)	41,242
Net value adjustments of hedging instruments	0	(19,868)	0	0	0	(19,868)
Tax on other comprehensive income	0	4,239	(487)	51	0	3,803
Other comprehensive income 2021	12	(16,653)	41,697	1,424	0	26,480

21 Pension obligations and similar obligations

	2022	2021
Defined benefit pension obligations	1,342	471
Other pension obligations	(3,576)	(3,823)
Total	(2,234)	(3,352)

Pensions:

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

Multi-employer plans:

The Group has collective pension plans in Sweden that are entered into with other enterprises (ITP plans). ITP-plans are classified as multi-employer plans. Such plans are defined benefit plans, but are treated as defined contribution plans according to IAS 19. Contributions made to collective pension plans in Sweden in 2022 amount to EUR 3.3 million (2021: EUR 3.7 million). For 2023, the contributions are expected to be EUR 3.9 million.

Defined benefit pension plans:

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

21 Pension obligations and similar obligations (continued)

Defined benefit pension obligations recognised in the balance sheet	2022	2021
Present value of defined benefit pension obligations	(14,313)	(16,724)
Fair value of pension plan assets	15,736	17,286
Payroll tax	(81)	(91)
Net asset/(liability) at 31 December	1,342	471

Composition of pension plan assets (%)		
Bonds	40.1%	41.8%
Shares	29.0%	29.9%
Money market and the like	16.1%	14.9%
Property	14.8%	13.4%

The Group expects to contribute EUR 189 thousands to defined benefit pension plans in 2023.

Maturity of pension obligations	2022	2021
Within 1 year	886	1,007
Between 1 - 5 years	4,688	5,104
After 5 years	8,739	10,613
Total	14,313	16,724

Key assumptions used for the actuarial calculations in the individual pension plans:	2022	2021
Discount rate	3.0%	1.9%
Inflation rate	2.0%	1.8%
Salary increase	3.5%	2.8%
Pension increase	1.5 - 3.25%	0.0 - 2.5%
Mortality table	K2013/KU	K2013/KU

Sensitivity analysis:
The analysis shows that fluctuations are insignificant.

Other pension obligations:
The Group has recognised an obligation of EUR 3.6 million (2021: EUR 3.8 million) to cover other pension-like obligations, including primarily job security agreements in a number of subsidiaries. The benefit payments are conditional upon specified requirements being met.

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22 Deferred tax

	2022	2021
Deferred tax at 1 January	(24,173)	(37,446)
Adjustments relating to previous years	6,005	3,197
Foreign exchange adjustments	(2,061)	1,007
Additions through business combinations	(3,736)	728
Deferred tax for the year recognised in the income statement	495	4,538
Deferred tax for the year recognised in other comprehensive income	(6,941)	3,803
Deferred tax at 31 December	(30,411)	(24,173)

Deferred tax has been recognised in the balance sheet as follows:

Deferred tax, asset	5,284	5,438
Deferred tax, liability	(35,695)	(29,611)
Deferred tax, net	(30,411)	(24,173)

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

The Group has assessed that deferred tax assets totalling 5,284 (2021: 5,438), primarily attributable to tax losses in Germany can be realised in the foreseeable future. This is based on the forecasted earnings of the enterprises in which tax assets can be utilised.

The deferred tax relates to	2022	2021
Intangible assets	(57,436)	(54,858)
Property, plant and equipment	4,696	6,728
Receivables	(3,261)	(4,053)
Inventories	1,977	2,757
Other current assets	(2,957)	(609)
Provisions	31,291	28,548
Other liabilities	(16,777)	(10,102)
Tax losses allowed for carryforward, etc.	12,056	7,416
Total	(30,411)	(24,173)

Unrecognised deferred tax assets relates to	2022	2021
Tax losses	6,685	6,682
Temporary differences	1,740	1,888
Total	8,425	8,570

23 Other provisions

	Goods sold with a right of return	Other
Other provisions at 1 January 2022	46,419	103,554
Foreign exchange adjustments	(1,725)	(5,209)
Provisions made	22,484	25,921
Provisions used	(23,764)	(23,796)
Reversals	(76)	(1,541)
Other provisions at 31 December 2022	43,338	98,929

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

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

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

In 2022, the provisions made primarily comprise of an additional provision for onerous contracts relating to content supply agreements.

Right of return assets are recognised as part of inventory.

24 Fees to auditors

	2022	2021
Fee to EY:		
Statutory audit	(1,493)	(1,201)
Tax consultancy	(306)	(106)
Other assurance statements	(215)	(146)
Other services	(549)	(758)
Total fees to EY	(2,563)	(2,211)
Fee to other auditors:		
Statutory audit	(196)	(200)
Tax consultancy	(129)	(46)
Other assurance statements	(237)	(203)
Other services	(384)	(315)
Total fees to other auditors	(946)	(764)
Total	(3,509)	(2,975)

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25 Contingent liabilities and collateral

The Group has provided security to mortgage credit institutions of 111,285 (2021: 110,284) over domicile and investment properties, with a carrying amount of 133,336 (2021: 134,679).

Entities in the Group have furnished floating charge securities of 20,216 (2021: 20,188)

The Group has entered into binding contracts concerning purchase of intangible film rights of 35,839 (2021: 39,394).

The Group has entered into binding contracts concerning content supply, which are not recognized in the balance sheet. The contractual nominal obligation amount to 782,979 (2021: 972,233). The contracts fall due over the various contract lengths up to 8 years from the balance sheet date.

Entities in the Group have furnished miscellaneous guarantees, etc., for 10,865 (2021: 10,586).

26 Financial risks and financial instruments

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

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

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

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

Currency risks

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

The Group is using forward contracts to hedge currency risks related to purchase of film rights and sports broadcasting rights. The cumulative value adjustments recognised in other comprehensive income amount to EUR -2.8 million (2021: EUR -31.9 million) before tax, which will be recognised in the income statement during 2023-2028.

As at 31 December 2022, a drop of 5% in the EUR/NOK exchange rate and an increase of 5% in the USD/DKK exchange rate would affect other comprehensive income with EUR -16.2 million (2021: EUR -20,6 million). The sensitivity analysis is based on financial instruments recognised at 31 December and an effectiveness of 100% of hedge accounting.

Translation risks

The Group's primary currency risk exposure is denominated in NOK and relates to the Group's investments in wholly-owned entities and joint ventures, including long-term intra-group loans. As a main rule, these currency risks are not hedged, as

26 Financial risks and financial instruments (continued)

ongoing hedging of such long-term investments is not considered to be the best strategy based on overall risk and cost considerations. Due to increase in exchange rate, the equity in 2022 is affected negatively by EUR 64.7 million (2021: positively EUR 41,7 million).

A 5% drop in the exchange rates of NOK would have impacted the 2022 profits by about EUR -1.0 million (2021: EUR -5.2 million), and the equity at 31 December 2022 by about EUR -33.3 million (2021: EUR -35.7 million). A positive change in foreign exchange rates would have a reverse impact on profits and equity at end-2022 and end-2021 all other things being equal.

Interest rate risks

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

The Group's policy is to hedge interest rate risks relating to loans when it is assessed that interest payments may be secured at a satisfactory level. The Group's interest rate risks are managed by entering into interest swap contracts, with floating-rate loans being converted into fixed-rate interest loans. The principal amount of interest swap contracts concluded by the Group for hedging purposes was EUR 76.1 million at 31 December 2022 and EUR 52.4 million at 31 December 2021. The cumulative fair value adjustments in other comprehensive income amounted to EUR -6.1 million at 31 December 2022 (2021: EUR -13.9 million) before tax, which will be recognised in the income statement over the coming 1-6 years (2021: 1-7 years).

As a result of the Group's use of derivative financial instruments to hedge its interest rate exposure relative to instruments of debt, changes in the fair value of the hedging instruments will impact the Group's reserve for hedging transactions under equity. A one percentage point drop in interest rates would reduce equity by about EUR 4 million. In addition, a 1% interest rate increase will not affect the income statement in any material way, due to the limited amounts of net financial debt (excl. leases) and use of interest rate swaps. Had the interest rate level been 1% higher during 2022, net interest cost in the income statement would have increased by EUR 2m (2021: EUR 0m).

Liquidity risks

The Group's liquidity reserve comprises cash and cash equivalents, securities and unutilised credit facilities. In 2022 a new 5-year credit facility of EUR 350 million was established. To ensure optimum utilisation of cash and cash equivalents, the Group operates with cash pools. The Group has net interest-bearing debt of EUR 495.1 million (2021: net interest-bearing debts EUR 306.2 million).

The Group's financing consists primarily of Danish floating-rate mortgage loans expiring in 2039 and 2043 respectively and floating-rate loans denominated in NOK and EUR with the underlying facility having maturity in 2027. The loans are subject to standard covenant reporting. In the debt repayment schedule shown below, it is assumed that the loan facility will be continually extended.

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26 Financial risks and financial instruments (continued)

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

	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
Mortgage debt	111,285	164,123	3,400	13,716	147,007
Other credit institutions	253,481	264,654	179,413	32,845	52,396
Lease liabilities	189,857	219,967	42,722	123,762	53,483
Trade payables	302,918	302,918	302,918	0	0
Payables to joint ventures and associates	191	191	191	0	0
Non-derivative financial instruments	857,732	951,853	528,644	170,323	252,886
Derivative financial instruments	9,662	10,250	5,037	5,213	0
31 December 2022	867,394	962,103	533,681	175,536	252,886
Mortgage debt	111,449	116,057	549	2,214	113,294
Other credit institutions	75,716	77,181	20,387	2,593	54,201
Lease liabilities	186,315	232,762	42,419	123,040	67,303
Trade payables	330,598	330,598	330,598	0	0
Payables to joint ventures and associates	2,220	2,220	2,220	0	0
Non-derivative financial instruments	706,298	758,818	396,173	127,847	234,798
Derivative financial instruments	14,236	18,379	4,113	12,407	1,859
31 December 2021	720,534	777,197	400,286	140,254	236,657

The total cash outflow for lease assets amounted to EUR 41.8 million (2021: EUR 41.3 million) of which installment on lease assets amounted to EUR 33.6 million (2021: EUR 32.9 million).

Changes in liabilities arising from financing activities	Non-current borrowings	Non-current lease liabilities	Current borrowings	Current lease liabilities	Total liabilities from financing activities
1 January 2022	167,045	166,846	20,120	19,469	373,480
Adjustments relating to previous years	0	(12,126)	0	12,126	0
Additions through business combinations	2,292	0	5,325	0	7,617
Cash flows, net	178,264	0	(7,788)	(33,019)	137,457
Other *	0	5,319	0	38,562	43,881
Foreign exchange adjustments	(18)	(6,170)	(474)	(1,150)	(7,812)
31 December 2022	347,583	153,869	17,183	35,988	554,623
1 January 2021	162,664	148,343	221	11,189	322,417
Adjustments relating to previous years	0	(21,680)	0	21,680	0
Additions through business combinations	25,161	29,606	84	0	54,851
Cash flows, net	(11,260)	0	(68)	(32,869)	(44,197)
Other *	(12,500)	7,110	19,356	19,469	33,435
Foreign exchange adjustments	2,980	3,467	527	0	6,974
31 December 2021	167,045	166,846	20,120	19,469	373,480

* Other includes additions and remeasurement of lease liablities.

26 Financial risks and financial instruments (continued)

Credit risks

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

Trade receivables:
Lifetime expected loss allowance for group trade receivables is calculated on basis on a simplified approach. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics. The expected loss rates are based on historical credit losses experienced in the last 3 years (2019-2021). The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables on basis of development in corporate insolvencies in the geographical areas.

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

Trade receivables 2022	Expected loss (%)	Gross amount	Expected loss	Net
Not past due	0.0%	212,595	15	212,580
Past due - up to 30 days	-2.2%	24,989	557	24,432
Past due - between 30 and 90 days	-7.4%	3,764	277	3,487
Past due - over 90 days	-44.3%	9,774	4,327	5,447
Total		251,122	5,176	245,946

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

For certain sales the Group receives collateral. This occurs typically in connection with the distribution of magazines where deposits are received. Trade receivables secured by collateral, with a consequent reduction in overall credit risk, amount to EUR 48,322 thousand (2021: EUR 60,104 thousand). In addition, some of the Group's entities take out credit insurance against losses on trade receivables to the extent deemed relevant.

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

Geographical distribution of impairment 2022	Nordic Countries	Other Countries	Total
Not past due	15	0	15
Past due - up to 30 days	264	293	557
Past due - between 30 and 90 days	277	0	277
Past due - over 90 days	2,942	1,385	4,327
Total	3,498	1,678	5,176

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26 Financial risks and financial instruments (continued)

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

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

Impairment	2022	2021
Impairment at 1 January	4,676	4,309
Foreign exchange adjustments	(138)	110
Impairment in the year	2,423	2,806
Realised losses	(696)	(1,061)
Reversed impairment	(1,089)	(1,488)
Impairment at 31 December	5,176	4,676

Securities, cash and cash equivalents:

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

Categories of financial instruments	2022	2021
Financial assets measured at fair value via the income statement	9,174	11,552
Financial assets used as hedging instruments	5,743	4,793
Financial assets measured at amortised cost	402,432	410,208
Financial liabilities measured at fair value via the income statement	12,186	37,190
Financial liabilities used as hedging instuments	7,248	13,963
Financial liabilities measured at amortised cost	857,732	706,298

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

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

Derivative financial instruments are valued at fair value on the basis of inputs other than listed prices that are observable for the liability, either directly or indirectly (level 2). Put- and call-options are valued at fair value on basis of expected future discounted cash-flows (level 3).

27 Related parties

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

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

Related parties with significant influence also comprise joint ventures and associates; see notes 13, 14 and 32.

Transactions with joint ventures and associates:

	2022		2021	
	Joint ventures	Associates	Joint ventures	Associates
Receivables	2,457	2,078	1,486	1,531
Payables	191	0	1,186	1,034
Revenue	14,801	0	13,672	0
Interest income	11	0	191	0

28 Deferred income - Contract liabilities

Contract liabilities comprise deferred income amounting to EUR 114.3 million at 31 December 2022 (2021: EUR 104.6 million). Deferred income relate to subscriptions, gift cards, etc.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to EUR 97.6 million (2021: EUR 74.5 million).

29 Standards and interpretations not yet adopted

IASB has issued a number of amended standards which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2022.

30 Subsequent events

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

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31 Acquisition and divestment of businesses

Acquisitions in 2022

In 2022, the Group has acquired the remaining 69% of the shares in Supermassive Games Ltd. (and now holds 100% of the shares), 100% of the shares in Clio ApS, 100% of the shares in dotbooks GmbH and 100% of the shares in AndLight ApS. Furthermore, the Group has acquired other businesses for a total of EUR 3.2m.

The acquisitions made in 2022 have impacted revenue with EUR 47.4 million amounting to 2.3% of the total revenue growth in 2022. Full-year impact on revenue relating to the acquisitions amount to EUR 97.4 million. EBIT for 2022 was impacted with EUR 2.3 million.

Fair value at acquisition date	Super-massive Games Ltd.	Clio ApS	dotbooks GmbH	AndLight ApS	Others	Total
Intangible assets	30,181	12,707	8,095	661	2,177	53,821
Property, plant and equipment	2,386	122	0	55	195	2,758
Other non-current assets	0	65	0	77	45	187
Current assets	30,661	2,652	309	3,061	7,999	44,682
Non-current financial liabilities	(2,292)	0	0	0	0	(2,292)
Other non-current liabilities	(2,342)	0	0	(313)	0	(2,655)
Current financial liabilities	(4,233)	(1,033)	0	0	(57)	(5,323)
Other current liabilities	(8,814)	(8,818)	(2,704)	(2,561)	(7,163)	(30,060)
Identifiable net assets	45,547	5,695	5,700	980	3,196	61,118
Goodwill	36,936	28,307	3,861	9,127	8,998	87,229
Minority interest	0	0	0	0	(608)	(608)
Purchase consideration	82,483	34,002	9,561	10,107	11,586	147,739
Cash and cash equivalents, acquired	(5,614)	0	227	(189)	(2,895)	(8,471)
Contingent purchase consideration (Earn outs)	(4,872)	0	0	(4,901)	0	(9,772)
Fair value of existing share of net assets in connection with step-acquisitions	(20,581)	0	0	0	(5,545)	(26,126)
Total cash consideration paid	51,416	34,002	9,789	5,017	3,146	103,370

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

Supermassive Games Ltd., United Kingdom

The Group acquired the remaining 69% of the shares (and now holds 100% of the shares) in Supermassive Games Ltd., one of the larger gaming studios in United Kingdom with appox. 300 employees. Supermassive is specialised in narrative games especially within the horror genre, where it is one of the market leaders, and have sold millions of games and won several awards. The company has great success of creating high quality games for other companies (Work for Hire) as well as co-financing with publishers where Supermassive retains the IP. The shares were acquired from the founders on 8 July 2022.

Goodwill is mainly related to the workforce and the knowhow within the company. Additional major adjustments includes the trademark Supermassive and value of The Quarry (an interactive movie horror game), which both were recognised as intangible assets.

31 Acquisition and divestment of businesses (continued)

Clio Aps, Denmark

The Group acquired 100% of the shares in Clio ApS, a leading provider of digital learning (Platform and Content) for educational institutions in the primary school market. The company operates primarily from the headquater in Copenhagen and secondly from Stockholm, where it has a growing presence. The shares were acquired from the corporate venture capital firm Bonnier Capital AB on 9 August 2022.

Goodwill is mainly related to the synergy aspects of the operational integration with Lindhardt og Ringhofs digital learning platform. Additional major adjustments includes contract rights and customer relationships, which were recognised as intangible assets.

dotbooks GmbH, Germany

The Group acquired 100% of the shares in dotbooks GmbH, a German publishing house, almost exclusively publishing e-books, with headquarters in Munich. dotbooks was founded in 2012 and was one of the first German e-book publishers. Today the Company operates as the largest independent e-book publisher in Germany and hold appr. 14% of the German e-book market. The shares were acquired from the founders as well as a venture capital investor on 5 July 2022.

Rights to sell e-books and digital books as well as goodwill were recognised as intangible assets. Goodwill is mainly related to the workforce and the knowhow within the company related to the management as well as the skills of the general workforce.

