

Interim Report

Q3 2021

 **NORTH MEDIA**_{A/S}

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The Interim Report Q3-2021 has been prepared in Danish and English. The Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.





YTD developments Q3 2021

Satisfactory results

Group results for Q3 ytd 2021 period in line with expectations

Revenue

Consolidated revenue down by 3% year on year in the Q3 ytd 2021 period. Revenue down by 5% in FK Distribution (Last Mile), but up by 11% in Digital Services.

748 DKKm



EBIT

Consolidated Q3 ytd 2021 EBIT amounted to DKK 187m, a DKK 5m increase over last year. Digital Services drove the improvement.

187 DKKm



EBIT margin

The consolidated EBIT margin rose to 25.1%, a 1.5 percentage point improvement year on year. Last Mile and Digital Services both reported improved EBIT margins.

25.1%



Better than expected

- Ofir (Digital Services) drove up revenue by 79% year on year and strengthened its position in a market of strong demand.



As expected

- FK Distribution's (Last Mile) volumes distributed fell by 6% year on year. The decline was partly due to last year having 40 weeks for distribution compared with 39 weeks this year.
- FK Distribution (Last Mile) packed leaflets for 143,000 households in the first half of the year, and has since 1 July been packing leaflet bundles for 480,000 households per week under the contract with Deutsche Post.
- FK Distribution extended its contracts for the distribution of printed matter in Denmark with Salling Group and other major customers.
- BoligPortal (Digital Services) signed contracts with service providers and launched Data Insights both for its new platform and as a customer-specific solution.
- Bekey (Digital Services) extended all contracts with home care customers that were due for renegotiation this year. Licence fees raised in new contracts.



Not as expected

- BoligPortal's (Digital Services) revenue growth was adversely affected by delays in the development and launch of new SaaS products and a reduced supply of rental housing units on the market.
- At the request of three Danish home care customers, Bekey (Digital Services) rescheduled the installation and implementation of its access system to 2022, which had a negative impact on YTD revenue.



Performance by business area – Q3 2021

Last Mile

Q3 2021 (Q3 2020) (DKKm)

FK Distribution

- Volumes were down 11% and revenue was down 8% year on year, which was in line with expectations. The Q3 periods of 2020 and 2021 are not directly comparable, as Q3 2020 had 14 weeks and Q3 2021 had 13 weeks for distribution.
- Generally speaking, small customers have cut back on their printed matter marketing for structural reasons or due to COVID-19-related effects, whereas large retail shops and chains have either ramped up or kept activity unchanged.
- Prices to customers for distributing printed matter were raised by about 2%, which is consistent with general cost trends.
- The generally strong demand for labour raises the costs of deliverers.
- FK is currently in dialogue with Deutsche Post on expanding the collaboration. The volume of bundled printed matter per household in the German market was slightly lower than expected due to COVID-19.

Revenue	EBIT	EBIT margin
210 (228)	51 (59)	24.5% (25.9%)

Digital Services

Q3 2021 (Q3 2020) (DKKm)

BoligPortal

- Revenue was up by 1%. As expected, the performance was affected by the fact that leases and move-in/out inspection reports are now available free of charge on the new platform.
- Largest drop in the supply of rental units on the market in ten years impacted growth, both in terms of classic advertising revenue and of new SaaS products.
- Data Insights, the new SaaS product, has been well received by a number of property developers and property investors.

Revenue	21.9 (21.6)
EBIT	6.7 (7.1)

Ofir

- Revenue up by 71%. Private-sector employers contributed the most to growth.
- The number of ads placed and the upselling to larger advertising packages set new records in September.
- EBIT improved from a DKK 0.5m loss in Q3 2020 to a DKK 1.2m profit for an EBIT margin of 13.5% in Q3 2021.

Revenue	8.9 (5.2)
EBIT	1.2 (-0.5)

Bekey

- Revenue up by 5%.
- Revenue from licences and services grew 20% and now accounts for 63% of overall revenue.
- Going forward, customers will be divided into three segments: "Home Care", "Distributors" and "Properties". The previous categories of "Homecare" and "Stairwells" no longer apply.
- SmartRelay, a system to digitally unlock secured stairwells, is now installed in 26,300 stairwells (equal to 59% in the Greater Copenhagen).

Revenue	6.0 (5.7)
EBIT	-2.4 (-2.0)

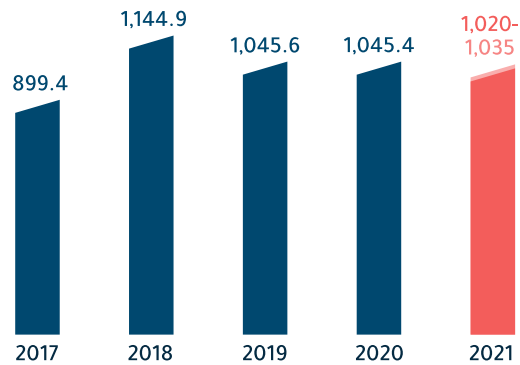
Revenue	EBIT	EBIT margin
37 (33)	6 (5)	14.9% (14.2%)



FY 2021 consolidated guidance range narrowed

The Group narrows its FY 2021 guidance, raising the lower end of the revenue and EBIT ranges. Guidance raised for FK Distribution (Last Mile) and Ofir (Digital Services) and lowered for BoligPortal (Digital Services) and Bekey (Digital Services).

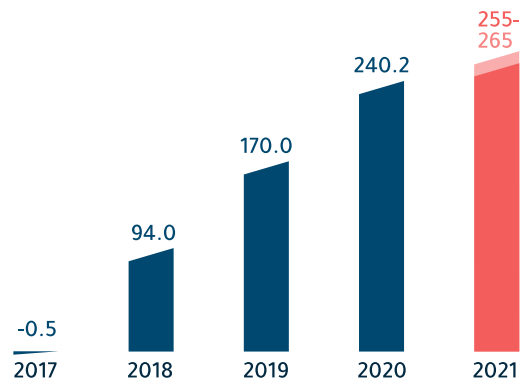
Group revenue (DKKm)



The Group now expects consolidated revenue in the DKK 1,020m-1,035m range, up from previously DKK 1,015m-1,035m.

