



**Management's Report on Viewership
Metric Reporting accompanied by
Independent Accountants' Review
Report**

NETFLIX

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Management's Report on Viewership Metric Reporting

February 24, 2022

On November 16, 2021, Netflix, Inc. (“we”) launched the “Top10 on Netflix”—a new [website](#) with weekly global and country lists of the most popular titles (films or TV) on our service (the “Report”). We publish new weekly “Top 10 on Netflix” lists every Tuesday based on hours viewed from Monday to Sunday the previous week for both Netflix originals and licensed titles. We’ve broken the lists down as follows: Global Top 10 lists for Films (English), TV (English), Films (Non-English) and TV (Non-English), as well as TV and Film rankings for over 90 countries¹. Rather than starting with just one week’s worth of lists, we published lists for the week starting June 28, 2021 forward in order to provide some historical viewership information. We know fans love to track our most popular Netflix original films and shows, so we also publish our overall lists that are based on the total hours viewed for a Netflix original² title’s first 28 days on Netflix. We hope our new Top 10 lists will allow fans to discover new stories to watch and help people understand what’s popular on Netflix.

We are responsible for the calculation and publishing of the Global Weekly Top 10 Films and TV (English and Non-English, respectively) and Country Weekly Top 10 Films and TV, as reported weekly for the period July 6, 2021 to January 4, 2022, and Most Popular Films and TV, as reported weekly for the period November 16, 2021 to January 4, 2022 (collectively the “Subject Matter”), and we have assessed whether the calculation and reporting of the viewership metrics were performed in line with our specified criteria (the “Criteria”) described in Appendix A. The website includes other information (e.g., Top 10 lists for the period after January 4, 2022) that is not included as part of the Subject Matter.

We are also responsible for the completeness and accuracy of the information in this Report, including our assertions, and having a reasonable basis for our assertions. Our responsibility for the Subject Matter and Criteria includes, but are not limited to the following:

- Collecting and storing the underlying viewership information used in the Netflix Top 10 viewership lists
- Ensuring completeness and accuracy of the viewership information
- Calculating the Netflix Top 10 viewership metrics
- Defining the process to prepare and report the viewership metrics and describing the Criteria
- Identifying any risks that would threaten the achievement of the Criteria
- Determining how the Top 10 information is presented on the site and in the downloads

¹ The same locations where there are Top 10 rows on Netflix. This is mostly countries but also includes some territories.

² Netflix branded in at least one country

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There are some inherent limitations with the reporting and specified Criteria. These include, but are not limited to the following:

- The hours published are rounded to the nearest 10,000 to account for any fluctuations in internet connectivity around the world
- The hours published are based on the viewership information we are able to collect prior to publication on Tuesday. Any late-arriving viewership information (e.g., from offline viewing of downloaded episodes or films) after the publication on Tuesday is therefore excluded from the weekly lists. This late-arriving viewership information is included in the Most Popular list once the title reaches 28 days
- We publish new weekly lists each Tuesday but delays in viewership information collection and processing (e.g., from an infrastructure outage) could delay that publication timing

We assert that the calculation and reporting of the viewership metrics were performed as described for the Global Weekly Top 10 Films and TV (English and Non-English, respectively) and Country Weekly Top 10 Films and TV, as reported weekly for the period July 6, 2021 to January 4, 2022, and Most Popular Films and TV, as reported weekly for the period November 16, 2021 to January 4, 2022 based on the specified Criteria in Appendix A.

Management of Netflix, Inc.



Appendix A - Management's specified criteria

Global & Country Weekly Top 10:

Total hours viewed per title (inclusive of both TV and film, Netflix originals and licensed titles), on Netflix, are included in the Top 10 pipeline. We consider each season of a series and each film on their own (e.g., *Stranger Things* seasons 2 and 3 could both be on a Top 10 list together). Supplemental viewing and internally standard omitted title types and streaming activity are excluded.³

The presentation of the Global and Country Weekly Top 10 consists of the following:

- **Global Weekly Top 10** lists are grouped by Films (English), Films (Non-English), TV (English), TV (Non-English) and presented with titles, rank, and number of weeks the title has been in the Top 10, as well as the prior week's total hours viewed, based on the country's regional⁴ time zone, by aggregating the prior week's total hours viewed per title on Netflix.
- **Country Weekly Top 10** lists are grouped by Film or TV and presented with titles, number of weeks the title has been in the Top 10, and ranked by aggregating the prior week's total hours viewed per title based on the country's local time zone(s).⁵ We have these lists for the same countries and territories where there are Top 10 rows on Netflix.