AndLight ApS, Denmark

The Group acquired 100% of the shares in Andlight ApS, a Danish E-commerce player within the lightning segment. AndLight ApS operates from its headquarters in Copenhagen and has both domestic and international presence. The entity operates an e-commerce shop as well as a physical outlet. The shares were acquired from the founder and the company partners on 2 May 2022.

Goodwill is mainly related to the workforce and the knowhow within the lighting segment. Goodwill and the trademark AndLight were recognised as intangible assets.

Other acquisitions in 2022

In 2022, Story House Egmont acquired 51% of the shares in Dazy AB (a Swedish full service digital marketing agency) in order to continue to further strengthen the agency position in Sweden. Lindhardt & Ringhof Forlag A/S acquired a further 24% of the shares in Praxis Forlag A/S (and now has a majority share of 75%) in order to continue to further strengthen the position within teaching materials for the upper secondary educational market. Story House Egmont acquired 25.4% of the shares in MarkedsPartner AS (and now has a majority share of 50,3%) and continues its venture into digital marketing.

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

Divestments in 2022

No divestments of subsidiaries in 2022.

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31 Acquisition and divestment of businesses (continued)

Acquisitions in 2021

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

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

Fair value at acquisition date	Cappelen Damm AS	Royal Design Group AB	RiksTV AS	Flashbulb ApS	Nicehair A/S	Others	Total
Intangible assets	33,078	14,835	20,083	5,298	1,835	8,713	83,842
Property, plant and equipment	1,250	5,592	89	13	354	1,215	8,513
Other non-current assets	16,404	1,219	581	27	60	514	18,805
Current assets	87,759	25,472	26,403	1,856	11,410	15,019	167,919
Lease assets	14,817	8,120	0	0	0	0	22,937
Non-current financial liabilities	(6,022)	(13,025)	(1,555)	(914)	0	(3,645)	(25,161)
Other non-current liabilities	(28,456)	(8,853)	0	0	(20)	(1)	(37,330)
Current financial liabilities	0	0	0	0	0	(84)	(84)
Other current liabilities	(78,530)	(17,020)	(47,448)	(1,427)	(7,928)	(8,295)	(160,648)
Identifiable net assets	40,300	16,340	(1,847)	4,853	5,711	13,436	78,793
Goodwill	131,892	109,881	31,366	15,711	12,786	19,952	321,588
Badwill	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	(2,925)	(2,925)
Purchase consideration	172,192	126,221	29,519	20,564	18,497	30,463	397,456
Cash and cash equivalents, acquired	(23,398)	(9,136)	(8,118)	(1,425)	(97)	(6,317)	(48,491)
Contingent purchase consideration (Earn outs)	0	(31,539)	0	0	(5,378)	0	(36,917)
Fair value of existing share of net assets in connection with step-acquisitions	(73,796)	0	(7,336)	(7,732)	(7,740)	(12,121)	(108,725)
Total cash consideration paid	74,998	85,546	14,065	11,407	5,282	12,025	203,323

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

Cappelen Damm AS, Norway

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

31 Acquisition and divestment of businesses (continued)

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

Royal Design Group AB, Sweden

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

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

RiksTV AS, Norway

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

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

To reflect changes in estimates, other payables included in the purchase price allocation in 2021 have been increased in 2022 by EUR 8.6 million, deffered tax assets by EUR 1.9 million and goodwill by EUR 6.7 million.

Flashbulb ApS, Denmark

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

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

Nicehair A/S, Denmark

The Group acquired a further 21.0% of the shares in Nicehair A/S, a Danish E-commerce business which is one of the leading E-commerce players within the beauty & care segment in Denmark, and with international presence. The business has headquarters in Esbjerg. The shares were acquired from the founder on 31 August 2021. At closing there is considered present ownership of all shares (including remaining 20% to be purchased in 2023).

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

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31 Acquisition and divestment of businesses (continued)

Other acquisitions in 2021

In 2021, Story House Egmont acquired a further 45.6% of the shares in Skittfiske AS (and now has a majority share of 80.0%) in order to continue to to further strengthen the outdoor E-commerce position. Nordisk Film aqcuired a further 46.15% of the shares in Drive Studios ApS (and now has a majority share of 71.15%) to strengthen the production of TV series. As part of a conversion of a loan, Nordisk Games acquired a further 10.37% of the shares in Nitro Games OY and now has a majority of 50.37%. The Agencies entity KAN Malmo acquired 100% of the shares in Winston Delta Charlie AB in order to gain access to a specific Google license in Sweden. Lindhardt & Ringhof acquired 51% of the shares in Ordblindetræning ApS and took over 100% of the acitivity in Audiobuch Verlag oHG.

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

Divestment in 2021

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

Unless otherwise stated, the entities are wholly owned.

* Entities owned directly by Egmont Fonden.

** Entities which do not prepare official annual reports.

*** Due to voting rights and/or specific sections in the shareholders' agreements, Egmont does not have control despite owning above 50% of the shares in the entities.

SUBSIDIARIES

Country	Entity	Registered office	2022	2021
Denmark	Egmont International Holding A/S *	Copenhagen		
	Clio ApS	Copenhagen		-
	Story House Egmont A/S	Copenhagen		
	Egmont Printing Service A/S	Copenhagen		
	Egmont Creative Solutions A/S	Copenhagen		
	GoShopping ApS *Bagaren och Kocken AB owns*	Herning		
	Unique Models of Copenhagen A/S	Copenhagen	60%	60%
	s360 A/S	Aarhus	50.5%	53.5%
	Cooperante ApS *s360 A/S owns* *(Merged with s360 A/S)*	Aarhus	-	52%
	Drive Studios ApS	Copenhagen	71.15%	71.15%
	Flashbulb ApS	Copenhagen		
	Helion B2B A/S *Helion B2B Group ApS owns*	Copenhagen	100%	100%
	Helion B2B Group ApS *s360 A/S owns*	Aarhus	62.5%	52.5%
	GoTutor Denmark ApS	Copenhagen	60%	60%
	Ingager ApS *Ingager AB owns*	Copenhagen	100%	100%
	Nordisk Interactive A/S	Copenhagen		
	Lindhardt og Ringhof Forlag A/S	Copenhagen		
	Nordisk Film A/S	Copenhagen		
	Nordisk Film Distribution A/S	Copenhagen		
	Nordisk Film Shortcut A/S	Copenhagen		
	Nordisk Film Production A/S	Copenhagen		
	Nordisk Games A/S	Copenhagen		
	Nordisk Film Biografer A/S	Copenhagen		
	Nicehair ApS	Esbjerg		80%
	AndLight ApS	Copenhagen		-
	Lumenli ApS	Copenhagen		-
	Ordblindetræning ApS	Esbjerg	51%	51%
	Palads Biografen A/S	Copenhagen		
	Praxis Forlag A/S	Copenhagen	75%	51%
	GoGift.com A/S	Copenhagen		
	Kino.dk A/S	Copenhagen	74%	74%
	Nordisk Film Bridge Finance A/S	Copenhagen		
	Dansk Reklame Film A/S	Copenhagen		

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32 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2022	2021
Denmark	Egmont Administration A/S	Copenhagen		
	Egmont Svensk Finansiering A/S	Copenhagen		
	Egmont Finansiering A/S	Copenhagen		
	Egmont Investering A/S	Copenhagen		
	Egmont Investering 2 A/S	Copenhagen		-
	Ejendomsselskabet Vognmagergade 11 ApS *	Copenhagen		
	Ejendomsselskabet Gothersgade 55 ApS *	Copenhagen		
	MBG Sleeping Egmont A/S **	Copenhagen		
	VPH Sleeping Egmont ApS **	Copenhagen		
	4.+ 1 ApS	Hvidovre	20%	-
Netherlands	s360 Digital NL B.V. *s360 A/S owns*	Amsterdam	100%	-
Norway	The Brand AS	Oslo	50%	-
	Core Content AS	Oslo	50%	50%
	Drammen Kino AS	Drammen	66.7%	66.7%
	Egmont Holding AS	Oslo		
	Egmont Kids Media Nordic AS	Oslo		
	Story House Egmont AS	Oslo		
	Fagmedia AS	Oslo		
	Fjellsport Group AS *Outnordic Invest AB owns*	Sandefjord	100%	
	Fjellsport AS *Fjellsport Group AS owns*	Sandefjord	100%	
	Garnius AS	Haugesund	51%	51%
	Markedspartner AS *StoryCo AS A/S owns*	Grålum	- 77.2%	25% -
	Nordisk Film AS	Oslo		
	Nordisk Film Distribusjon AS	Oslo		
	Nordisk Film ShortCut AS	Oslo	66%	66%
	Nordisk Film Production AS	Oslo		
	Nordisk Interactive AS	Oslo		
	Nordiske Fagmedier AS	Oslo	75%	75%
	S360 Norge AS *s360 A/S owns*	Moss	63.72%	67.7%
	Indent AS *S360 Norge AS owns*	Moss	100%	-
	Skitt Fiske AS	Sandefjord	80%	80%
	StoryCo AS	Oslo	65.22%	-
	Filmweb AS	Oslo	64.3%	64.3%
	Nordisk Film Kino AS	Oslo		
	Media Direct Norge AS	Oslo		
	Mortal AS *(Merged with Nordsik Film AS)*	Oslo	-	
	Keyteq Technologies AS *s360 A/S owns* *(Liquidated)*	Bergen	-	100%

32 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2022	2021
Norway	TV 2 Gruppen AS	Bergen		
	TV 2 AS	Bergen		
	TV 2 Skole AS	Bergen		
	Nydalen Studios AS	Oslo		
	Broom.no AS	Oslo		
	Broommarked AS	Oslo		
	RiksTV AS	Oslo		
	Electric Friends AS	Oslo	99.36%	99.36%
	Eventyrkanalen AS	Bergen		
	Vimond Media Solutions AS	Bergen		
	Wolftech Broadcast Solutions AS	Bergen	91%	91%
	TV 2 Invest AS	Fredrikstad		
	Screen Story AS	Stavanger	90.2%	90.2%
	Screen Story Film og TV AS *Screen Story AS owns*	Stavanger	100%	100%
	Aventia Media AS	Nøtterøy	68%	68%
	Cappelen Damm Holding AS *(Merged with Cappelen Damm AS)*	Oslo	-	
	Cappelen Damm AS	Oslo		
	Tanum AS	Oslo		
	Sentraldistribusjon AS	Oslo		
	Bazar Forlag AS	Oslo		
	Ex Libris Forlag AS	Oslo		
	Flamme Forlag AS	Oslo		
	N.W. Damm & Søn AS	Oslo		
Sweden	Egmont Holding AB	Malmö		
	L&R Education Sverige AB	Stockholm		-
	Egmont Story House AB	Malmö		
	Belong Agency Sweden AB *Kanmalmo AB owns*	Stockholm	100%	100%
	Ingager AB	Stockholm	60.28%	60.1%
	Bagaren och Kocken AB	Gothenburg		
	Dazy AB *Kanmalmo AB owns*	Stockholm	51%	-
	Drive Studios AB *Drive Studios AIS owns*	Stockholm	100%	-
	Outnordic Invest AB	Växjö		84.75%
	Outnorth AB *Outnordic Invest AB owns*	Växjö		100%
	Nordisk Film Sverige AB	Stockholm		
	Nordisk Film Distribution AB	Stockholm		
	Nordisk Film Interactive AB	Stockholm		
	Nordisk Film Production Sverige AB	Stockholm		
	Royal Design Group Holding AB	Kalmar		

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32 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2022	2021
Sweden	Royal Design Group AB	Kalmar		
	RD Kungens Kurva AB *(Merged with Royal Design Group AB)*	Kalmar	-	
	Fatalist Partners AB	Stockholm		
	Fatalist Holdings AB	Stockholm		
	Fatalist Tecnologies AB	Stockholm		
	Fatalist Development AB	Stockholm		
	Fatalist Production 2 AB	Stockholm		
	Fatalist Production 3 AB	Stockholm		
	Fatalist Production 4 AB	Stockholm		
	Fatalist Production 5 AB	Stockholm		
	Systemic Reaction AB	Stockholm		
	Expansive Worlds AB	Stockholm		
	Nordisk Film Biografer Sverige AB	Stockholm		
	Kanmalmo AB	Malmö	59.56%	59.51%
	Klintberg Niléhn Media AB	Stockholm	60%	60%
	S360 AB *s360 A/S owns*	Stockholm	75%	70%
	Winston Delta Charlie AB *Dazy AB owns* *Kanmalmo AB owns*	Stockholm	100% -	- 100%
Finland	Egmont Holding Oy/Egmont Holding Ab	Helsinki		
	Oy Nordisk Film Ab	Helsinki		
	Oy Nordisk Interactive Ab	Helsinki		
	Nordic XR Startups Oy *Oy Nordisk Film Ab owns*	Helsinki	60%	60%
	search360 OY *s360 A/S owns*	Helsinki	75%	75%
	Nitro Games Oyj	Kotka	50.37%	50.37%
Germany	dotbooks GmbH	Munich		-
	Egmont Holding GmbH	Berlin		
	Egmont Ehapa Media GmbH	Berlin		
	Egmont Verlagsgesellschaften mbH	Berlin		
	Mitte-Editionen GmbH	Berlin		
	Egmont Ehapa Rights Management GmbH	Berlin		
	Egmont Ehapa Comic Collection GmbH	Berlin		
	Ingager GmbH *Ingager AB owns*	Berlin	100%	100%
	GoGift GmbH	Frankfurt am Main		
United Kingdom	Avalanche Studios Group Ltd.	London		
	Egmont Holding Ltd.	London		
	Story House Egmont Ltd	London		
	Egmont Publishing Ltd.	London		

32 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	2022	2021
United Kingdom	S360 Digital UK Ltd. *s360 A/S owns*	London	100%	100%
	Supermassive Games Ltd.	Hampshire		30.72%
	Starshape Games Ltd.	Hampshire		30.72%
	Supermassive Games 1 Ltd.	Hampshire		30.72%
	Supermassive Games 2 Ltd.	Hampshire		30.72%
	Supermassive Games 3 Ltd.	Hampshire		30.72%
Poland	Story House Egmont sp. z o.o.	Warsaw		
Estonia	Egmont Estonia AS	Tallinn		
Latvia	Egmont Latvija SIA	Riga		
Lithuania	UAB Egmont Lietuva	Vilnius		
Bulgaria	Egmont Bulgaria EAD	Sofia		
Croatia	Egmont d.o.o.	Zagreb		
USA	Vimond Media Solutions Inc	New York		
	Avalanche Studios New York Inc.	New York		
	Egmont U.S. Inc.	Delaware		
	Ideals Publishing Corporation	Delaware		
China	Egmont Sourcing Hong Kong Ltd.	Hong Kong		
Australia	Vimond Media Solutions Apac Pty Ltd	Sydney		

JOINT VENTURES

Country	Entity	Registered office	2022	2021
Denmark	Med24.dk ApS	Løkken	49%	49%
	RK af 2018 P/S	Copenhagen	50%	50%
	Komplementarselskabet RK af 2018 ApS	Copenhagen	50%	50%
	I/S Ugebladsdistribution **	Albertslund	50%	50%
Norway	Allvit AS *Cappelen Damm AS owns*	Oslo	50%	50%
	Storytel AS *Cappelen Damm AS owns*	Oslo	50%	50%
	Maipo Film AS	Oslo	50.1%	50.1%
	Destinasjon Glede AS *Core Content AS owns*	Oslo	50%	50%
Finland	Solar Films Inc Oy	Helsinki	50.1%	50.1%
	Story House Egmont Oy Ab	Helsinki	50%	50%
China	Children's Fun Publishing Company Ltd.	Beijing	49%	49%

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32 Group entities (continued)

ASSOCIATES

Country	Entity	Registered office	2022	2021
Denmark	Feb-Company 2022 ApS (Under konkurs)	Copenhagen	35.63%	35.63%
	Publizon A/S	Aarhus	-	46%
	Zentropa Folket ApS***	Hvidovre	50%	50%
	4 + 1 ApS owns		10%	-
Germany	DRIVE beta GmbH	Berlin		
	Drive Studios ApS owns		40%	40%
Norway	Bladcentralen AS	Hagan		
	Cappelen Damm AS owns		20%	20%
	Story House Egmont AS owns		20%	20%
	Bokbasen AS	Oslo	15%	15%
	Fantefilm AS	Oslo	28.5%	28.5%
	Jollyroom AS	Sandefjord		
	Jollyroom Group AB owns		100%	100%
	KinoSør AS	Kristiansand	49%	49%
	My Game AS	Oslo	28,7%	47%
	Norges Televisjon AS	Oslo	50%	50%
	The Oslo Company AS	Oslo	20%	20%
	Publish Lab AS	Oslo	45.05%	45.05%
Spain	Mercury Steam Entertainment S.L.	Madrid	40%	40%
Sweden	Star Stable Entertainment AB***	Stockholm	56.91%	56.64%
	Stella Nova Film AB	Stockholm	25%	25%
	Jollyroom Group AB	Mölndal	48.98%	48.98%
	Jollyroom AB	Mölndal		
	Jollyroom Group AB owns		100%	100%
	Motorrad Nordic AB	Solna	44%	44%
	Okto AB	Stockholm	40%	40%
United Kingdom	Wendy Promotion Ltd.	London	50%	50%
	Wendy Animation Promotions Ltd.	London		
	Wendy promotion Ltd. owns		100%	100%

EGMONT

Statement by the Board of Trustees and Management Board

The Board of Trustees and Management Board have today discussed and approved the annual report of Egmont Fonden for the financial year 1 January – 31 December 2022.

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

In our opinion, the consolidated financial statements and the Foundation's financial statements give a true and fair view of the Group's and the Foundation's financial position at 31 December 2022, and of the results of the Group's and the Foundation's operations and the consolidated cash flows for the financial year 1 January – 31 December 2022.