Accordingly, consolidated revenue is now expected to end 2% higher than anticipated at the beginning of the year.

EBIT (DKKm)



Consolidated EBIT is now expected in the DKK 255m-265m range, up from previously DKK 250m-265m.

Accordingly, consolidated EBIT is now expected to be DKK 10m-20m higher than anticipated at the beginning of the year.

The consolidated EBIT margin for 2020 was 23.0%. It is expected to be about 25% in 2021.

Expected group financial highlights for 2021 (DKKm)

Revenue

1,020 – 1,035

Guidance provided on 12 August 2021	1,015-1,035
Guidance provided on 5 May 2021	995-1,025
Guidance provided on 10 February 2021	985-1,025
Actual 2020 revenue	1,045

EBIT

255 - 265

Guidance provided on 12 August 2021	250-265
Guidance provided on 5 May 2021	235-255
Guidance provided on 10 February 2021	230-255
Actual 2020 EBIT	240



FY 2021 guidance by business area

Last Mile raises revenue and narrows EBIT guidance

FK Distribution

- The forecast for volumes of printed matter is still for about a 5% decline from 2020, with about 1 percentage point being due to the reduced number of weeks for distribution (one less in 2021).
- Q4 revenue is expected to be in line with or higher than in Q4 2020 but with EBIT higher year on year, which is better than previously expected.
- Distribution of printed matter, newspapers and direct mail etc. accounts for more than 90% of revenue. Minetilbud.dk and services, such as packing for third parties, account for the rest.
- A potential expansion of the collaboration with Deutsche Post not expected to happen until in 2022 at the earliest.

Guidance for 2021 (DKKm)

Interim Report Q3 2021

Revenue:	875-885
EBIT:	240-245

Interim Report Q2 2021

Revenue:	865-880
EBIT:	235-245

Actual 2020

Revenue:	913.6
EBIT:	233.7

Digital Services reduces revenue and EBIT guidance

BoligPortal

- Revenue and EBIT guidance lowered due to a sharp drop in the supply of rental housing units, reduced vacancies and lower moving percentages.
- EBIT is expected to be level with the 2020 figure even with revenue growth continuing to slow in the Q4 period.
- Given the falling supply of rental units, the new SaaS products are not expected to contribute to double-digit growth until in 2022.

Guidance for 2021 (DKKm)

Interim Report Q3 2021

Revenue:	85-87
EBIT:	26-28

Interim Report Q2 2021

Revenue:	90-94
EBIT:	29-31

Actual 2020

Revenue:	82.3
EBIT:	27.2

Ofir

- Guidance upgraded.
- High double-digit revenue growth, driven mainly by more job postings by private-sector employers and upselling to larger advertising packages.
- EBIT margin improvement, driven by economies of scale on increasing volumes and pricing.
- Costs of expanding data team to add further strength to data and research capabilities regarding job ads and job applicants will impact earnings.

Guidance for 2021 (DKKm)

Interim Report Q3 2021

Revenue:	34-36
EBIT:	4-5

Interim Report Q2 2021

Revenue:	31-34
EBIT:	3-5

Actual 2020

Revenue:	20.9
EBIT:	-1.9

Bekey

- Revenue and EBIT guidance lowered due to delays in installation and implementation of projects for home care customers in Denmark and Norway.
- The target rate of cover of SmartRelay - a system to digitally unlock doors in secured multi-storey buildings in Greater Copenhagen area - expected to reach 60% by end 2021.

Guidance for 2021 (DKKm)

Interim Report Q3 2021

Revenue:	26-27
EBIT:	-7 til -6

Interim Report Q2 2021

Revenue:	26-30
EBIT:	-7 til -6

Actual 2020

Revenue:	28.6
EBIT:	-6.8

Revenue	EBIT	Revenue	EBIT
875-885	240-245	145-150	23-27
(previously 865-880)	(previously 235-245)	(previously 147-158)	(previously 25-30)



Group financial highlights

DKKm	Q3		Q3 YTD		Full year
	2021	2020	2021	2020	2020
Income statement					
Revenue	246.4	260.6	748.0	770.9	1,045.4
Gross profit	143.0	154.4	448.3	459.5	619.8
EBITDA	62.5	67.5	208.2	205.4	270.4
Amortisation and depreciation	6.9	7.1	20.8	23.1	30.2
EBIT	55.6	60.4	187.4	182.3	240.2
Return on securities	14.6	41.5	76.8	98.4	154.5
Financials, net	1.1	1.1	-3.5	-4.1	-5.5
Profit before tax	71.0	101.1	263.3	276.5	388.1
Tax for the period	15.2	20.7	56.2	61.5	85.1
Net profit, continuing operations	55.8	80.4	207.1	215.0	303.0
Net profit, discontinued operations	0.0	8.6	0.0	3.5	3.5
Net profit for the period	55.8	89.0	207.1	218.5	306.5
Comprehensive income	55.8	89.0	206.9	218.8	306.8
Net profit excluding return on securities	44.4	56.6	147.2	141.7	186.0
Balance sheet, end period					
Total assets	-	-	1,297.1	1,172.5	1,189.1
Shareholders' equity	-	-	1,014.2	790.7	879.0
Net interest-bearing cash position	-	-	664.4	493.9	579.0
Properties	-	-	242.5	250.5	248.2
Mortgage Debt	-	-	-119.3	-124.0	-122.8
Capital resources	-	-	840.3	696.2	738.9
Net working capital (NWC)	-	-	-11.5	-63.4	-58.4
Invested capital	-	-	349.8	296.8	300.0
Investments in property, plant and equipment	-	-	11.0	11.9	16.4
Free cash flow	-	-	132.2	215.6	291.3