Most Popular Films and TV:

Total hours viewed per title in its first 28 days on Netflix, based on regional⁴ time zones, are included in the Top 10 pipeline. Titles must be a Netflix branded title in at least one country and staggered launch 28-day viewing is not inclusive of days outside of the initial (i.e., first) launch 28-day viewing window.⁶ Supplemental viewing and internally standard omitted title types and streaming activity are excluded.³

The presentation of the Most Popular Films and TV is grouped by Films (English), Films (Non-English), TV (English), TV (Non-English) and presented with titles, rank, and the 28-day total hours viewed. For titles that have not yet been available on Netflix for 28 days we present the sum of the daily hours up through the most recent Sunday.⁷

³ Excluded title types include: (1) Test Titles: Titles that are created for Netflix internal testing but unviewable by the public. (2) Promotional: Content that is created to promote publicly viewable titles on Netflix. (3) Episodes or seasons that are not associated with a specific season/show. (4) Titles tagged as films that are over 5.5 hours. (5) A small subset of titles that aren't considered "TV" or "Movie" titles and are considered "Special Interest" (e.g., *The Witcher: Fireplace*). Excluded streaming activity include: (1) Streaming by non-members or those on a free plan. (2) Test streaming from internal testing. (3) Any preview streaming that occurs before the title's official launch date on Netflix.

⁴ There are 3 Netflix defined region time zones with each country assigned to one region. For example, the United States and Mexico are both in the same region and use Pacific Standard Time.

⁵ Countries with multiple time zones are aggregated using a single time zone based on Netflix defined country time zones. For example, in the United States we use Pacific Standard Time.

⁶ For example, where a title launches in the United States on January 1, 2022 and then launches in the UK on January 15, 2022. In that case, the 28-day view hour number would include the view hours accumulated from January 1, 2022 to January 28, 2022 in the US but also from January 15, 2022 to January 28, 2022 in the UK.

⁷ For example, take an English-language film that launches globally on Friday, January 7, 2022. When we update our Most Popular Film (English) rankings for the week ending Sunday, January 16, 2022 that film will have accumulated hours for the 10 days it has been on Netflix (January 7, 2022 to January 16, 2022). We sum the hours for those first 10 days to determine the hours and rank the title in the Most Popular Films (English) list.



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Independent Accountants' Review Report

To the Management of Netflix, Inc.

We have reviewed Netflix's management's assertion, Management's Report on Viewership Metric Reporting, that the calculation and reporting of the viewership metrics for Global Weekly Top 10 Films and TV (English and Non-English, respectively) and Country Weekly Top 10 Films and TV, as reported weekly for the period July 6, 2021 to January 4, 2022, and Most Popular Films and TV, as reported weekly for the period November 16, 2021 to January 4, 2022 (collectively the "Subject Matter"), is presented in accordance with management's specified criteria set forth in Appendix A (the "Criteria"). Netflix management is responsible for the Subject Matter being presented in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be presented in accordance with the Criteria. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is presented in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have also complied with the independence and other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

The information included on the Top10.Netflix.com website, other than the Subject Matter (i.e., Top 10 lists released subsequent to January 4, 2022), has not been subjected to the procedures applied in our review and, accordingly, we express no conclusion on it.

Based on our review, we are not aware of any material modifications that should be made to Management's Report on Viewership Metric Reporting for Global Weekly Top 10 Films and TV (English and Non-English, respectively) and Country Weekly Top 10 Films and TV, as reported weekly for the period July 6, 2021 to January 4, 2022, and Most Popular Films and TV, as reported weekly for the period November 16, 2021 to January 4, 2022 in order for it to be presented in accordance with the Criteria.

February 24, 2022