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

Copenhagen, 7 March 2023

MANAGEMENT BOARD:

Steffen Kragh
President and CEO

Hans J. Carstensen

BOARD OF TRUSTEES:

Lars-Johan Jarnheimer
Chair

Merete Eldrup
Vice Chair

Per Bank

Josh Bottomley

Martin Enderle

Peder Høgild

Anna von Lowzow

Christian Wegner

Marianne Oehlenschlæger

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Independent Auditor's Report

TO THE BOARD OF TRUSTEES OF EGMONT FONDEN

OPINION

We have audited the consolidated financial statements and the Foundation's financial statements of Egmont Fonden for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the Group and the Foundation, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the Foundation's financial statements are prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the Foundation's financial statements give a true and fair view of the financial position of the Foundation at 31 December 2022 and of the results of the Foundation's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

BASIS FOR OPINION

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

Independence

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

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

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

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

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 7 March 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender
State Authorised
Public Accountant
mne21332

Jens Thordahl Nøhr
State Authorised
Public Accountant
mne32212

Income Statement of Egmont Fonden

(EURk)

Note		2022	2021
	Royalty income, etc.	1,091	1,220
2	Personnel expenses	(164)	(149)
	Other external expenses	(412)	(429)
	Operating profit	**515**	**642**
	Dividends from investments in subsidiaries	26,162	8,975
7	Financial income	1,679	1,573
7	Financial expenses	(119)	(62)
	Profit before tax	**28,237**	**11,128**
3	Tax on profit for the year	(67)	(78)
	Net profit for the year	**28,170**	**11,050**
	Distribution of net profit:		
	Transfer to reserve fund	0	2,201
	Transfer to liquid reserve fund	28,170	8,849
	Total	28,170	11,050

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Statement of Financial Position of Egmont Fonden at 31 December

(EURk)

Note	Assets	2022	2021
4	Investments in subsidiaries	181,652	181,654
5	Loans to group enterprises	0	87,408
	Financial assets	181,652	269,062
	Total non-current assets	181,652	269,062
5	Loans to group enterprises	87,407	0
	Receivables from group enterprises	39,906	27,679
	Other receivables	2,169	1,335
	Receivables	129,482	29,014
	Securities	631	697
	Cash and cash equivalents	14	34
	Total current assets	130,127	29,745
	TOTAL ASSETS	311,779	298,807

Equity and liabilities	2022	2021
Capital fund	29,583	29,583
Reserve fund	215,401	215,400
Charitable fund	12,875	12,875
Liquid reserve fund	38,514	23,556
Total equity	296,373	281,414
Trade payables	1,369	1,520
Payables to group enterprises	145	122
Donations committed but not yet paid	10,246	12,860
Other payables	3,646	2,891
Current liabilities	15,406	17,393
Total liabilities	15,406	17,393
TOTAL EQUITY AND LIABILITIES	311,779	298,807

1 Accounting policies
6 Basis of distribution
7 Related parties

Statement of Changes in Equity of Egmont Fonden

(EURk)

				Liquid reserve fund		
	Capital fund	Reserve fund	Charitable fund	Use according to articles 6-10	Use according to article 11	Total equity
Equity at 1 January 2022	29,583	215,400	12,875	21,724	1,832	281,414
Foreign exchange adjustments	0	1	0	8	1	10
Transfer from distribution of net profit	0	0	0	25,353	2,817	28,170
Used for charitable purposes	0	0	0	(10,744)	(940)	(11,684)
Costs	0	0	0	(1,463)	(74)	(1,537)
Equity at 31 December 2022	29,583	215,401	12,875	34,878	3,636	296,373

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

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1 Accounting policies

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

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

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

Fees to auditors is disclosed in note 24 in the consolidated financial statements.

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

Investments in subsidiaries

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

Dividends

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

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

Equity

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

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

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

2 Personnel expenses	2022	2021
Wages and salaries	(164)	(149)

Compensation to the Board of Trustees amounted to 238 in 2022 (2021: 219), of which 125 (2021:104) was included in the costs of the Charitable Activities.

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

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

3 Tax on profit for the year	2022	2021
Royalty tax paid	(67)	(78)

Tax on profit for the year consists of royalty tax.

4 Investments in subsidiaries	2022	2021
Cost at 1 January	181,654	181,583
Foreign exchange adjustments	(2)	71
Cost at 31 December	181,652	181,654

For a list of subsidiaries please see note 32 in the consolidated financial statement.

5 Loans to group enterprises	2022	2021
Cost at 1 January	87,408	87,374
Foreign exchange adjustments	(1)	34
Cost at 31 December	87,407	87,408

6 Basis of distribution	2022	2021
Balance at 1 January	36,431	40,510
Exchange change adjustments	9	16
Used for charitable purposes	(11,684)	(11,577)
Costs	(1,537)	(1,367)
Transfer from distribution of net profit	28,170	8,849
Balance at 31 December	51,389	36,431

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7 Related parties

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

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

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

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

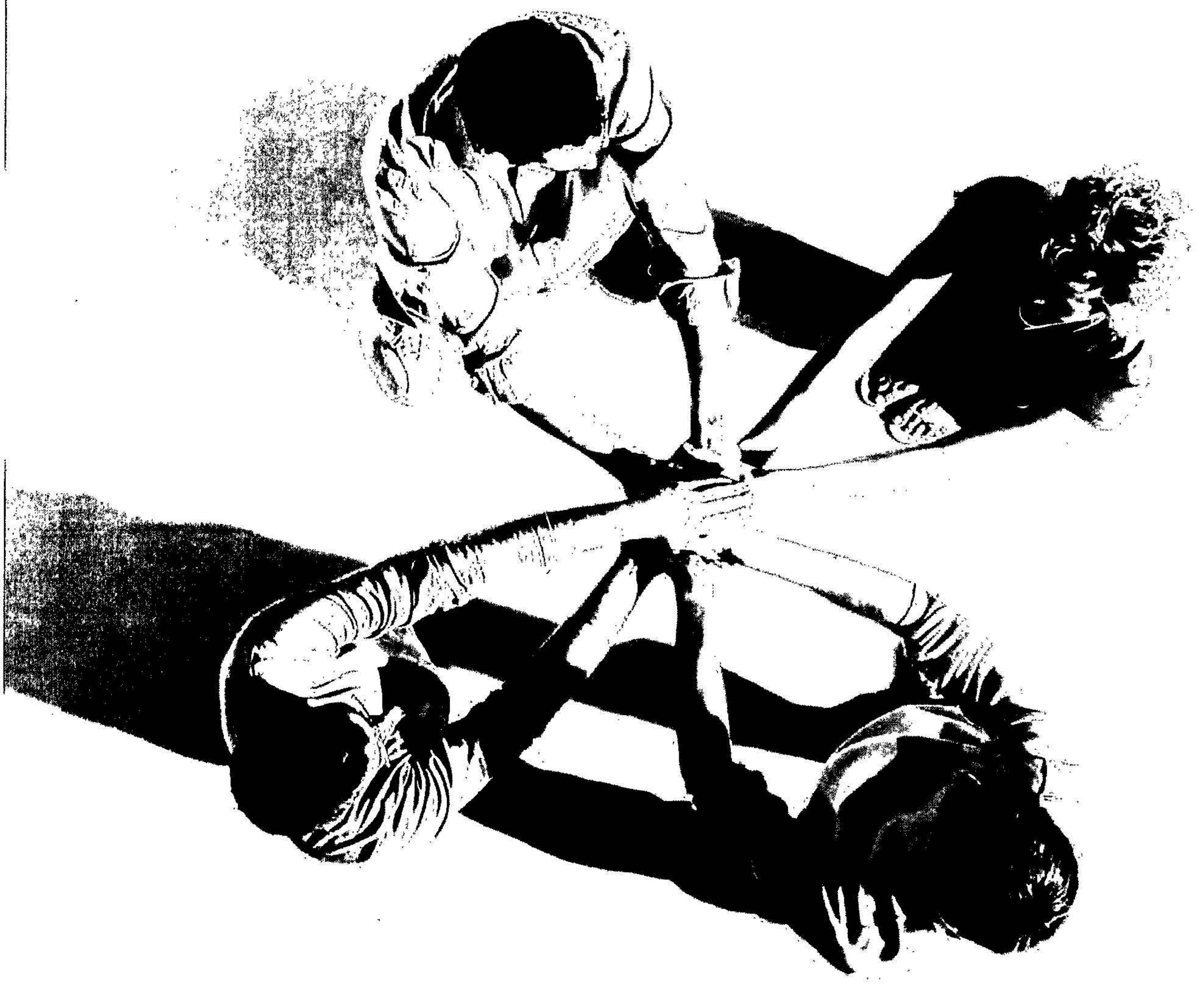
The compensation paid to the Board of Trustees and Management Board is disclosed in note 4 in the consolidated financial statement.

Trading with subsidiaries	2022	2021
Service fee	138	142
Rent	(74)	(54)
Acquisition of services	(87)	(69)
Interest, subsidiaries (net income)	1,568	1,569

Capital transactions and balances with subsidiaries at 31 December	2022	2021
Dividends from group enterprises	26,162	8,975
Loans to group enterprises	87,407	87,408
Receivables from group enterprises	39,906	27,679
Payables to group enterprises	(145)	(122)

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Sustainability Report | 2022



EGMONT

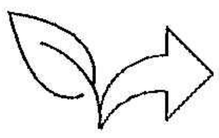
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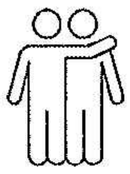


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Appendix: Carbon accounting principles 44

Egmont's Sustainability Report provides detailed information on sustainability and our responsible business behaviour. The Sustainability Report serves as a supplementary document to the United Nations Global Compact Communication on Progress, which will be submitted later in 2023 using the new CoP digital platform. This report includes Egmont's mandatory non-financial reporting in accordance with article 99a, Egmont's report on targets and policy with respect to the underrepresented gender in accordance with article 99b, and Egmont's statement on data ethics in accordance with article 99d of the Danish Financial Statements Act (Årsregnskabsloven).

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Statement from CEO



Egmont has a longstanding commitment to being a responsible company. In 2013, Egmont signed up to UN Global compact and has for many years worked closely with manufacturers and partners to ensure that the ten principles within human and labour rights, anti-corruption and environment are complied with.

Egmont's 2025 business strategy *Grow with the Modern Consumer – Scale up & Stand Out*, has confirmed this commitment, and during 2022, we have continued to work on the strategy's climate and environmental focus, Go Greener fast.

In 2022, we took Egmont's climate ambitions to the next level by matching our total electricity consumption with 100% green electricity. Our investment, via a pool Power Purchase Agreement, in a Danish solar park will become operational during 2023 and will provide additional capacity of green electricity to the Danish grid. The park is expected to deliver 70,000 MWh annually, corresponding to the energy consumption of 18,000 households, and we are excited about having made this long-term investment for a greener future.

The main part of Egmont's carbon emissions lies within our upstream and downstream activities. To get a better understanding of these emissions, Egmont has performed a high-level scope 3 value chain screening.

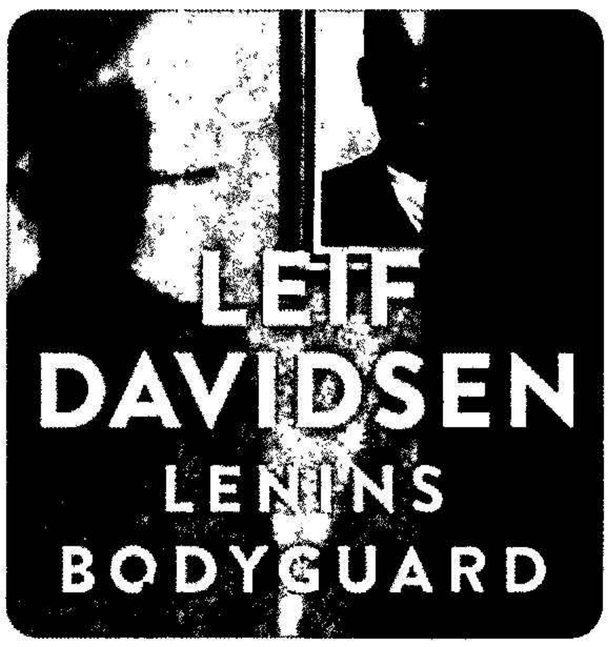
Next step is to work with more scope 3 categories and set targets for reducing our CO_2 emissions for scope 3.

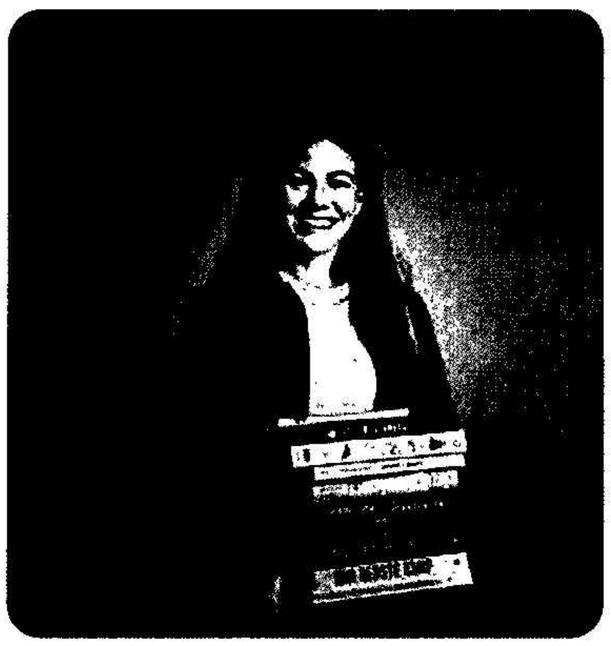
This report describes how we have progressed with our social, ethical and climate efforts to continue to honour our longstanding commitment to be a responsible company.

Steffen Kragh
President & CEO of Egmont






LETF
DAVIDSEN
LENINS
BODYGUARD

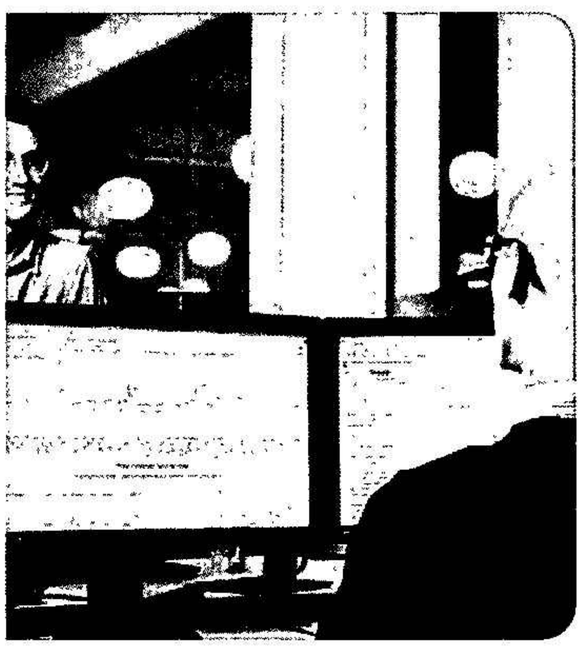




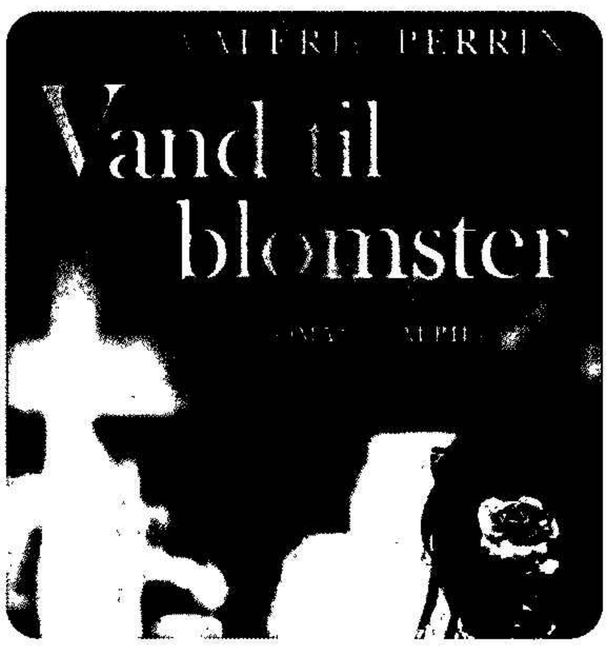




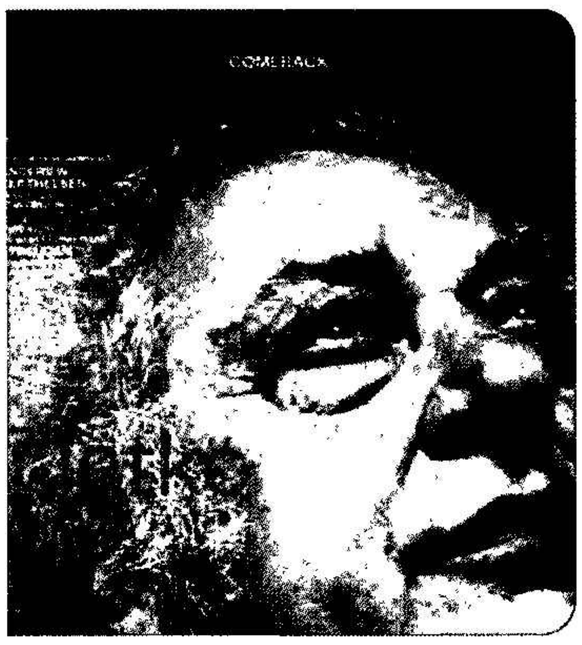




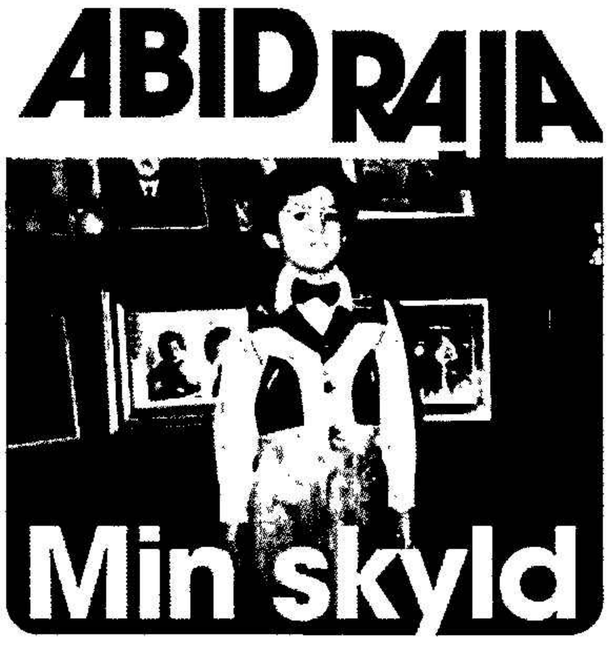



VALERIE PERRIN
Vand til
blomster




COMEBACK




ABID RAJA
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Egmont at a glance

Egmont is a leading Nordic media group focused on storytelling and journalism. More than 6,000 employees across 150 companies contribute through our four divisions: TV 2, Nordisk Film, Story House Egmont, and Egmont Books. We apply technology, creativity and entrepreneurship to create great content, competitive products and user excellence across platforms.