DKKm	Q3		Q3 YTD		Full year
	2021	2020	2021	2020	2020
Cash flow statement					
Cash flow from operating activities	59.9	40.7	126.5	222.8	218.6
Cash flow from investing activities	-28.5	-23.3	-31.7	-33.7	-47.2
Cash flow from financing activities	-2.1	-73.9	-89.9	-107.3	-110.4
Total cash flow, continuing activities	29.3	-56.5	4.9	81.8	61.0
Total cash flow, discontinued activities	0.0	0.0	0.0	7.8	7.8
Other information					
Average number of employees	-	-	411	433	445
Number of shares end of period, in thousand in denominations of DKK5	-	-	20,055	20,055	20,055
Treasury shares	-	-	1,909	2,100	2,100
Share price end of period, DKK	-	-	117.0	68.4	79.8
Ratios					
Gross margin	58.0%	59.2%	59.9%	59.6%	59.3%
EBIT margin	22.6%	23.2%	25.1%	23.6%	23.0%
Equity ratio	-	-	78.2%	67.4%	73.9%
Return on equity (ROE) 1)	-	-	29.2%	39.9%	39.5%
Return on capital employed (ROIC) 1)	-	-	76.9%	76.8%	75.5%
Earnings per share (EPS)	3.1	4.9	11.4	12.1	16.9
Diluted earnings per share (EPS-D)	3.0	4.9	11.1	11.9	16.7
Earnings per share excluding return on securities (EPS-adj)	2.4	3.1	8.1	7.8	10.3
Price/Earnings (P/E) 1)	-	-	7.7	4.2	4.7
Price/Book Value (P/BV)	-	-	2.3	1.7	1.8
Cash flow per share (CFPS)	3.3	2.4	7.0	12.3	12.1

Reference is made to Note 3 in the Annual Report 2020 for ratio definitions.

1) Profit for the period annualised



Selected profit and loss and balance sheet items

Net profit for the period

Profit after tax for the Q3 ytd 2021 period was DKK 207.1m (Q3 ytd 2020: DKK 218.5m). EBIT was up by DKK 5m, but the return on securities fell by DKK 22m.

Earnings per share (diluted) for Q3 ytd 2021 was DKK 11.1 (Q3 ytd 2020: DKK 11.9).

Earnings per share (exclusive of the return on securities) for Q3 ytd 2021 was DKK 8.1 (Q3 ytd 2020: DKK 7.8).

Capital resources remaining strong

The Group had capital resources of DKK 840m at 30 September 2021, consisting of DKK 158m

in cash and DKK 682m in liquid securities. At 31 December 2020, capital resources amounted to DKK 739m.

Capital resources have increased by DKK 101m since the start of the year despite the payment of DKK 91m in dividend and of DKK 30m in employee income taxes due after COVID-19-related deadline extensions and DKK 18m in frozen holiday pay. At the end of June 2021, working capital had normalised, which involved substantially reduced holiday pay obligations and normal deadlines for the payment of employee income taxes and VAT.

Cash flow from ordinary activities

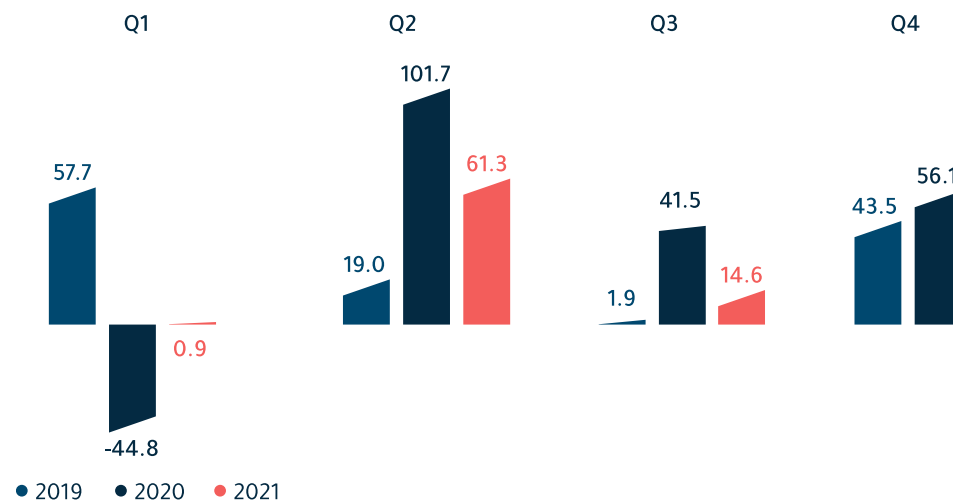
Cash flows from operating activities amounted to DKK 126.5m in the Q3 ytd 2021 period compared with DKK 222.8m a year earlier, when cash flows were supported by extended deadlines for the payment of VAT, employee and corporate income taxes as well as frozen holiday pay, which payments have since been settled.

Capital appreciation drives up value of securities portfolio

The Group's securities yielded a DKK 76.8m gain in the Q3 ytd 2021 period, for a 13.7% return compared with a DKK 98.4m gain (24.6% return) in Q3 ytd 2020.