Egmont is a foundation, and our profits are used to develop our media business in many countries and to support children and young people in Scandinavia. In 2022, Egmont had charitable activities of EUR 13.2 million in Denmark, Norway and Sweden.

Egmont's 2025 strategy is Grow with the Modern Consumer- Scale Up & Stand Out and has focus on growth within TV streaming, digital books, games, agencies and e-commerce.

Egmont's commitment means that we will invest heavily in content and continue to improve our sustainability performance.

See our Annual Report for more information on our business and financials at:
https://www.egmont.com/key-figures-reports

Our approach to sustainability

Egmont's sustainability work entails both living up to Egmont's responsibility as a company and effectively managing sustainability-related, commercial risks. Egmont wants to contribute to sustainable development, which includes targeted efforts to reduce greenhouse gas (GHG) emissions, develop non-plastic packaging solutions, and upgrade tech and sustain-ability skills in the organisation.

Our ambitions support the UN Sustainable Development Goals (SDGs) and direct our approach to manage the most significant environmental and social issues arising from the business processes.

Egmont has established common policies, standards, and guidelines which specify how the companies in the Group must address important sustainability topics such as environment and climate, responsible sourcing, and employer responsibility. Awareness-raising, risk mapping, improvement plans, monitoring and reporting are key elements in the continuous improvement of these topics.

Egmont's climate strategy, Go Greener fast, describes Egmont's ambition to contribute to a low-carbon economy and a better planet for future generations. During 2022, we have set further reduction targets for our own operations and conducted value chain scans across Egmont with the purpose of getting enhanced insight of the biggest scope 3 emissions across Egmont's different business areas.

Responsibility and integrity are core to the way we conduct our business and Egmont promotes responsible business practices throughout its value chain. Egmont's Business Ethics Policy and Supplier Code of Conduct provide clear guidance for our employees and business partners.

The people in Egmont are our most valuable assets, and we continue to invest in personal and professional development of our employees. We strive to foster an inclusive and equal environment, and during 2022 Egmont introduced that fathers and co-mothers will be entitled to the same salary conditions during their leave as mothers.

Empowering people and communities



People: Providing an engaging employment with a meaningful job, a great purpose, great cooperation with colleagues, and opportunities to develop professionally.

Communities: Contributing to the sustainable development of communities through engagement, funding and partnerships to support vulnerable children and youngsters as well as young talents.

Embedding responsible business practices



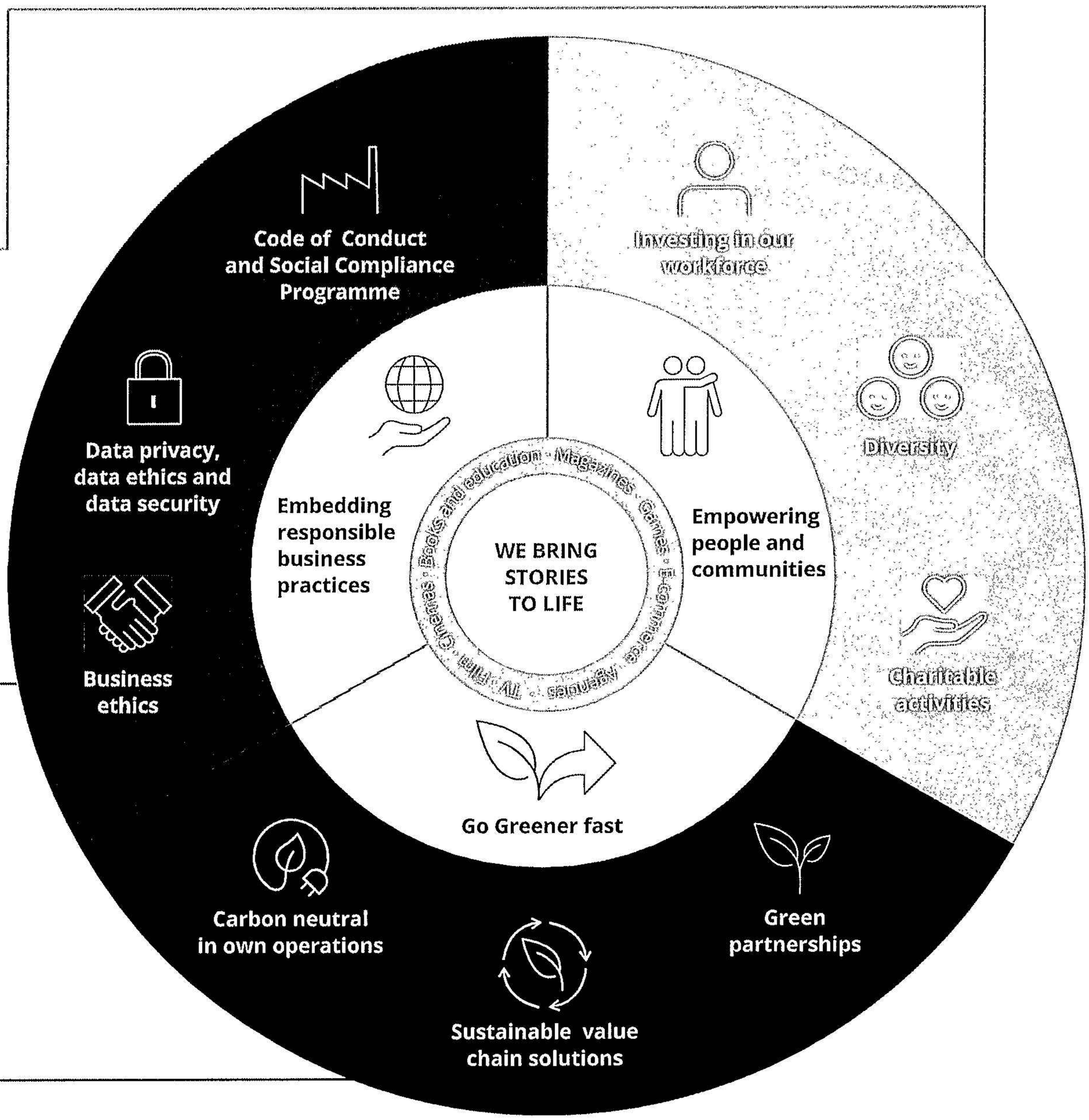
Ethical business and compliance: Fostering an ethical culture and conducting our business with integrity and ensuring we comply with all relevant legal and regulatory requirements in own operations and supply chains.

Go Greener fast



Climate change and circular economy: Reducing our greenhouse gas (GHG) emissions from own operations and high emission areas within our value chains.

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Sustainability highlights

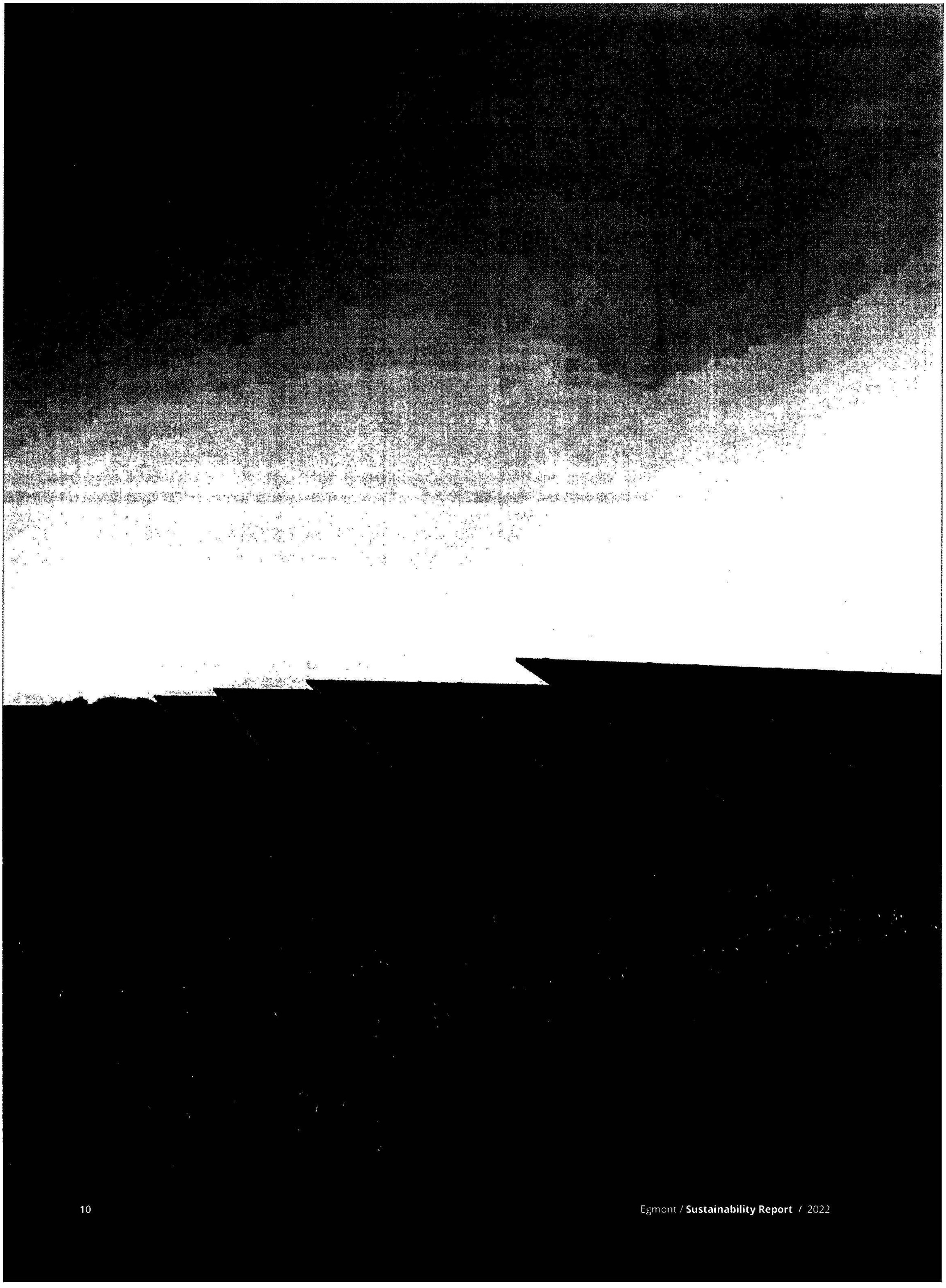
Go Greener fast

	Unit	2019	2020	2021	2022
Green electricity share (scope 2)	%	N/A	N/A	25%	100%
Scope 1 emissions	tCO_2e	1,013	698	717	738
Scope 2 emissions (market-based)	tCO_2e	14,209	13,103	10,003	1,153
Scope 2 emissions (location-based)	tCO_2e	4,527	3,613	2,642	2,802
Scope 3 emissions*	tCO_2e	N/A	N/A	57,171	55,030

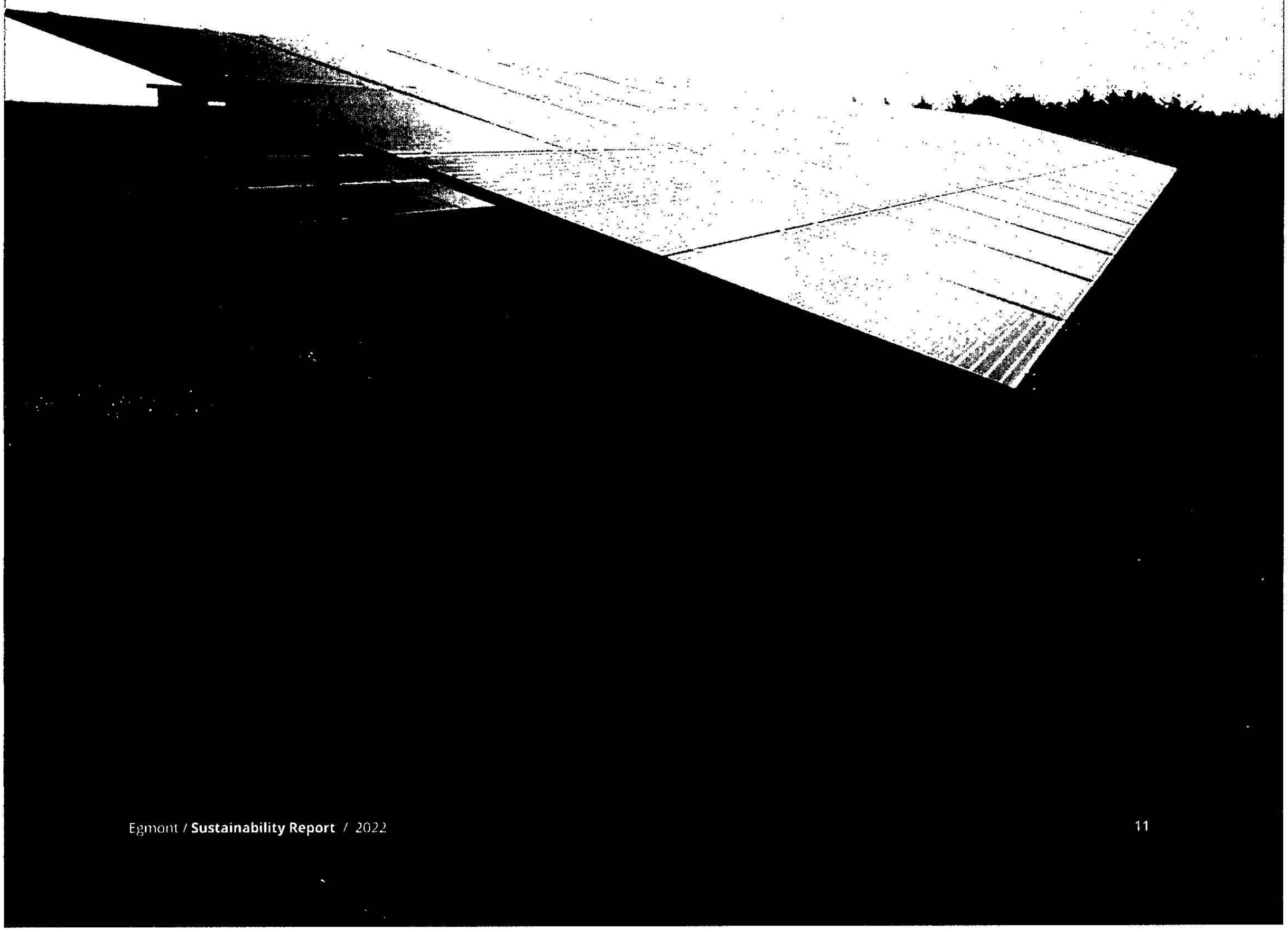
Our workforce and supervisory board

Gender diversity total (female/male)	%	52/48	48/52	50/50	49/51
Gender diversity management** (female/male)	%	47/53	49/51	44/56	43/57
Employee engagement level	1-10	8.0	8.1	8.2	8.2
Gender diversity Board of Trustees (female&male)	#	0&6	1&6	1&6	1&5***

*) Including five categories: Printed products, goods transportation, covermounts & toys, packaging and business flights
**) In 2021 a number of acquisitions and consolidations of games and ecommerce companies incrased significantly the numer of employees in Egmont which impacted the gender balance of managers
***) From March 2023 there will be 2 female and 4 male members



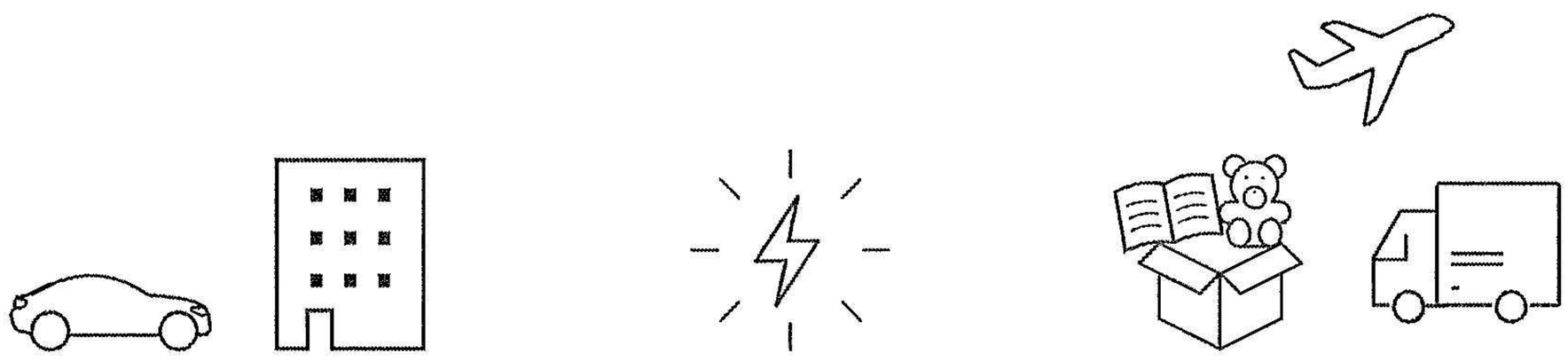
Go Greener fast



Our carbon account

Our current reporting scope

We use the Greenhouse Gas Protocol to report Egmont's carbon account. Own operations (scope 1 and 2) include company cars and utilities. Sustainable value chain solutions (scope 3) include the following emission categories: Business flights, printed products, goods transportation, covermounts and toys, and packaging. The 2022 distribution of CO_2e emissions from scope 1, 2 and 3 can be seen in the below figure.



Company vehicles and fuel used in facilities	Electricity, heat and cooling	Business flights, printed products, packaging, goods transportation and covermounts & toys
Scope 1	**Scope 2** (market-based)	**Scope 3**
738 tCO_2	1,153 tCO_2	55,030 tCO_2
1% of total	2% of total	97% of total

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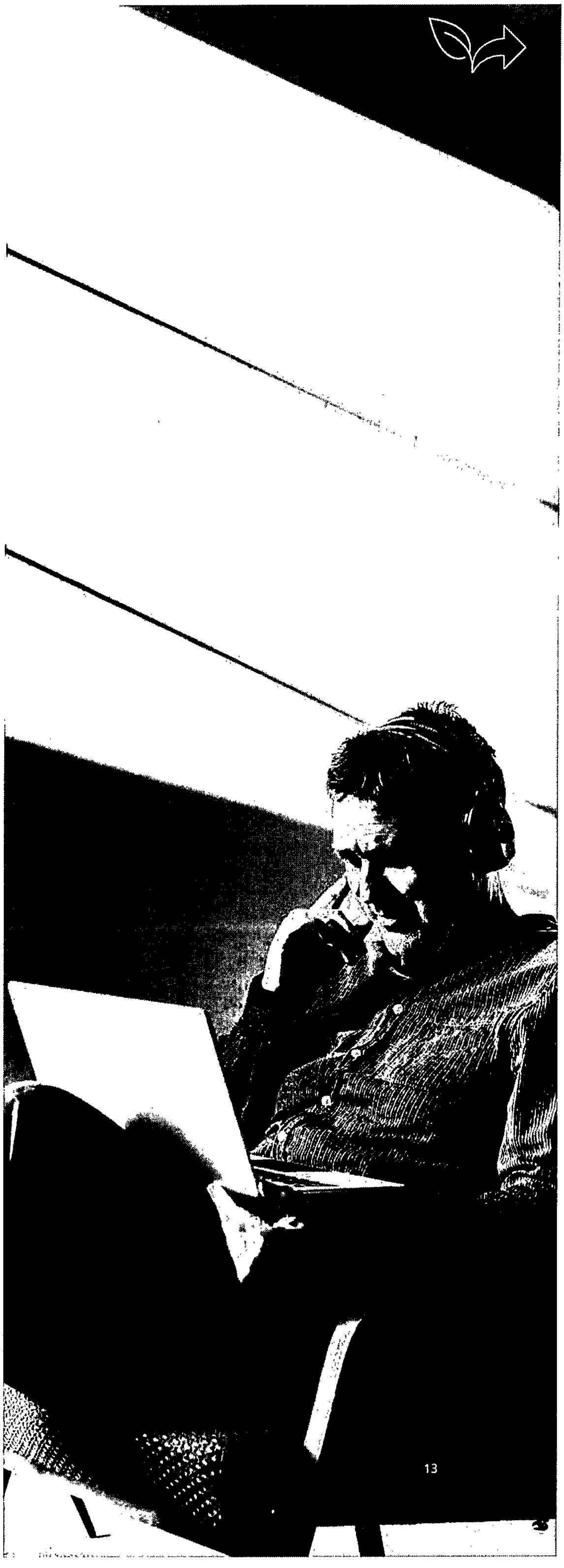
Extensive scope 3 screening

Egmonts most material risks regarding climate and environmental issues lies within scope 3. During 2022, Egmont conducted a comprehensive Scope 3 mapping. It was a huge and ambitious task, as our businesses cover a great diversity of sectors. The screening covered 14 different value chains across Egmont.

The primary purpose of this screening was to establish our scope 3 baseline (according to the 15 categories in the GHG protocol) and get a better understanding of the carbon emissions generated by our companies, beyond the scope 3 categories we have focused on so far (business flights, printed products, packaging, goods transportation and covermounts & toys cf. page 46).

The scope 3 screening relied on spend-based estimates for most categories, which is the common approach for companies establishing a full scope 3 baseline for the first time. The screening provided good indications of where our emission hotspots lie in our value chains, and where we need to prioritise collecting more sophisticated carbon data to make sure we keep our focus on where we can reduce our climate impact the most.

The screening showed that purchased products and services is a key emission category, and it also confirmed that our current scope 3 focus areas, with printed products as one of the key hotspots, are still material.



Own operations (scope 1 and 2)

Company vehicles and fuel consumption (scope 1)

Targets

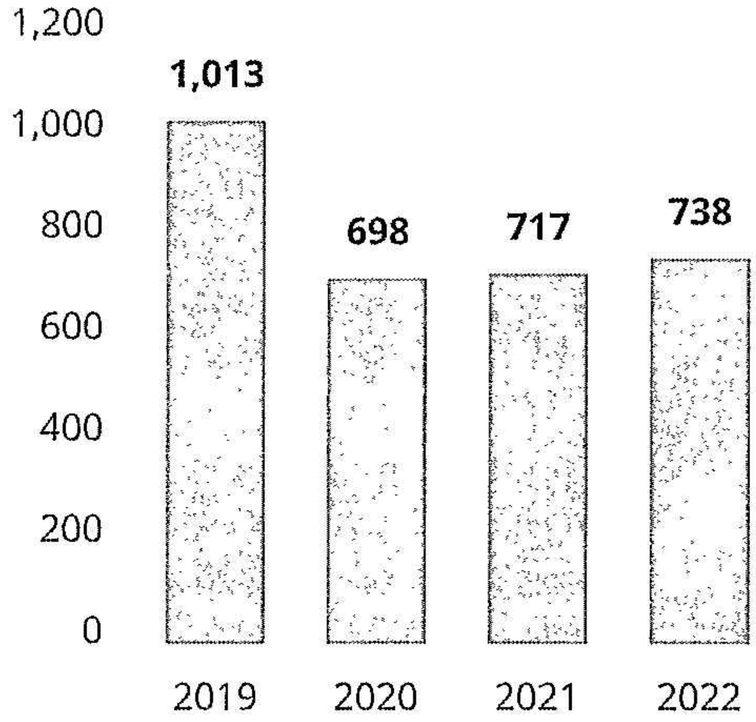
- From 2023 new passenger cars leased by Egmont's Nordic companies can only include plug-in hybrid and electric vehicles (new).
- Compensate scope 1 emissions*.

Actions 2022

Even though Egmont's fleet of company vehicles is small and projected to decrease even further in the coming years, we decided to make sure that our fleet transition to low-carbon rapidly and updated our company car policy accordingly.

Results 2022

As of end 2022, low-carbon vehicles already made up 43% of Egmont's company vehicle fleet.



Next steps

- Remaining vehicles will be replaced gradually by low-carbon vehicles, as new technologies become available at scale, and new legislation in our markets will phase out the sales of fossil passenger cars in the coming years.

*) In total 1,891 tCO_2e has been compensated in 2022 from Rimba Raya project.

CASE

Investing in additional green electricity

In 2021, Egmont signed a Power Purchasing Agreement (PPA) and joined forces with several other Danish companies to build a solar park in Northern Jutland, with a capacity of approx. 70,000 MWh annually, corresponding to the energy consumption of 18,000 households. This was an important step on our road to invest in additional green electricity.

The construction of the park is on track, and it is expected to be connected to the Danish electricity grid mid 2023.

Beyond providing additional green electricity to the Danish grid, our partner Better Energy is very focused on preserving and enhancing biodiversity in the area. Their internal biodiversity team is assessing the potential of different measures, including innovative approaches such as converting part of the park into a wetland. Their ambition is to leave the land in a better state than prior to the project, e.g., by removing pesticides and fertilisers which will improve soil quality.

Electricity, heating and cooling (scope 2)

Targets

- 100% green electricity from 2022.
- Compensate residual scope 2 emissions*.

Actions 2022

Our cinemas in Denmark and Norway, which represent 46% of our total energy consumption (scope 2), have conducted energy efficiency initiatives. From 2022, we are matching Egmont's electricity consumption (scope 2) with green electricity. Our green electricity sourcing in 2022 consists of a mix of green electricity sourced by our companies and green electricity certificates sourced centrally. We expect that from mid 2023, nearly all our procured electricity in Denmark will be matched with electricity generated by the solar power plant we have invested in last year. During 2022, we also explored the opportunity to sign a green power purchase agreement for Norway and Sweden (our two other key markets together with Denmark). However, due to large uncertainties and the geopolitical context in 2022, further evaluation of the potential investment was postponed to 2023.

Results 2022

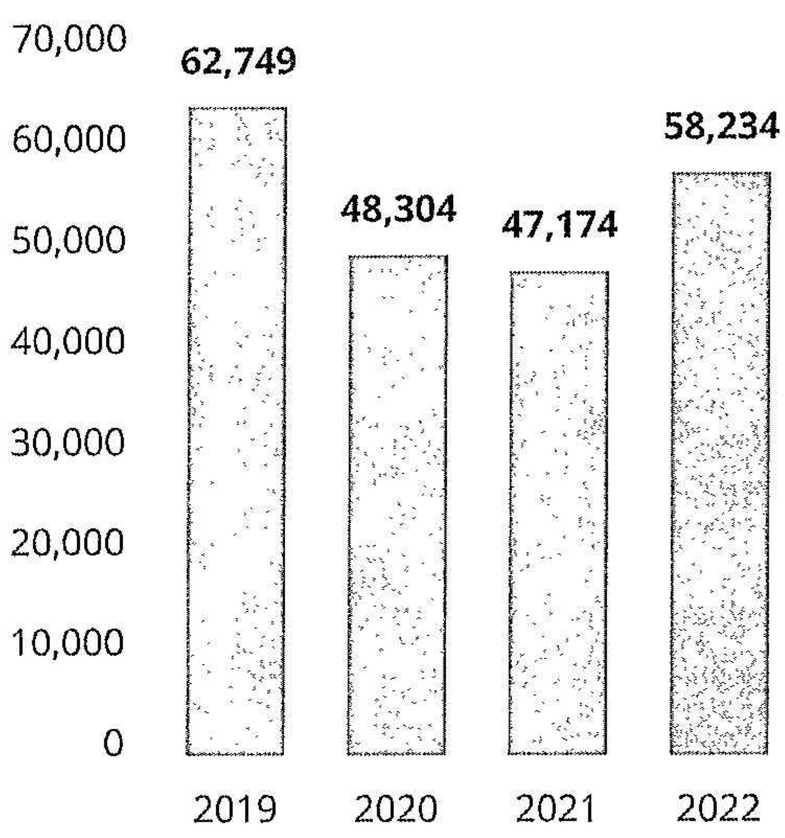
In 2022, our absolute energy consumption has increased by 23% compared with 2021, as our offices and cinemas were back to full activity after two years of pandemic. Our green electricity share increased from 25% in 2021 to 100% in 2022.

Next steps

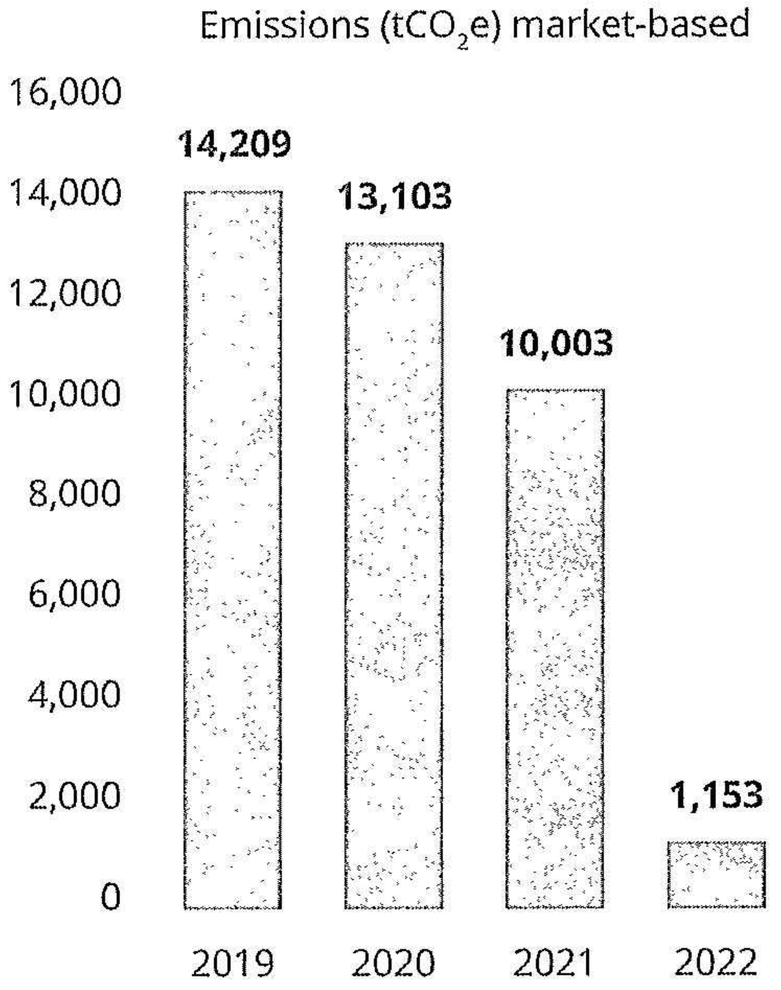
- Continue working with energy reductions in our facilities and set reduction targets.
- Re-assess the opportunity to invest in a virtual PPA to build a windmill park in Southern Sweden.
- The solar plant will become operational mid 2023 and will cover more than 90% of our Danish electricity consumption.

*) In total 1,891 tCO_2e has been compensated in 2022 from Rimba Raya project.

Energy consumption (MWh)



Emissions (tCO_2e) market-based



Watching movies in the dark

When the lights are turned off and you are excitingly waiting for the movie to begin on the big screen, you are probably not paying attention to the competition playing out behind the scenes. Nonetheless, that is exactly what happened during November and December 2022, where the nine Nordisk Film Cinemas in Norway held an internal competition to reduce their energy consumption.

Nordisk Film cinemas drives a large part of Egmont's total energy consumption and any reduction in the energy consumption will contribute to Egmont's ambition to help fight climate change. Energy reduction has therefore been in focus for Nordisk Film in Norway. The initiative was inspired by Egmont's focus on sustainability and that the cinemas combined could make a real difference for the climate.

As a result of the competition the Norwegian cinemas managed to reduce energy consumption with a total of 47,000 kWh corresponding to a total of 7.3%, compared to same time last year. The competition had two winners; Nordisk Film Cinema Lagunen, Bergen, managed to reduce its consumption with 28.2% during November and Cinema Saga, Oslo, with 16% during December, while at the same time increasing the number of visitors.

Almost every cinema quickly identified the biggest power guzzler of all – the ventilation systems. These were adjusted, so that it was only turned on during the movies. Other initiatives included a growing focus on light savings, temperature adjustments, door carpets to retain heat, limiting the usage of machines and display screens in the convenience stores etc. To compensate for the lower temperatures, every guest was offered a blanket. All initiatives were carried out without compromising the customer experience.

"My colleagues in Symra, understood the need to act for the climate. Additionally, the economic benefit by saving energy and the competition aspect functioned as a motivator", says Marianne Zecca, Cinema Manager Symra.

Based on the competition Nordisk Film Cinemas gained important insights concerning mapping and measurement of energy consumption across the Nordisk Film Cinemas.

"Nordisk Film Cinemas are very different in both size and needs. We will use the data from the competition to look at each cinema's specific needs, so that we in the best way contribute to reduce energy consumption in the future," Daniel Clemetsen, Business Controller and responsible for data collection in Nordisk Film Norway tells.

NORDISK FILM CINEMAS

The first Nordisk Film Cinema opened in Copenhagen in 1905.

Today Nordisk Film Cinemas has 47 cinemas across Norway, Sweden, and Denmark.

Nordisk Film Cinemas has 9 million annual visitors in Norway and Denmark.

Energy savings in Nordisk Film Cinemas Denmark

Since Autumn 2021, Nordisk Film Cinemas in Denmark have increased the effort to reduce energy consumption.

The ventilation systems in all 23 cinemas have been optimised and some replaced with more energy-saving alternatives. The systems have also been turned off outside opening hours, which has reduced the number of hours running by 15%. The temperature has been lowered in certain areas without compromising the cinema experience. In addition, each cinema has initiated different local initiatives to save energy.

Based on energy data, Nordisk Film Cinemas benchmark comparable cinemas within the group to focus on the cinemas needing extra attention. By using a business intelligence platform, data from the cinemas is automatically collected. An overall energy reduction of 7% corresponding to 630,000 kWh has been achieved when comparing 2022 and 2019. (2020 and 2021 are excluded due to Covid-19 and the close down of cinemas).

In order to increase awareness and engagement among the employees, Nordisk Film Cinemas have held two workshops on energy reduction.

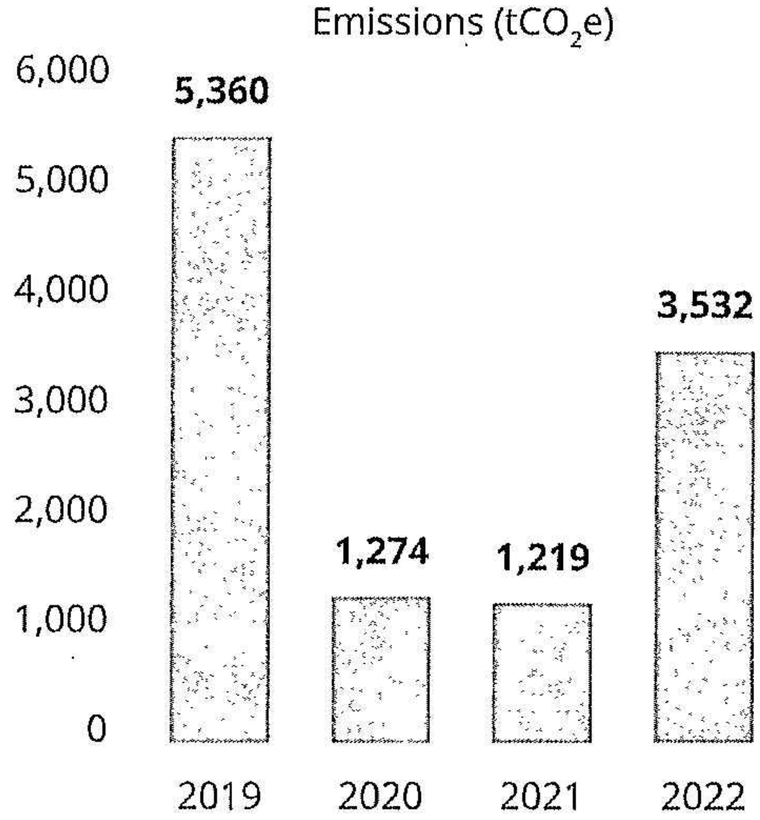


Sustainable value chain solutions (scope 3)

Business flights

Actions 2022

End 2022, we established a cross-divisional working group involving the top flying companies in Egmont to build on recent learnings regarding business travel needs. The purpose of this working group is to raise awareness, understand better our business travel needs going forward, identify reduction potential, and update our corporate travel policy.