The risk on the portfolio at 30 September 2021 was calculated at 14.1%. The risk at 31 December 2020 was 21.7%. Risk is calculated as the annualised standard deviation measured over the past 90 days of trading. Value at Risk, which reflects the maximum loss over a

Quarterly return on securities (DKKm)



Securities portfolio market value

(DKKm)

	31.10.2021	30.09.2021	31.12.2020
Amazon	85.7	84.0	78.5
DSV	74.8	77.0	51.0
Genmab	72.4	70.5	61.8
Sea	65.8	61.4	36.2
SimCorp	46.6	45.6	54.3
Microsoft	53.0	45.3	33.7
Ørsted	45.4	42.4	62.2
MasterCard	40.5	42.2	40.8
Teradyne	53.0	42.1	43.6
NVIDIA Corp	49.0	39.9	9.5
Novo Nordisk	70.4	37.3	25.6
Paypal	29.7	33.4	-
Mercado Libre	28.4	32.4	30.4
Fundamental Invest ABC	14.7	14.3	12.3
Fundamental Invest ABD	14.5	14.1	12.4
Visa	-	-	33.1
Total	743.9	681.9	585.4



three-month period at a 95% probability amounted to DKK 79.7m.

The value of the securities portfolio at 31 October 2021 was DKK 743.9m, and a return of DKK 35.5m was recorded for the month of October.

The Group's properties

The Group owns a number of properties, including mainly the head office properties in Søborg, Taastrup and Tilst. The properties are recognised at a carrying amount of DKK 243m (DKK 248m at 31 December 2020) and have been mortgaged against long-term, fixed-rate loans at a total of DKK 119m (DKK 123m at 31 December 2020).

An agreement was concluded at the end of October for the installation of solar panels and a battery energy storage system at the property in Taastrup. Solar panels will be installed on the roof of the building (covering about 7,500 m²) and on the ground (covering about 8,000 m²). Once the solar panels and the battery energy storage system have been installed, about 39% of power consumption at the Taastrup site will be generated in-house by solar panels. The project represents an investment of approximately DKK 15m and is expected to be operational in the spring of 2022. Plans are under way for a similar facility at the property in Tilst.

The Group's business segments pay rent on market terms for the use of the properties. The Group's operating profit on the property portfolio is recognised in the item "unallocated income/costs". The item also includes

group related functions not charged to operating companies, such as costs of IR activities and parts of shared group functions, including parts of board members' fees.

Equity and the portfolio of treasury shares

Equity amounted to DKK 1,014.2m at 30 September 2021, which was DKK 135.2m more than at 31 December 2020.

The increase in equity was based on the profit for the reporting period of DKK 207.1m and the sale of treasury shares for DKK 7.0m in connection with a share option programme, less dividends paid of DKK 91m. The Group's holding of treasury shares was unchanged at 1,909,000 shares at 30 September 2021, equal to 9.52% of the share capital of North Media A/S.

The holding of treasury shares is intended to cover 706,000 share options awarded to senior executives as part of the share option programme introduced in 2018. The holding of treasury shares may also be used for full or partial payment of any future acquisitions of or investments to be made in other companies.

Positive share price performance

The price of North Media shares appreciated from DKK 79.8 per share at 31 December 2020 to DKK 117.0 per share at 30 September 2021, corresponding to a gain of 47%. In addition, the company has paid a dividend of DKK 5 per share.

By comparison, the OMX Copenhagen Small Cap index was up by 35% during the period.

Purpose of capital resources

- To maintain sufficient financial strength to exploit market opportunities and meet strategic objectives
- To have the financial strength to carry out business acquisitions of businesses holding a potential for positive synergies and scalability and matching our existing businesses
- To have the financial strength to pay stable, attractive dividends and make occasional share buy-backs
- To have the financial strength to withstand society lockdowns and other significant changes in society during periods of COVID-19 pandemics, or the like

Security investments

- Liquid listed shares and investment associations
- Industries offering growth potential, also on 5Y-10Y horizon
- Focused portfolio of from eight to twenty stocks
- Long-term investment focus
- Value-protecting investments