Results 2022

We have seen an increase in business flights emissions in 2022, due to the end of the pandemic. However, our 2022 business flights emissions remained 35% lower than in 2019 (pre-COVID), which indicates that we have emission reduction potential in this category, which will be further investigated by the working group in 2023.

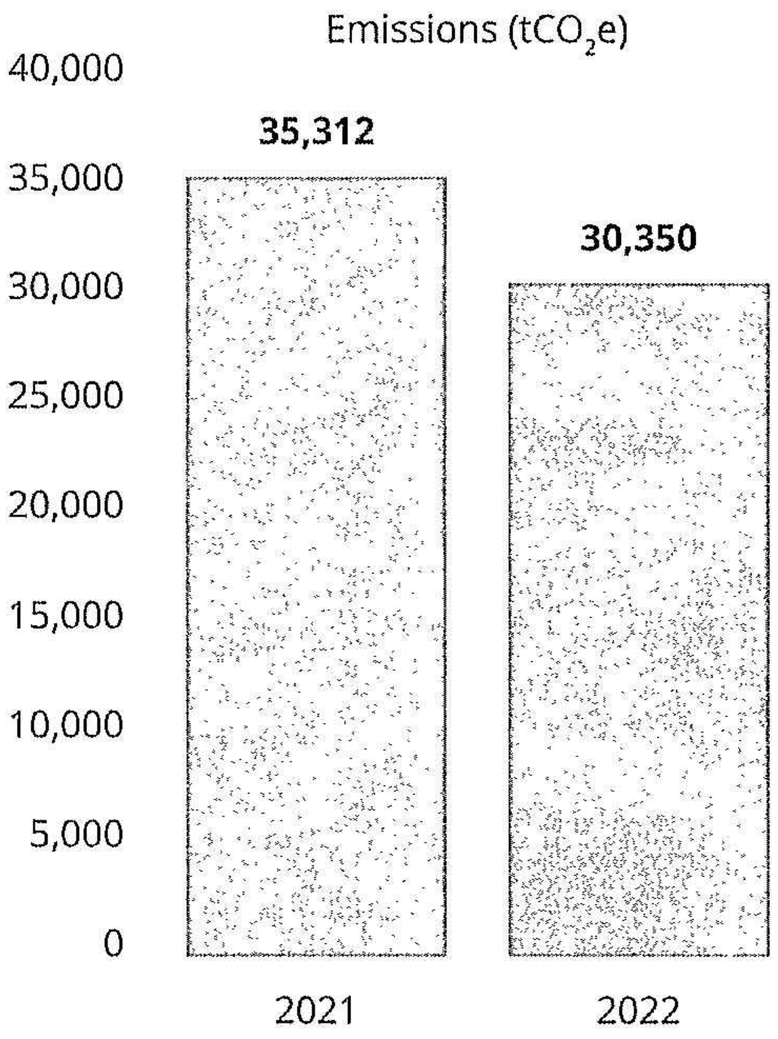
Printed Products

Actions 2022

During 2022, we kept exploring options to cut down emissions from printed products. Notably we investigated green energy options rolled out by paper suppliers and printers and kept analysing the carbon impact of different paper qualities. However, 2022 was a special year for the paper industry with capacity shortage, which challenged our ability to demand lower-emissions paper for our printed products.

Targets

- Books: Reduce CO_2e emissions related to book production by 42% by 2030, compared to 2018.



Results 2022

Absolute emissions from printed products have decreased by 14% between 2021 and 2022 (largely explained by declining volumes in the magazine business).

CASE

Environmental impact of paper books vs. e-books

Consumers today have an increasing focus on sustainability, also when it comes to purchasing literature. Some customers might have a biased perception of the environmental impact of paper books compared to e-books, which is why Cappelen Damm, Norway's largest publishing house and part of Egmont, felt it was important to get the knowledge and insight into the environmental impacts of books in different formats.

In 2010, Cappelen Damm was the first publishing house in Norway to get FSC and PEFC certified and ever since, the publishing house has had a constant focus on sustainability and has set ambitious targets for reducing its climate and environmental impact.

In 2022, together with NORSUS, Norwegian Institute for Sustainable Research, Cappelen Damm performed a Life Cycle Assessment (LCA) of different formats of fiction and textbooks, a research project which was financially supported by Oslo Municipality. The LCA included everything from the early stages of extraction of raw materials to the final stages, when materials again end up as components in nature.

As result of the LCA, Cappelen Damm was able to compare the environmental impact of paper books, e-books, and audiobooks, respectively, and thereby enabling them to give customers advice on climate and environmental impacts of different books formats.

The result of the study* showed that there is no significant difference in the environmental impact from fiction books published as paper books or the e-version of the same book. In terms of textbooks, the paper books had a slightly better environmental presentation than the electronic formats. However, one conclusion was clear: The usage of desk- and laptops is not suitable for reading or even worse, listening to books.

"As Norway's largest publishing house, we wish to use our position to push more players in a sustainable direction. We carry a great responsibility and are taking climate change, environmental issues, and biodiversity very seriously. The knowledge we have gained comes with obligations; we must step up our environmental work further," Roy Jensrud says.

*) Based on various pre-defined assumptions, e.g., that the e-book is read in Norway, or another country with low carbon intensity electricity.

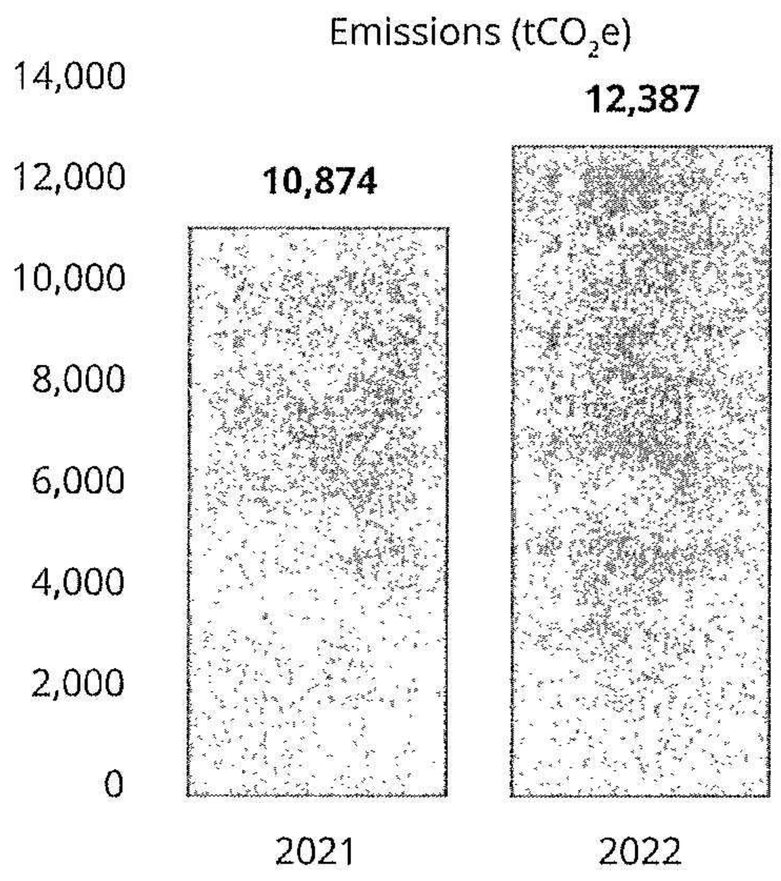


Goods transportation

Actions 2022

During 2022, we established a cross-divisional Egmont forum on climate & goods transportation to increase awareness on different solutions available to cargo owners to support the decarbonisation of the freight sector. In the forum we discussed how to engage with our transport suppliers, and how to factor in climate impact as a parameter in tenders with transport suppliers. We see a positive trend among our transport suppliers establishing their own decarbonisation roadmap. Some of our companies have shifted to greener transporters or to the green offering from their transporters. We also conducted a small-scale test with the organisation Good Shipping, whose purpose is to create more demand for sustainable marine biofuels in sea freight shipping.

Results 2022



Absolute emissions from goods transportation have increased by 14% between 2021 and 2022. This is partly explained by increased transport activities for some of our businesses and the fact that more suppliers were able to provide emissions reports or more complete reports, so we were able to include more of our transport activities in 2022, than in 2021.

Packaging

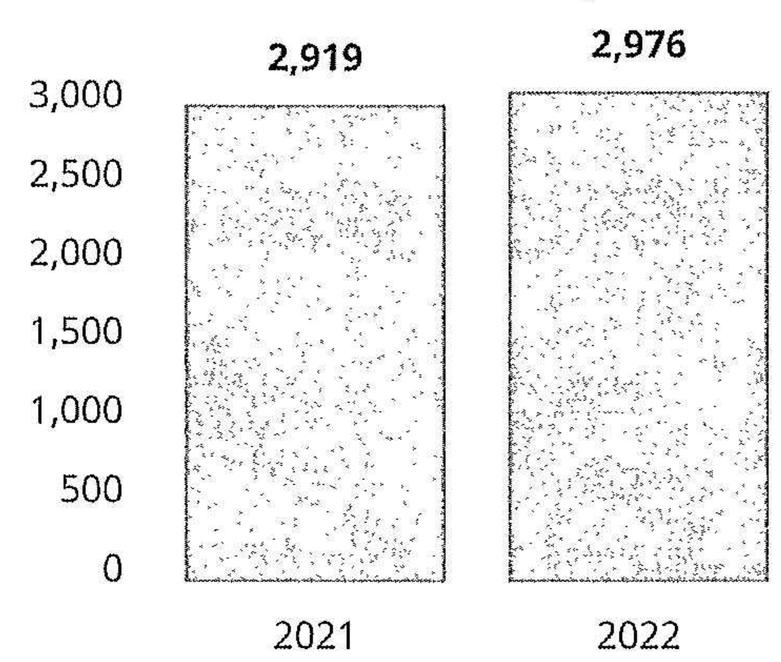
Actions 2022

Our magazine business has been very focused on decreasing plastic wrapping around the magazines since 2018. They have tested multiple alternatives, e.g., no wrapping at all, paper wrapping or gluing instead of foil wrapping. They have also focused on replacing plastic blister around covermounts with cardboard or paper. During 2022, our e-commerce business has investigated opportunities to optimise packaging, e.g., by replacing plastic bubble wrapping with filling paper and reducing the amount of packaging used in individual shipments.

Targets

Story House media:

- Reduce plastic foils used around magazines by 50% (in weight) by 2021 (with effect from 2022), compared to 2018 .
- Reduce plastic used for covermount packaging by 50% (in weight) by 2024, compared to 2021 (new).
- Use at least 30% recycled material for covermount packaging by 2024 (new).



Results 2022

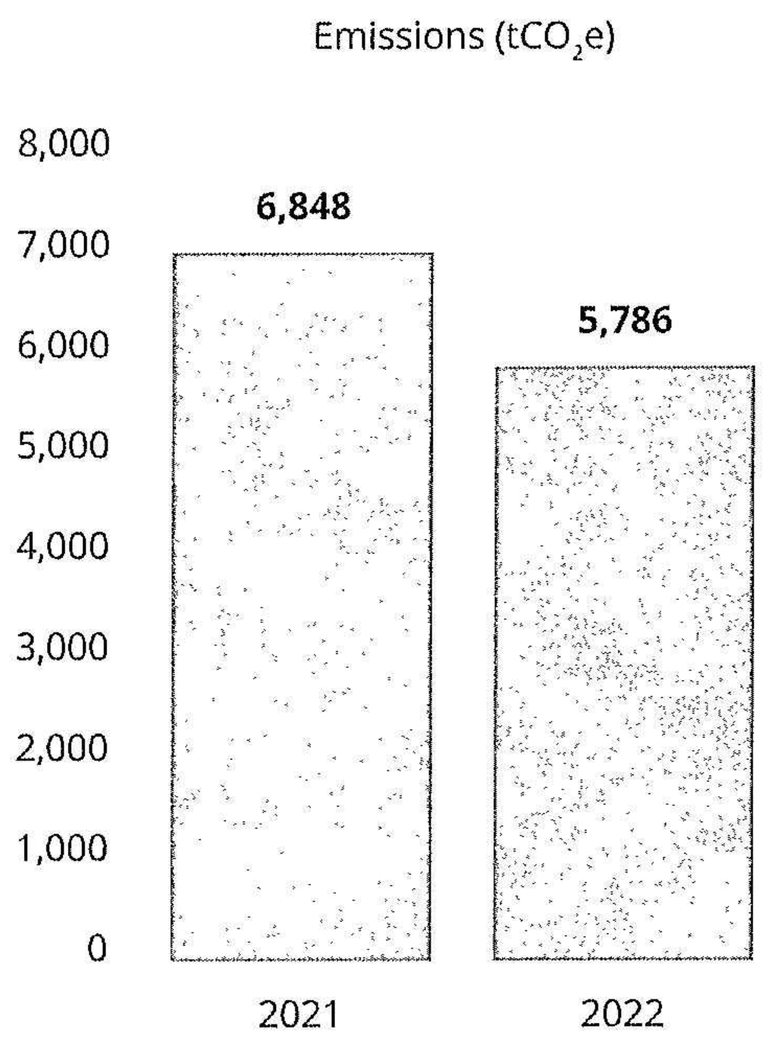
In 2022, we reduced plastic foils around magazines by 45% plastic foil by weight (compared to 2018), corresponding to 20 millions fewer pieces of plastic foils. Plastic used in covermounts packaging has decreased by 33% by weight (compared to 2021). Absolute emissions from packaging in 2022 are similar to 2021. This is explained by a decrease in our magazine business but an increase in other parts of our business (cinemas and e-commerce).

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Covermounts & toys

Actions 2022

During 2022, Egmont's magazine business has focused on replacing plastic covermounts, with alternative materials like paper or cardboard. In cases where plastic covermounts could not be reduced, options such as cancelling titles or producing better quality plastic toys to enhance the lifespan and play value of the toy have been implemented.



Targets

- Story House media: Reduce plastic used in covermounts by at least 25% (in weight) by 2024, compared to 2021 (new).

Results 2022

In 2022, the tonnage of plastic used in covermounts has been reduced by 16%, compared to 2021. Emissions from covermounts & toys have also decreased 16%, between 2021 and 2022.

Next steps across scope 3

- Refine high-level scope 3 baseline and select additional focus categories to be included in Egmont's carbon account.
- Explore reduction potential and set emission reduction targets for selected categories.
- Prepare for Corporate Sustainability Reporting Directive (CSRD) implementation.

CASE

Moving away from plastic toys and blister packs

Traditionally, the toys attached to magazines (covermounts) are made of plastics packed in a polybag or blister. We have challenged ourselves on this concept aiming at reducing amounts of plastics and selecting alternative materials, where possible.

During 2022, Egmont's magazine business started developing a life-cycle analysis (LCA) tool with the aim to help selecting more sustainable materials in the development of a covermount. Once its finished, the tool will integrate aspects from CO_2 emissions related to individual materials as well as manufacturing processes and further to recyclability at the end of the products' life.

Also, the kid's magazines are moving away from single use plastics as part of the packaging of the covermounts and are increasingly using cardboard boxes instead of blister packs. This has already been implemented and by end of 2022 we have seen a reduction of plastic packaging (kg) of 33% compared to 2021.

Green partnerships

During 2022, Egmont continued to work with our key suppliers and business partners as well as with external experts to explore how we can work together on accelerating the green transition in our industry. Egmont also participated in an industry collaboration initiated by Dansk Erhverv to discuss what it requires to develop more sustainable solutions across broadcast, production and technology and how digital providers can help this transition. The aim is ultimately to draft recommendations on how to set and measure targets in the industry.

Nordisk Film and TV 2 play a prominent role in the creative sector, promoting sustainable productions in the Nordics, which is why they have partnered up with Green Producers Club to test and use their climate tool with the aim to measure and plan for reduction of emissions related to TV and film production.



CASE

Egmont becomes part of Green Producers Club

Imagine the cost of transportation on a TV production, the amount of waste on a filmset, the CO_2-emissions connected to catering all the crew. In fall 2022 three Egmont companies joined the Green Producers Club which helps measure and reduce CO_2-emissions attached to productions. Through membership the companies gain access to Green Producers Tool which allows them to plan and compare different concepts in relation to choices of energy, transportation, food, accommodation, equipment, art direction, recycling and waste. The Green Producers Tool comes as an app which makes it very easy to use.

Nordisk Film Production, TV 2, and latest Egmont People have joined The Green Producers Club to map and start reducing emissions.

Nordisk Film Production has already been testing the tool on productions in Norway and is also in progress on productions in Sweden and Denmark and plans to make the tool an integrated part of all future productions as part of contributing to Egmont's overall climate strategy "Go Greener Fast".

"Green Producers Tool is more than a "climate-calculator". The tool gives us an overview and understanding on how to make good choices for the climate. Being project partner gives us an opportunity to partake in the further development and adoption of the tool in the Nordics," says Vibeke Ringen, Producer, Nordisk Film Production, and involved in developing Green Producers Tool.

TV 2 strongly encourages all external TV productions to start using the tool. In 2022, by the first mapping, only 3% of all productions related to TV 2, measured their carbon footprint. In 2023, the expectation is that over 50% of all external production companies plan to measure emissions.

"We at TV 2 are impressed by the Norwegian TV production environment and how far many have come in relation to sustainability. We want to make it possible for even more productions to start measuring their production-footprint. That is why we have partnered with Green Producers Tool. We believe that measurement will give us all the insight and motivation to take further action," Kathrine Haldorsen, Programme Editor, TV 2 explains.

Egmont People, an influencer agency part of Story House Egmont Norway, recently became part of Green Producers Club.

"We are planning to use it for all our productions; TV productions as well as social media/YouTube and other content productions, to measure emissions but also learn how to lower them. It's also a great selling point to our customers that we are thinking green and are able to provide a carbon footprint for the productions we deliver to them," Anne Smith-Meyer, Head of Production, Egmont People, tells.

Being part of the Green Producers Club project reflects a strong desire to push productions in a greener direction. Nordisk Film Production is a key partner to Green Producers Club and will help lead the way by sharing their knowledge and best practices with other members of the club. All to make sure that the creative sector achieves a 55% reduction goal in line with the Paris Agreement.



Embedding responsible business practices



Business ethics and whistleblowing

Egmont is committed to ethical and responsible conduct in all its operations. Employees, business partners, and third parties have the opportunity to use confidential and secure channels to express concerns about possible misconduct via Egmont's whistleblowing system, which can be accessed online by employees via our intranets and by external parties via Egmont.com.

Business ethics policy and training

Egmont does not tolerate any use of corruption or bribery, and since 2013 Egmont has had a clear policy on that. Egmont's Business Ethics Policy, which was launched in 2019, incorporates a wider range of legal compliance areas in addition to anti-corruption, such as conflicts of interest, gifts and entertainment, competition law, anti-fraud, marketing law, data protection, piracy and illegal use of content, human rights, and environment, and it is an overall umbrella to communicate compliance policies and how Egmont expects all managers and employees to act. The Business Ethics e-learning, which was also launched in 2019, presents the employees with dilemmas and cases, which they may encounter in their daily business.

Progress in 2022

During 2022, Egmont rolled out its annual refresher e-learning to all relevant employees. By the end of December 2022, 89% of the relevant employees had completed the 2022 training. The target is to reach as close to 100% completion rate as possible and follow up with employees that do not complete on time is done systematically. The training is automatically assigned to all new, relevant employees.

Egmont has assessed its risks in relation to corruption in the business areas and countries where it operates and in relation to new partners and concluded that the overall risk of corruption in Egmont is low. Egmont works with manufacturers and other partners in countries with perceived high risk of corruption to ensure that manufacturers are aware of and comply with the regulations on anti-corruption. Egmont carries out audits and inspections on the basis of general compliance risk assessments. Where relevant, in connection with new partners and M&A transactions, separate due diligence regarding relevant business ethics risks is conducted. During 2022, Egmont conducted separate due diligence in a number of cases and used external experts where necessary.

In addition, Egmont continues its work to ensure that relevant business partners sign up to Egmont's Code of Conduct (or have their own code with equivalent standards) that sets out a number of social and legal compliance requirements, including non-discrimination, compensation, protection of the environment, freedom of association, health and safety, anti-corruption, non-harassment and hours of work. Egmont had planned to make a new overall risk assessment in order to guide the businesses more consistently with respect to implementation of the Code of Conduct in relevant agreements, but during 2022 this work was only carried out in some parts of the business and will continue in 2023.

During 2022, Egmont has not detected any corruption or bribery in Egmont or in the supply chain or received reports of any such incidents.

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During 2022, Egmont companies in Norway have carried out due diligence assessments as required under the new Norwegian Transparency Act to investigate whether there are actual, or risks of, adverse impacts on human rights or decent working conditions in their own operations, supply chain and other business relationships and taken steps to prevent or mitigate any such adverse impact. The companies have put in place systems for receiving and responding to request for information, and they are preparing reports on the assessments made which are to be made public no later than 30 June 2023.

Finally, Egmont's whistleblowing system was updated to ensure easy access to reporting from mobile phones.

CASE

Implementing the Norwegian Transparency Act

Cappelen Damm has been working with due diligence assessments in its own operations, supply chain and with other business partners, together with Egmont Social Compliance for many years.

To comply with the new Norwegian Transparency Act, Cappelen Damm is carrying out risk-based and prioritised due diligence assessments to anticipate, prevent and minimise risk of potential negative impact or damage on human rights and decent working conditions in their own operations and value chain. Prioritisation of risk is done by categorising suppliers and other business partners in risk groups based on the severity, extent, and probability of potential negative impact that these suppliers and business partners have on human rights and decent working conditions. The different risk groups are categorised as follows:

If objectionable conditions within own operations, supply chain or other business partners are discovered, Cappelen Damm will initiate suitable measures to cease, prevent, or mitigate the adverse impact and follow up on the initiated measures and results. Cappelen Damm will make sure to communicate with affected people and co-operate with regard to possible remediation and compensation where required.

Cappelen Damm is carrying out due diligence assessments on an on-going basis as part of their work with a sustainable value chain. This procedure promotes transparency and helps the consumers make informed choices, which is important for Cappelen Damm.

Risk-group 1–3	Egmont Country Risk Assessment
Risk-group 4	Co-edition; we have bought the rights for Norwegian edition
Risk-group 5	Norwegian companies that typically deliver gifts and promotional items
Risk-group 6–7	(Norwegian) companies that produce goods and services in Norway
Risk-group 8	State and municipal companies/offices

Next steps

Egmont will continue to roll out its Business Ethics policy and training programme to newly acquired businesses.

Egmont will update its guidance regarding implementation of the Supplier Code of Conduct into relevant agreements on the basis of a risk assessment and start the work on an updated Supplier Code of Conduct for implementation in 2023 or 2024.

Whistleblowing system – reports and status 2022

In 2022, three whistleblower reports were submitted in Egmont's whistleblowing system. One related to follow up on a previous report connected to concerns with the development of a business. No compliance issues were identified and after a meeting with the whistleblower, the matter was closed. The other two reports related to one company and concerns the culture in a business unit. No compliance issues were identified, and the matter was dealt with through conversations with management and employees in the business unit and implementation of changes relating to control and organisational structure. The matter has been closed.



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Data privacy, ethics, and security

The EU General Data Protection Regulation (GDPR) has been in effect since 25 May 2018 across the EU. Egmont has implemented a group-wide, general framework for ongoing GDPR compliance, and its businesses continue to actively implement GDPR compliance into the way they work. The framework consists of policies, guidelines, and standard documents together with a comprehensive employee training programme.

Egmont has a group-wide Information Security Policy, and all employees are educated in general information security. In addition, IT employees are trained in technical security policy requirements for their specific responsibilities. Training takes place on a yearly basis and as technical policies are updated.

The Information Security Policy has been successfully adopted, and security controls are optimised to meet the current threat level when necessary. To achieve this, Egmont utilises modern cloud security to be in control with data and systems in parallel with traditional security controls, including security tests, system updates, and malware prevention.

Egmont is on a journey to further adapt information security controls for our platforms and data to enhance compliance with the GDPR and ethical use of data.

The Egmont Group has an ethical and responsible approach to the data we handle. Egmont uses data as part of its business strategy and to make innovative solutions and product improvements to the benefit of our customers and partners.

Egmont has introduced a policy on data ethics to ensure that Egmont companies manage data in an ethical way. The principles in the policy are universal and relevant across Egmont but currently it only applies directly to all 100% owned Danish companies.

The policy supplements Egmont's general commitment to high business ethics standards and integrity as set out in Egmont's Business Ethics Policy. The policy principles on data ethics are relevant to all categories of data processed in Egmont. This includes personal data as well as other categories of data such as financial and commercial data, including confidential information received from third parties.



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Policy on data ethics

Egmont applies the following principles for ethical data management.

IT security
We maintain a high level of IT security to protect confidential information and personal data processed by Egmont against unauthorised use and disclosure. Egmont has an Information Security Policy which applies to all Group companies, and which sets out a number of IT security requirements and includes relevant mandatory training for all employees.

Openness
We are open and transparent with individuals about the personal data we collect about them, how we use it and share it.

Personal Data
Egmont has a policy on handling of personal data in order to ensure compliance with relevant data and privacy laws and regulations. It applies to all Group companies and includes relevant mandatory training for all employees. We respect data privacy rights and the integrity and confidentiality of personal data.

Respect for confidentiality
We respect confidential and proprietary information belonging to third parties, including customers, suppliers, etc., and we only use it as allowed or authorised. All employees who have access to personal data or other confidential information are bound by confidentiality undertakings.

Quality
We strive to maintain a high level of data quality. That applies to all data, including the data on which we base our decisions, the data which we publish and on which authorities, customers, suppliers and other stakeholders rely.

Technology and Design
Data processing technologies, including technologies such as machine learning, artificial intelligence and similar, shall be designed and used in respect of the principles of this policy.



Social compliance programme

Egmont's Social compliance programme

As a signatory to UN Global Compact, Egmont has committed to identifying and addressing any adverse human and labour rights' impacts from its own operations and from suppliers to make sure that all its products are produced in alignment with applicable ethical and social standards. Our supply chains related to the production of covermounts, toys, games and printed products are perceived as high-risk, and they are therefore the main focus of Egmont's Social Compliance Programme.

Aligned with UN Global Compact's ten principles, Egmont's Code of Conduct sets out the baselines on how we expect our business partners to behave and the requirements they must comply with. Egmont's Social Compliance Programme defines how suppliers and selected sub-suppliers must comply with Egmont's Code of Conduct through practical processes on how to ensure social compliance and mitigate non-conformities. The processes and practices include risk assessments, audit requirements, and remediation commitments with the purpose of supporting and improving responsible supply chains.

Responsible supply chains

Aim	Closely collaborating with relevant suppliers and business partners to ensure that human and labour rights are respected in the entire supply chain
Policies and processes	· Egmont's Code of Conduct · Egmont's Social Compliance Programme
Actions	· Comprehensive risk assessment · Third party audits and remediation action plans · Inspiration letters on recent updates and best practices on common non-conformities · Training sessions
Achievements in 2022	· Continuous improvement on suppliers' performance · Stable and healthy supplier pool · Two inspiration letters published to all relevant suppliers · No zero tolerance cases detected in 2022
Actions planned for 2023	· Continue to work with our suppliers to remediate non-compliance issues and ensure compliance with Egmont's Code of Conduct · Monitor new European legal requirements to human rights due diligence, and implement these when required · Continue to build awareness and provide training and inspiration on social compliance related topics for our suppliers and other business partners

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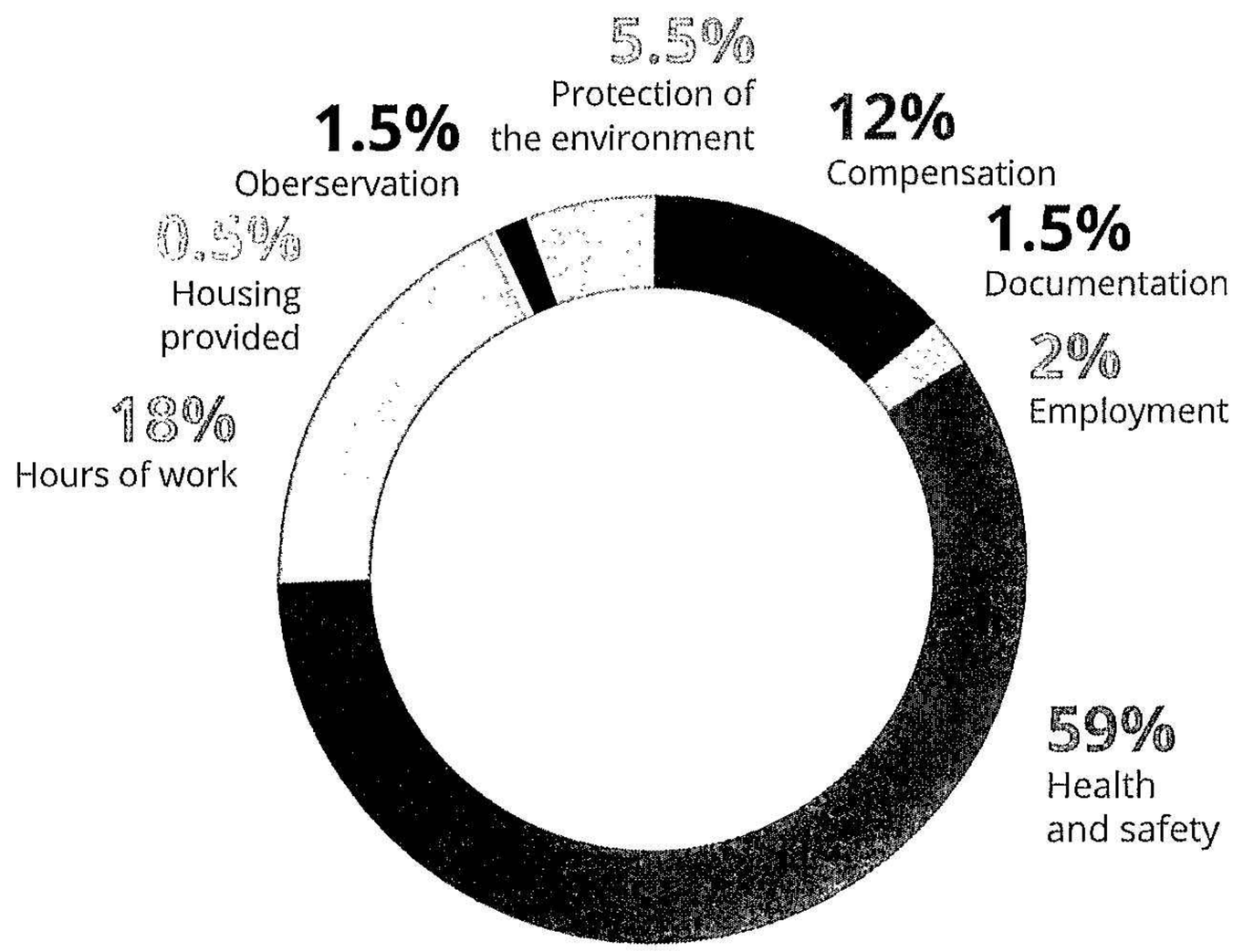
Suppliers' social compliance level in 2022

	No. of social audit reports & Egmont Self-Assessment Questionnaires (SAQs) evaluated	Findings detected in total	Average finding per audit/SAQ
2022	**176**	**634**	**3.43**
2021	162	692	3.74
2020	185	788	4.26

During 2022, Egmont included additional factories, especially digital service providers and suppliers to new businesses, to the Social Compliance Programme, which is why the number of audit/SAQs have increased despite a decreasing supplier pool.

During a three-year period from 2020-22, our suppliers have continued to increase their compliance level with an average finding per audit/SAQ of 3.43 in 2022. The detailed distribution of the findings in 2022 can be seen in the below graph.

Findings from social audits in 2022



Health and safety issues are still focus areas

Findings within the health and safety category remain the most common ones. This includes missing or improper health checks, personal protective equipment (PPE) not properly worn/used, improper or missing Material Safety Data Sheet (MSDS), and/or label on chemicals used in production processes.

Such findings are usually caused by workers' lack of safety awareness and understanding of the relevant regulations. Thus, Egmont will continue to work with the relevant suppliers to set up safety procedures and to train the workers to be aware of how to protect themselves from work-related hazards.



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Empowering people and communities



Egmont's workforce

Egmont cares about the well-being of its employees as people are its most important asset.

Egmont, believes that a good work life is realised through a combination of having a meaningful job with a strong purpose, great cooperation with colleagues, and good opportunities to develop professionally. Egmont needs to have the right capabilities to stay relevant and to grow, and a culture where development and innovation is paramount. Thus, Egmont wants to strengthen the learning culture across divisions. This is done through a mix of professional skills development, acquisition of new competencies, and cultivation of new ways of working.

Across Egmont, the workforce is balanced: Gender distribution (49% females/51% males), average age of 40 years, average seniority of 7 years and an attrition rate of 17.

Egmont is an equal opportunity employer, which means that Egmont pledges to ensure equal and fair opportunities based on competencies, irrespective of gender, age, health, social and cultural background. When recruiting or promoting people, we aim to identify both male and female candidates.

Development and employee engagement

It is material to Egmont that its employees have a contant focus on learning and development in order to grow professionally and personally. To ensure this, Egmont provides employees with clear expectations, on-the-job learning and various learning initiatives – some offered to all Egmont employees (meeting general demands), some developed and rolled out locally (meeting local demands).

Within all business areas, Egmont offers knowledge-sharing forums, mandatory training sessions, etc. The format varies from individual presentations and lectures to panel discussions and conversations with both Egmont colleagues and external guests.

All Egmont's businesses offer onboarding including, but not limited to, introductory courses and buddy/mentor arrangements for new employees.

In September 2022, 300 employees across Egmont's companies met in Copenhagen for the <grow> conference, which focused on aspects of the consumer experience. After the conference, the presentations were shared with all employees on Egmont's internal communication platform 'Workplace'.

To empower them to live up to expectations, unfold their potential and stay engaged, employees in Egmont receive regular feedback from their leader – both through the use of Egmont's performance management tool, Performance Dialogue, frequent 1:1 meetings as well as during their day-to-day work.

In addition to providing individual feedback, Egmont expects its leaders to focus and act on the engagement in their teams. This is why Egmont conducts employee engagement surveys twice a year. Engagement is essential for short-term business performance and customer satisfaction as well as for the longer-term sustainability of the company. Egmont's engagement remains at a high level, both in terms of participation rate in surveys (88%) and the overall engagement level (8.2 on a 10-point scale) according to the latest survey in November 2022. This constitutes a 2% higher participation rate and an overall engagement level on par with the engagement level in November 2021.

Eight "Committed to Lead" programmes were completed during 2022 with an overall evaluation score across the programs at 4.8 on a 5-point scale.

By the end of 2022, a total of 675 leaders from across the businesses have completed the "Committed to Lead" programmes during a period of six years and more leaders are lined up for the programmes in 2023.

The programmes constantly evolve, and the content is continuously adjusted as the requirements for leadership change. In 2023 a new program specifically adapted for "Cross functional leaders" will be added

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to the "Committed to Lead" programmes and an Egmont course "Leadership in time of accelerated change" will be offered to all leaders in Egmont.

Workplaces and work environment

Egmont's companies are characterised by strong local brands, diverse cultures and high levels of autonomy. In general, Egmont's businesses are more governed by "context" (e.g. employees understanding the local goals and culture) than strict one-size-fits-all processes and policies.

Egmont's companies strive to have attractive and modern workplaces that support both consumer focus and new ways of working as well as focus on securing the physical and mental work environment for employees.

The main risk regarding social and employee conditions is the ability to attract and retain talented employees. Therefore, we keep a close eye on discrimination and stress when assessing how we can create the best possible working life.