Group quarterly highlights

DKKm	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2021	2020			2021			2020		2019			
Revenue													
Last Mile													
FK Distribution	640.9	674.6	209.6	222.5	208.8	239.0	228.1	221.4	225.1	261.9	215.8	240.4	216.8
<i>Index, year-on-year change</i>	<i>95.0</i>	<i>100.2</i>	<i>91.9</i>	<i>100.5</i>	<i>92.8</i>	<i>91.3</i>	<i>105.7</i>	<i>92.1</i>	<i>103.8</i>	<i>103.2</i>	<i>101.5</i>	<i>102.6</i>	<i>97.1</i>
Digital Services													
BoligPortal	64.0	62.3	21.9	21.7	20.4	20.0	21.6	21.5	19.2	17.0	18.8	17.3	16.3
<i>Index, year-on-year change</i>	<i>102.7</i>	<i>118.9</i>	<i>101.4</i>	<i>100.9</i>	<i>106.3</i>	<i>117.6</i>	<i>114.9</i>	<i>124.3</i>	<i>117.8</i>	<i>109.0</i>	<i>108.7</i>	<i>108.1</i>	<i>112.4</i>
Ofir	25.6	14.3	8.9	9.1	7.6	6.6	5.2	4.5	4.6	4.2	3.8	4.3	4.5
<i>Index, year-on-year change</i>	<i>179.0</i>	<i>113.5</i>	<i>171.2</i>	<i>202.2</i>	<i>165.2</i>	<i>157.1</i>	<i>136.8</i>	<i>104.7</i>	<i>102.2</i>	<i>105.0</i>	<i>95.0</i>	<i>95.6</i>	<i>102.3</i>
Bekey	17.5	19.7	6.0	5.6	5.9	8.9	5.7	6.2	7.8	8.3	5.0	4.6	6.6
<i>Index, year-on-year change</i>	<i>88.8</i>	<i>121.6</i>	<i>105.3</i>	<i>90.3</i>	<i>75.6</i>	<i>107.2</i>	<i>114.0</i>	<i>134.8</i>	<i>118.2</i>	<i>159.6</i>	<i>61.0</i>	<i>93.9</i>	<i>122.2</i>
Digital Services, total	107.1	96.3	36.8	36.4	33.9	35.5	32.5	32.2	31.6	29.5	27.6	26.2	27.4
<i>Index, year-on-year change</i>	<i>111.2</i>	<i>118.6</i>	<i>113.2</i>	<i>113.0</i>	<i>107.3</i>	<i>120.3</i>	<i>117.8</i>	<i>122.9</i>	<i>115.3</i>	<i>119.0</i>	<i>93.6</i>	<i>103.1</i>	<i>112.8</i>
Revenue, total	748.0	770.9	246.4	258.9	242.7	274.5	260.6	253.6	256.7	291.4	243.4	266.6	244.2
<i>Index, year-on-year change</i>	<i>97.0</i>	<i>102.2</i>	<i>94.6</i>	<i>102.1</i>	<i>94.5</i>	<i>94.2</i>	<i>107.1</i>	<i>95.1</i>	<i>105.1</i>	<i>104.6</i>	<i>100.5</i>	<i>102.7</i>	<i>98.7</i>
EBIT													
Last Mile													
FK Distribution	174.9	176.9	51.3	62.1	61.5	56.8	59.0	53.9	64.0	65.2	33.6	43.8	29.8
<i>EBIT margin</i>	<i>27.3%</i>	<i>26.2%</i>	<i>24.5%</i>	<i>27.9%</i>	<i>29.5%</i>	<i>23.8%</i>	<i>25.9%</i>	<i>24.3%</i>	<i>28.4%</i>	<i>24.9%</i>	<i>15.6%</i>	<i>18.2%</i>	<i>13.7%</i>
Digital Services, i alt													
BoligPortal	20.1	21.2	6.7	7.7	5.7	6.0	7.1	8.0	6.1	4.0	5.0	3.7	3.2
<i>EBIT margin</i>	<i>31.4%</i>	<i>34.0%</i>	<i>30.6%</i>	<i>35.5%</i>	<i>27.9%</i>	<i>30.0%</i>	<i>32.9%</i>	<i>37.2%</i>	<i>31.8%</i>	<i>23.5%</i>	<i>26.6%</i>	<i>21.4%</i>	<i>19.6%</i>
Ofir	4.2	-2.5	1.2	1.9	1.1	0.5	-0.5	-0.6	-1.4	-1.8	-1.8	-1.8	-1.5
<i>EBIT margin</i>	<i>16.4%</i>	<i>-17.5%</i>	<i>13.5%</i>	<i>20.9%</i>	<i>14.5%</i>	<i>7.6%</i>	<i>-9.6%</i>	<i>-13.3%</i>	<i>-30.4%</i>	<i>-42.9%</i>	<i>-47.4%</i>	<i>-41.9%</i>	<i>-33.3%</i>
Bekey	-5.9	-5.3	-2.4	-2.0	-1.5	-1.5	-2.0	-1.9	-1.4	-2.3	-2.7	-3.6	-1.8
<i>EBIT margin</i>	<i>-33.7%</i>	<i>-26.9%</i>	<i>-40.0%</i>	<i>-35.7%</i>	<i>-25.4%</i>	<i>-16.9%</i>	<i>-35.1%</i>	<i>-30.6%</i>	<i>-17.9%</i>	<i>-27.7%</i>	<i>-54.0%</i>	<i>-78.3%</i>	<i>-27.3%</i>
Digital Services, total	18.4	13.4	5.5	7.6	5.3	5.0	4.6	5.5	3.3	-0.1	0.5	-1.7	-0.1
<i>EBIT margin</i>	<i>17.2%</i>	<i>13.9%</i>	<i>14.9%</i>	<i>20.9%</i>	<i>15.6%</i>	<i>14.1%</i>	<i>14.2%</i>	<i>17.1%</i>	<i>10.4%</i>	<i>-0.3%</i>	<i>1.8%</i>	<i>-6.5%</i>	<i>-0.4%</i>
Unallocated income/costs	-5.9	-8.0	-1.2	-2.1	-2.6	-3.9	-3.2	-3.3	-1.5	-0.6	-1.4	-1.5	-1.6
EBIT	187.4	182.3	55.6	67.6	64.2	57.9	60.4	56.1	65.8	64.5	32.7	40.6	28.1
<i>EBIT margin</i>	<i>25.1%</i>	<i>23.6%</i>	<i>22.6%</i>	<i>26.1%</i>	<i>26.5%</i>	<i>21.1%</i>	<i>23.2%</i>	<i>22.1%</i>	<i>25.6%</i>	<i>22.1%</i>	<i>13.4%</i>	<i>15.2%</i>	<i>11.5%</i>



Management's statement

The Board of Directors and the Executive Board have today considered and approved the consolidated Interim Report of North Media A/S for the period 1 January to 30 September 2021.

The Consolidated Interim Report, which has not been audited or reviewed by the auditors of the Company, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the Consolidated Interim Financial Statements give a true and fair view of the Group's assets, liabilities and financial position at 30 September 2021 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2021.

In our opinion, the management commentary includes a true and fair account of developments in the operations and financial circumstances of the Group, of the results for the period and of the financial position. Other than as described in the management commentary of this Interim Report, there have been no significant changes to the Group's risks and elements of uncertainty compared to the description provided in the 2020 Annual Report.

Søborg, 3 November 2021

Executive Board

Kåre Stausø Wigh
Group Executive Director & CFO

Henrik Løvig Jensen
Executive in charge of acquisitions & business
development

Ole Elverdam Borch
Chairman

Ulrik Holsted-Sandgreen

Ulrik Falkner Thagesen

Lasse Ingemann Brodt
CEO, Forbruger-Kontakt A/S

Jannik Bray Christensen
CEO, Bekey A/S

Richard Gustav Bunck
Vice-chairman

Thomas Weikop

Ann-Sofie Østberg Bjergby

Board of Directors

Mads Dahl Møberg Andersen



Consolidated statement of comprehensive income

DKKm	Q3		Q3 YTD		Full year
	2021	2020	2021	2020	2020
Revenue	246.4	260.6	748.0	770.9	1,045.4
Direct costs	60.4	61.1	171.6	177.1	245.4
Direct staff costs	43.0	45.1	128.1	134.3	180.2
Gross profit	143.0	154.4	448.3	459.5	619.8
Staff costs	54.1	56.2	162.1	167.9	225.8
Other costs	27.7	32.0	81.9	93.0	131.7
Amortisation and depreciation	6.9	7.1	20.8	23.1	30.2
Other operating income	1.3	1.3	3.9	6.8	8.1
Operating profit (EBIT)	55.6	60.4	187.4	182.3	240.2
Share of profit/loss in associates	1.9	0.3	2.6	-0.1	-1.1
Return on securities	14.6	41.5	76.8	98.4	154.5
Financial income	0.0	0.0	0.2	0.1	0.1
Financial costs	1.1	1.1	3.7	4.2	5.6
Profit before tax	71.0	101.1	263.3	276.5	388.1
Tax for the period	15.2	20.7	56.2	61.5	85.1
Net profit, continuing operations	55.8	80.4	207.1	215.0	303.0
Net profit, discontinued operations	0.0	8.6	0.0	3.5	3.5
Net profit for the period	55.8	89.0	207.1	218.5	306.5
Attributable, net profit/loss					
Shareholders in North Media A/S	55.8	89.0	207.1	218.5	306.5
	55.8	89.0	207.1	218.5	306.5
Earnings per share, in DKK					
Earnings per share (EPS) - total	3.1	4.9	11.4	12.1	16.9
Diluted earnings per share (EPS-D) - total	3.0	4.9	11.1	11.9	16.7
Earnings per share excluding return on securities (EPS-adj)	2.4	3.1	8.1	7.8	10.3

DKKm	Q3		Q3 YTD		Full year
	2021	2020	2021	2020	2020
Net profit for the period	55.8	89.0	207.1	218.5	306.5
<i>Financial statement items that may later be reclassified to the income statement:</i>					
Translation adjustments, foreign companies	0.0	0.0	-0.2	0.3	0.3
Other comprehensive income	0.0	0.0	-0.2	0.3	0.3
Comprehensive income	55.8	89.0	206.9	218.8	306.8
Attributable, comprehensive income					
Shareholders in North Media A/S	55.8	89.0	206.9	218.8	306.8
	55.8	89.0	206.9	218.8	306.8



Consolidated balance sheet

Assets

DKKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
Goodwill	39.1	39.1	39.1
Other intangible assets	9.2	10.4	10.1
Software	11.1	5.5	6.9
Intangible assets	59.4	55.0	56.1
Land and buildings	229.8	239.2	236.7
Investment property	17.1	17.5	17.4
Plant and machinery	37.2	41.7	39.6
Operating equipment, fixtures and fittings	8.4	10.9	12.0
Property, plant and equipment	292.5	309.3	305.7
Investments in associates	8.7	7.0	6.1
Other securities and investments	2.3	0.0	1.9
Other receivables	1.5	1.2	1.2
Other non-current assets	12.5	8.2	9.2
Total non-current assets	364.4	372.5	371.0
Inventories	5.8	4.7	3.7
Trade receivables	70.4	80.7	60.6
Other receivables	0.6	0.6	0.6
Prepayments	15.6	17.8	14.3
Securities	681.9	521.9	585.4
Cash at bank and in hand	158.4	174.3	153.5
Total current assets	932.7	800.0	818.1
Total assets	1,297.1	1,172.5	1,189.1

Equity and liabilities

DKKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
Share capital	100.3	100.3	100.3
Reserve, translation adjustments	-2.8	-2.6	-2.6
Retained earnings	916.7	693.0	781.3
Total equity	1,014.2	790.7	879.0
Deferred tax	1.6	11.1	11.4
Financial institutions	114.6	119.3	118.1
Lease debt	3.9	7.1	6.3
Total non-current liabilities	120.1	137.5	135.8
Financial institutions	4.7	4.7	4.7
Lease debt	3.5	3.6	3.6
Trade payables	27.9	27.2	34.3
Income tax payable	49.2	67.6	9.0
Contract liabilities	8.3	11.5	8.6
Other payables	69.2	129.7	114.1
Total current liabilities	162.8	244.3	174.3
Total liabilities	282.9	381.8	310.1
Total equity and liabilities	1,297.1	1,172.5	1,189.1



Consolidated statement of changes in equity

DKKm	Share capital	Reserve, translation adjustments	Retained earnings	Total equity
Equity at 1 January 2020	100.3	-2.9	573.8	671.2
Changes in equity for the period				
Net profit for the period	0.0	0.0	218.5	218.5
Translation adjustments, foreign companies	0.0	0.3	0.0	0.3
Other comprehensive income after tax	0.0	0.3	0.0	0.3
Total comprehensive income	0.0	0.3	218.5	218.8
Purchase of treasury shares	0.0	0.0	-29.2	-29.2
Share-based payment	0.0	0.0	1.7	1.7
Dividend paid	0.0	0.0	-80.2	-80.2
Dividend on treasury shares	0.0	0.0	8.4	8.4
Changes in equity for the period	0.0	0.3	119.2	119.5
Equity at 30 September 2020	100.3	-2.6	693.0	790.7
Equity at 1 January 2021	100.3	-2.6	781.3	879.0
Changes in equity for the period				
Net profit for the period	0.0	0.0	207.1	207.1
Translation adjustments, foreign companies	0.0	-0.2	0.0	-0.2
Other comprehensive income after tax	0.0	-0.2	0.0	-0.2
Total comprehensive income	0.0	-0.2	207.1	206.9
Tax on options	0.0	0.0	10.9	10.9
Sale of treasury shares	0.0	0.0	7.0	7.0
Share-based payment	0.0	0.0	1.2	1.2
Dividend paid	0.0	0.0	-100.3	-100.3
Dividend on treasury shares	0.0	0.0	9.5	9.5
Changes in equity for the period	0.0	-0.2	135.4	135.2
Equity at 30 September 2021	100.3	-2.8	916.7	1,014.2



Note 1 Accounting policies

The consolidated interim financial statements include a summary of the consolidated financial statements of North Media A/S for the period 1 January to 30 September 2021. The consolidated interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

At the date of publication of this interim report, a number of new or amended standards and interpretations have been approved by the IASB, none of which, however, are expected to have a material influence on North Media A/S.