Workplace assessments are carried out at regular intervals in all the local businesses to review the physical and psychological working environment. In September 2022, a survey of the physical and psychological working environment in Nordisk Film, Egmont Story House, L&R and Holding (DK businesses) was carried out. The physical work environment rated 7.0 and the ergonomic conditions rated 8.4 (on a 10-point scale). In the survey, a majority of employees stated that it is acceptable to stay at home when ill. 4% stated they have had sickness absence due to conditions at the workplace and the primary reason for sickness absence was stress, work pressure or other work demands.

Across Egmont there is an ongoing attention to avoid harassment and other offences. Implementation of Egmont's policy on 'Offensive Acts', mandatory training for all employees, guidelines on where and how incidents can be reported and clear expectations of leaders and HR professionals on how to handle and follow up in such cases have contributed to the number of cases being very low.

Out of 1,030 participants in the survey, 12 employees answered they were subjected to an offensive act (bullying, sexual harassment or physical or psychological violence). In the survey, 7 out of 12 had already spoken to someone at work about the problems, 4 out of 12 indicated that the cases have been resolved.

Egmont has a compensation and benefits programme which includes family care leave, pension, various insurance (e.g. health insurance), and well-being initiatives. These programmes follow or exceed the legal requirements of the employees' geographic location. Following a new maternity act in Denmark, Egmont decided in 2022 to offer parents equal terms, so that fathers and co-mothers are entitled to the same salary conditions during their leave as mothers.

Next steps

As diversity is material to Egmont, we will during 2023 focus on how to work with and support diversity, to develop initiatives that help increase employees' digital understanding at all levels and to implement new ways to support and maintain engagement. Adjustments to Egmont's leadership programmes will aim to ensure that leaders can support ongoing organisational changes, changes in work patterns, expansion of the existing workforce and work with a diverse workforce.

Gender balance

Egmont's total workforce consists of 49% females and 51% males across the wholly-owned companies. The total management pool across the divisions also has an equal split by gender.

The table below shows variations in gender split across management and other employees in each division.

Books	**65%**	**35%**
Management	51%	49%
Other employees	67%	33%
Holding	**41%**	**59%**
Management	44%	56%
Other employees	40%	60%
Nordisk Film	**36%**	**64%**
Management	30%	70%
Other employees	37%	63%
Story House Egmont	**61%**	**39%**
Management	51%	49%
Other employees	62%	38%
TV 2	**40%**	**60%**
Management	48%	52%
Other employees	39%	61%
Grand Total	**49%**	**51%**
Management	43%	57%
Other employees	50%	50%

Based on HR data from 55 wholly-owned Egmont companies across our four divisions
Management includes all employees with staff responsibility

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Supervisory boards and the underrepresented gender

The target for the underrepresented gender on the board applies to all Egmont's large Danish companies that are required under Danish law to set such target. In addition to Egmont Fonden and Egmont International Holding A/S (which have boards that consist of the same board members), the companies are: Story House Egmont A/S, Egmont Printing Service A/S, Lindhardt & Ringhof Forlag A/S, Nordisk Film A/S, Nordisk Film Distribution A/S, Nordisk Film Biografer A/S, and Nordisk Games A/S. Except for Egmont Fonden and Egmont International Holding A/S, all these companies have one female board member elected by the general meeting out of three board members on the Supervisory Board (or two out of five), which is considered equal representation under Danish law. For companies with equal representation, it is not relevant to set a target for the underrepresented gender.

According to the Charter of the Egmont Foundation, appointment to the Board of Trustees takes place when a member's appointment period expires, and board members are appointed for a period of four years. The members of the Board of Trustees of the Egmont Foundation are appointed for up to three ordinary periods of four years and may be appointed for up to two further periods of two years. The Board of Trustees believes that its members should be chosen for their overall competencies but also recognises the benefits of a diverse Board in terms of experience, cultural and educational background, and gender. In 2020, the Board of Trustees in Egmont Fonden and Egmont International Holding A/S set the target to have at least two female board members on the Board of Trustees appointed by the general meeting no later than by 2024. The target was not met in 2022 as there was no new appointments to the board. However, the target will be met at the general meeting in March 2023 as one more female is appointed to the board and accordingly, the board will have two females out of six members and thereby also have equal representation on the board according to Danish law. As shown in the table below, all other relevant companies also have equal representation on the board.

			Equal representation
Egmont Fonden / Egmont International Holding A/S	5	1	✗*
Story House Egmont A/S	2	1	✓
Egmont Printing Service A/S	2	1	✓
Lindhardt and Ringhof Forlag A/S	2	1	✓
Nordisk Film A/S	2	1	✓
Nordisk Film Distribution A/S	2	1	✓
Nordisk Interactive A/S	2	1	✓
Nordisk Film Biografer A/S	2	1	✓
Nordisk Games A/S	2	2	✓

The numbers include board members elected by the general meeting and not employee representatives

*) From March 2023 there will be 2 female and 4 male members

Next steps

At the beginning of 2023, each of Egmont's large Danish companies that are required to do so have set targets and policies for the underrepresented gender in the next management levels below the Supervisory Board, and they will be working according to these during 2023 and report on progress in the annual report for 2023 as required. Egmont Fonden and Egmont International Holding A/S have set the target that by 2028 no gender is underrepresented in the next management levels below the board.

Charitable Activities

Egmont as a foundation was established in 1920 with the aim of alleviating the consequences of poverty for children and families. Today, the UN's Sustainable Development Goal number four is the overarching goal or ambition i.e. to ensure inclusive and equitable quality education and lifelong learning opportunities for all. The charitable activities are managed by Egmont's Support and Grant Administration (SGA).

Children and young people at risk constitute the target group of Egmont's support and donations. SGA has a child-centric, databased and co-operation oriented approach and uses a variety of philanthropic instruments: The Helping Hand programme, which distributes support directly to children and families at risk, donations, partnerships, incubator grants and signature projects. In 2022, the foundation granted a total of EUR 13.2 million in 35 grants. In sum, since 1920 approx. EUR 490 million (present value) has been donated.

In 2022, Egmont launched a new charitable strategy (2022-25). The strategic aim is for all young people to be able to complete an upper secondary education by 2030. Two issues will be addressed, reducing learning inequity and educational drop-out rates among young people at risk. The new strategy builds on Egmont's many years of experience of combating learning inequity whereas reducing drop-out rates will be a new focus area.

Addressing the negative consequences of child poverty

Based on its legacy of combating child poverty, in 2022 Egmont focused on the negative consequences of poverty on children. Thus, Egmont earmarked up to EUR 13.3 million for the Helping Hand programme (2022-25). The programme provides individual support through partnerships with organisations in Denmark, Norway and Sweden providing direct support for children and young people at risk. In 2022, Egmont distributed EUR 3.9 million through the programme.

As a result of the economic crisis, Egmont gave an extra EUR 0.13 million for Christmas aid to Danish People's Aid through the Helping Hand programme benefitting more than 600 children from families at risk.

Furthermore, Egmont donated EUR 67,200 for Plus Pictures for a documentary TV series and campaign on poor children and EUR 0.5 million for the organisation Skole og Forældre (School and Parents) to ensure increased participation in school communities for poor children.

Finally, Egmont launched an action tank of change makers who will address the issue of poor children lacking memorable activities and a survey focusing on the deprivation of poor families during the current economic crisis.

A refugee programme following the war in Ukraine

Following the war in Ukraine and based on the foundation's humanitarian legacy, Egmont earmarked EUR 4 million for a refugee programme in Denmark, Sweden and Norway to ensure that children, young people and families fleeing the war in Ukraine get the best possible start of life in Scandinavia. The support is given to seven organizations across Scandinavia. The supported initiatives focus on providing psychosocial support to children, young people and families upon arrival in the Scandinavian countries, as well as initiatives that can improve their integration. The seven organizations include the Danish Red Cross and Norwegian Red Cross, Swedish Save the Children, Norwegian Save the Children and Danish Save the Children, The Danish Refugee Council and the Norwegian Women's Public Health Association.





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Focusing on paternity leave

Paternity leave was the annual theme in 2022. SGA gathered data on the needs of infants and the need of support of their fathers. The data was published in the Egmont Report 2022, which resulted in substantial press coverage and debate on social media. The report concluded that an early attachment between the infant and the father as well as the mother is crucial to the child's development and the well-being and the stability of the family. Paternity leave can contribute positively to this.

Based on the report, Egmont recommended, (1) a higher awareness of the advantages for the child of paternity leave, (2) more relevant activities for the fathers on leave and improved support of the fathers and (3) increased focus by health professionals on the importance of the role of the father for the development of the child.

Activities in Sweden and Norway

Since 2009, charitable activities have been run in Norway. In 2022, EUR 0.8 million was granted through the Helping Hand programme, the refugee programme and a partnership with Kronprinsparets Fond (The Crown Prince Couple's Foundation).

In 2021, the first donations in Sweden were granted as Egmont's business has grown in Sweden and Egmont wants to take social responsibility here as well. In 2022, a partnership was established with Sveriges Stadsmissioner (Sweden's City Missions). EUR 0.25 million was donated through the Helping Hand programme and EUR 0.5 million through the refugee programme.

A new signature programme

Based on a 2022 grant, Egmont will initialise a new signature programme focussing on seriously ill young people. It will be a long-term commitment to improve the life skills of the target group and their chances of completing an upper secondary education.

In 2022, Egmont also worked systematically with several other strategic focus areas. SGA continued its comprehensive partnership with Børns Vilkår (Children's Rights National Association) on school absenteeism. It continued its partnership with Mødrehjælpen (Mother's Aid) on the first 1,000 days of children's lives, which is a central part of the foundation's focus on young children. SGA also continued its partnership with Lær for Livet (Learn for Life) on reducing the learning gaps for children and young people placed in care.

Nordisk Film Fonden

Nordisk Film Fonden aims to spark curiosity among film talents in order to explore the possibilities in today's available technology and hereby foster a strong, diverse, and front-end Nordic film culture that will continue to bring stories to life. In 2022, Nordisk Film Fonden donated EUR 0.9 million. Examples include 18Frames, Editing Workshop for Young Talents, the Virtual Production School 2023-2024, the Polar Bear Writing Camp Norway and Data & Insight-driven Film Development. Also, a partnership was established with the European Film College providing scholarship for young film talents 2023-2025. The scholarships Store Isbjørn and Lille Isbjørn was received by 57 film talents. The Nordisk Film Award went to director and writer Amalie Næsby Fick in Denmark and in Norway to cinematographer Sturla Brandt Grøvlen. The Balling Award went to director Frelle Petersen and the Ove Sprogøe Award to actress Josephine Park.

Egmont's carbon accounting principles

The aim for Egmont's carbon accounting is twofold. First, it provides an overview of emissions generated by our activities and insight into our carbon hotspots. Second, it serves as a foundation for us to assess and monitor concrete measures to reduce the emissions generated by our activities.

Carbon accounting standard

Egmont's carbon account follows the international standard: A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol), and connected guidelines.

Greenhouse gases

We report our emissions for all greenhouse gases covered by Kyoto Protocol; hence our emission numbers are expressed in CO_2-equivalent. However, to keep our communication simple, we often use the terms "CO_2 emissions" and "carbon emissions".

Organisational boundaries

We consolidate our carbon account using the operational control approach. This means that we include all the legal entities in the Egmont Group where Egmont has operational control in our carbon account. We determine operational control based on majority of voting rights on the board. Legal entities with no activity are excluded from the organisational boundaries. In 2022, our organisational boundaries have expanded in relation to acquisitions and changes in ownership share. 110 individual legal entities are included in our carbon account as of 2022 (against 90 in 2021).

Division	Number of legal entities included
Corporate	5
Books	9
Nordisk Film	35
TV 2	13
Story House	48
Total	**110**

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Operational boundaries

We currently account for and report emissions in Scope 1, Scope 2, and selected Scope 3 categories.

- **Scope 1** is the direct emissions stemming from owned or controlled sources.

- **Scope 2** consists of indirect emissions from the generation of purchased energy.

- **Scope 3** includes all other indirect emissions that occur in an organisation's value chain.

We lease most of company cars and we are tenants in many of the facilities we occupy. We perceive that we have operational control on these assets, hence we have decided to include these emissions in Scope 1 and Scope 2.

In 2019, based on a qualitative screening of our business areas, we decided to include the below emissions sources in our carbon account:

- Scope 3, category 1 (Purchased goods and services): printed products, covermounts & toys, packaging.
- Scope 3, category 4 (Upstream transportation and logistics): goods transportation.
- Scope 3, category 6 (Business travel): business flights.

Business flights is relevant for all our business areas. On the contrary, the other Scope 3 emission sources are not equally relevant for all our business areas. The below table displays what business areas are concerned by the emission sources.

Business areas	Printed products	Covermounts & Toys	Packaging	Goods transportation
Books and education	X		X	X
Magazines	X	X	X	X
TV				
Films				
Cinemas			X	X
Games				
Interactive				X
Gift card solutions				X
E-commerce			X	X
Agencies				

Why do these Scope 3 emission sources matter to Egmont?

Printed products
The European pulp and paper industry is the 4th largest industrial energy user in the EU. Despite structural decline in printed products there is still a demand for printed products, and paper is still important to Egmont's publishing entities and a large emission contributor for the business areas Magazines and Books.

Goods transportation
Freight transportation and logistics activities contribute with 8–10% of global carbon emissions. Without intervention, freight transport emissions will more than double by 2050. Many of our business areas rely on the transportation of goods: magazines, books, distribution, cinemas and e-commerce.

Covermounts & toys
The majority of Egmont's covermounts and toys include plastic in their composition. Plastic pollution has emerged as a central sustainability issue in the past few years, and there is a call for action from consumers, customers, regulators, and scientists, to increase plastic circularity and reduce plastic pollution.

Packaging
The volume of generated packaging waste is on the rise. In the EU, it increased 20% between 2009 and 2020. This also means that more natural resources are being used in packaging. For instance, plastic packaging is a key driver of plastic demand globally - it represents approximately 40% of total demand for plastic manufacturing in Europe. In Egmont, we want to improve both the sustainability of our packaging and to rethink our packaging systems, especially within our e-commerce and magazines businesses.

Business flights
Business flights represent most of our emissions from our business travel and is an area of public attention. While some travels are critical for our business activities, in some cases, they could be avoided or replaced by lower-carbon travel options while maintaining a healthy business.

Electricity consumption and green electricity

We report our emissions from electricity (scope 2) both using the location-based and market-based approach. The market-based approach allows us to capture the effect of our efforts to match our electricity consumption with green electricity, rather than the location-based approach which only reflects the local grid.

Our green electricity sourcing in 2022 consists of a mix of green electricity sourced by our companies (often green tariffs) and green electricity certificates sourced centrally. Centrally, we purchase Guarantees of Origin to match our remaining electricity consumption in the European Union, Renewable Energy Certificates (RECs) in the USA, and Renewable Energy Guarantees Origin (REGOs) in the UK.

Base years and historical emission recalculation

We use two different base years in our carbon account, due to COVID-19 and significant methodological changes. The base year for emissions from scope 1 and 2 and business flights in scope 3 is 2019, because COVID-19 has significantly affected our emission levels in 2020 and 2021 which are hence not representative of Egmont's usual emission levels. Due to significant changes in accounting methods conducted in 2021, and the difficulty to apply these changes to historical emissions, we use 2021 as our base year for the remaining scope 3 emissions. We have established rules triggering the recalculation of our historical emissions when facing significant changes (e.g., acquisition and divestment) and we use 5% as a significance threshold. Additionally, we refine our carbon account on a continuous basis. If we find mistakes in historical emissions, we will include most updated numbers in our sustainability report.

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Brief insights into selected emission calculation methods

We use the external CEMAsys platform to compile our carbon account and convert activity data into CO_2 emissions. For Scope 1, Scope 2, "covermounts and toys" and "packaging", we calculate emissions using CEMAsys database of emission factors. The CEMAsys database is a compilation of emission factors from IEA, AIB, DEFRA, and other independent studies. Activity data are typically expressed in kWh, liters, kilograms, or spending when no physical consumption data is available. For printed products, we collect data from our paper suppliers and printers (ClimateCalc, Paper Profile documentation, and other systems). For 2022, it was not possible to collect primary data from paper suppliers and printers for our magazines business, hence a simplified calculation method was used based on decline in volumes and emissions from 2021. For business flights, we calculate our emissions, using data provided by our travel agencies and spend data. For goods transportation, we collect emission data provided from our transport partners, and we use the transport work method or tailored upscaling approach when we cannot obtain data from our transport partners. Business flights and goods transportation emissions are by default calculated on a well-to-wheel basis. The methodology used for our carbon emission calculation is extensively documented in Egmont's internal accounting manual.

Reference list:

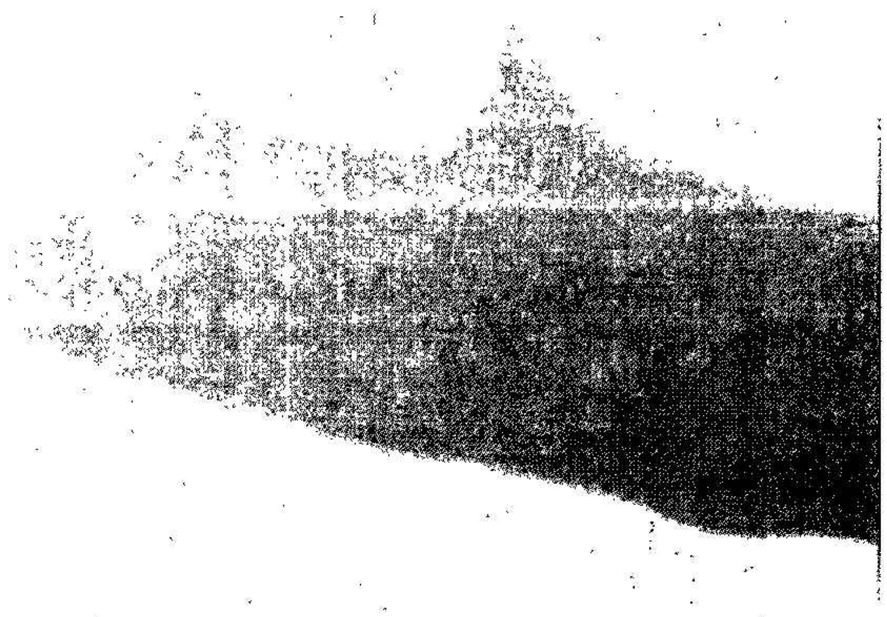
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