In the consolidated interim financial statements, income tax on profit or loss before tax is calculated at a rate of 22%, adjusted for major permanent differences.

In connection with the divestment of North Media Aviser A/S in 2020, these activities were presented as discontinued operations in the 2020 financial statements, in a separate line item of the statement of comprehensive income, "Profit/Loss on discontinued operations". Similarly, cash flows from discontinued operations were presented separately for 2020 in the cash flow statement.

The accounting policies applied in these consolidated interim financial statements are consistent with those applied in the Annual Report for 2020, but with the adjustments for segment changes as set out in the interim report for the first quarter of 2021.

Note 2 Return on securities

DKKm	Q3		Q3 YTD		full year
	2021	2020	2021	2020	2020
Dividend	0,4	0,4	2,6	2,8	3,0
Net capital gains on shares	14,2	41,1	74,2	95,6	151,5
Total return on securities	14,6	41,5	76,8	98,4	154,5

All securities are stated at market value at 30 September 2021 (level 1).

Note 3 Discontinued operations

DKKm	Q3		Q3 YTD		full year
	2021	2020	2021	2020	2020
Revenue and other operating income	0.0	0.0	0.0	25.4	29.3
Costs	0.0	0.0	0.0	32.0	35.9
Loss before tax	0.0	0.0	0.0	-6.6	-6.6
Tax	0.0	0.0	0.0	1.5	1.5
Operating profit/loss, discontinued operations	0.0	0.0	0.0	-5.1	-5.1
Gains on divestment of North Media Aviser A/S	0.0	0.0	0.0	8.6	8.6
Profit/loss, discontinued operations	0.0	0.0	0.0	3.5	3.5

Due to the divestment of North Media Aviser, the above items are no longer consolidated.

At 30 September 2021, the balance sheet contained no outstanding assets or liabilities relating to the discontinued operations.



Note 4 Segment information

Q3

DKKm	Last Mile FK Distribution		Digital Services Total		BoligPortal		Ofir		Bekey		Unallocated costs/ eliminations*)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Segment revenue	209.6	228.1	38.2	33.5	21.9	21.6	8.9	5.2	7.4	6.7	0.0	0.0	247.8	261.6
Internal revenue	0.0	0.0	-1.4	-1.0	0.0	0.0	0.0	0.0	-1.4	-1.0	0.0	0.0	-1.4	-1.0
External revenue	209.6	228.1	36.8	32.5	21.9	21.6	8.9	5.2	6.0	5.7	0.0	0.0	246.4	260.6
Revenue recognition														
Immediately	209.6	228.1	12.7	9.6	0.0	0.0	8.9	5.2	3.8	4.4	-	-	222.3	237.7
Over time	-	-	24.1	22.9	21.9	21.6	0.0	0.0	2.2	1.3	-	-	24.1	22.9
External revenue	209.6	228.1	36.8	32.5	21.9	21.6	8.9	5.2	6.0	5.7	0.0	0.0	246.4	260.6
Direct costs	99.3	102.4	1.4	1.1	0.2	0.3	1.4	0.7	-0.2	0.1	2.6	2.6	103.3	106.1
Gross profit	110.3	125.7	35.4	31.4	21.7	21.3	7.5	4.5	6.2	5.6	-2.6	-2.6	143.1	154.5
Other costs	56.0	63.3	29.1	26.2	14.5	13.7	6.3	5.0	8.3	7.5	-3.7	-1.7	81.4	87.8
EBITDA	54.9	63.0	6.5	5.4	7.4	7.8	1.2	-0.5	-2.1	-1.9	1.1	-0.9	62.5	67.5
Amortisation and depreciation	3.6	4.0	1.0	0.8	0.7	0.7	0.0	0.0	0.3	0.1	2.3	2.3	6.9	7.1
EBIT	51.3	59.0	5.5	4.6	6.7	7.1	1.2	-0.5	-2.4	-2.0	-1.2	-3.2	55.6	60.4
Share of profit/loss in associates	0.0	0.0	1.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.3
Return on securities	-	-	-	-	-	-	-	-	-	-	-	-	14.6	41.5
Net financials	-	-	-	-	-	-	-	-	-	-	-	-	-1.1	-1.1
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	71.0	101.1
Gross margin	52.6%	55.1%	96.2%	96.6%	99.1%	98.6%	84.3%	86.5%	103.3%	98.2%	-	-	58.1%	59.3%
EBITDA margin	26.2%	27.6%	17.7%	16.6%	33.8%	36.1%	13.5%	-9.6%	-35.0%	-33.3%	-	-	25.4%	25.9%
EBIT margin	24.5%	25.9%	14.9%	14.2%	30.6%	32.9%	13.5%	-9.6%	-40.0%	-35.1%	-	-	22.6%	23.2%

* Internal revenue has been eliminated in other operating expenses. Other items relate to unallocated costs.

Other information

North Media A/S' revenue consist of Last Mile activities of DKK 209.6m and Digital Services activities of DKK 36.8m



Note 4 Segment information, continued

Q3 YTD

DKKm	Last Mile FK Distribution		Digital Services Total		BoligPortal		Ofir		Bekey		Unallocated costs/ eliminations*)		Total	
	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20	Q3 YTD 21	Q3 YTD 20
	Segment revenue	640.9	674.6	111.5	101.6	64.0	62.3	25.9	14.4	21.6	24.9	0.0	0.0	752.4
Internal revenue	0.0	0.0	-4.4	-5.3	0.0	0.0	-0.3	-0.1	-4.1	-5.2	0.0	0.0	-4.4	-5.3
External revenue	640.9	674.6	107.1	96.3	64.0	62.3	25.6	14.3	17.5	19.7	0.0	0.0	748.0	770.9
Revenue recognition														
Immediately	640.9	674.6	36.5	29.4	0.0	0.0	25.6	14.3	10.9	15.1	0.0	0.0	677.4	704.0
Over time	-	-	70.6	66.9	64.0	62.3	0.0	0.0	6.6	4.6	0.0	0.0	70.6	66.9
External revenue	640.9	674.6	107.1	96.3	64.0	62.3	25.6	14.3	17.5	19.7	0.0	0.0	748.0	770.9
Direct costs	288.0	302.4	4.0	2.5	0.6	0.7	3.9	1.9	-0.5	-0.1	7.6	6.3	299.6	311.2
Gross profit	352.9	372.2	103.1	93.8	63.4	61.6	21.7	12.4	18.0	19.8	-7.6	-6.3	448.4	459.7
Other costs	168.7	188.5	82.5	76.3	41.8	38.8	17.4	14.8	23.3	22.7	-8.5	-4.6	242.7	260.2
EBITDA	186.1	188.5	21.2	17.9	22.2	23.2	4.3	-2.4	-5.3	-2.9	0.9	-0.9	208.2	205.5
Amortisation and depreciation	11.2	11.6	2.8	4.5	2.1	2.0	0.1	0.1	0.6	2.4	6.8	7.1	20.8	23.2
EBIT	174.9	176.9	18.4	13.4	20.1	21.2	4.2	-2.5	-5.9	-5.3	-5.9	-8.0	187.4	182.3
Share of profit/loss in associates	0.0	0.0	2.6	-0.1	2.6	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	2.6	-0.1
Return on securities	-	-	-	-	-	-	-	-	-	-	-	-	76.8	98.4
Net financials	-	-	-	-	-	-	-	-	-	-	-	-	-3.5	-4.1
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	263.3	276.5
Gross margin	55.1%	55.2%	96.3%	97.4%	99.1%	98.9%	84.8%	86.7%	102.9%	100.5%	-	-	59.9%	59.6%
EBITDA margin	29.0%	27.9%	19.8%	18.6%	34.7%	37.2%	16.8%	-16.8%	-30.3%	-14.7%	-	-	27.8%	26.7%
EBIT margin	27.3%	26.2%	17.2%	13.9%	31.4%	34.0%	16.4%	-17.5%	-33.7%	-26.9%	-	-	25.1%	23.6%

* Internal revenue has been eliminated in other operating expenses. Other items relate to unallocated costs.

Other information

North Media A/S' revenue consists of Last Mile activities of DKK 640.9m and Digital Services activities of DKK 107.1m.



Note 5 Adjustment for non-cash operating items

DKKm	Q3		Q3 YTD		full year
	2021	2020	2021	2020	2020
Share of profit/loss in associates	-1.9	-0.3	-2.6	0.1	1.1
Tax on profit/loss for the year	15.2	20.7	56.2	61.5	85.1
Amortisation and depreciation of assets	6.9	7.1	20.9	21.4	28.6
Gain/loss on disposals of assets	0.0	0.0	-0.1	1.7	1.6
Share-based payment	0.4	0.6	1.2	1.7	2.0
Special items, reversal	0.0	0.0	0.0	0.0	0.0
Net financials	1.1	1.0	3.5	3.9	5.5
Value adjustments, securities	-14.6	-41.5	-76.8	-98.4	-154.5
Total adjustments (non-cash)	7.1	-12.4	2.3	-8.1	-30.6

Note 6 Changes in working capital/other payables

DKKm	Q3		Q3 YTD		full year
	2021	2020	2021	2020	2020
COVID-19 extension of payment deadlines for VAT and employee income taxes	0.0	0.0	-30.0	45.0	30.0
Frozen holiday pay	0.0	0.0	-18.2	0.0	0.0
Changes in ordinary working capital	-1.9	-26.1	-16.4	-25.2	3.0
Changes in working capital	-1.9	-26.1	-64.6	19.8	33.0

Other payables were strongly affected by COVID-19 extended deadlines for paying VAT and employee income tax, and holiday pay frozen for the reporting period was paid to the Labour Market Holiday Fund in the second quarter of 2021.

Extended deadlines for payment in the Q3 ytd 2020 period had a positive effect of DKK 45m, while the effect was negative by almost DKK 20m paid to the Holiday Fund in the Q3 ytd 2021 period. This represents the main reason for the drop of DKK 60m in other payables.

Note 7 Special risks and elements of uncertainty for the rest of 2021

The Group's activities are distinct high-volume enterprises subject to high start-up costs and subsequent low unit costs, for which reason revenue growth would support an EBIT margin increase. Conversely, a decline in revenue would have a negative effect on the EBIT margin as it is only possible to slightly reduce costs in the short term. Moreover, operations are conducted in markets characterised by massive structural change, which adds to the uncertainty.

Note 8 Contingent liabilities and assets

Contingent liabilities

In a decision of 30 June 2020, the Competition and Consumer Authority decided that ForbrugerKontakt A/S (FK Distribution) had violated the prohibition against abusing a dominant position by applying tying conditions in its contracts with customers during the period from 2018 to October 2019. In a decision of 28 April 2021, the Danish Competition Appeals Board upheld the Competition and Consumer Authority's decision. FK Distribution disagrees with the decision and has appealed the matter to the courts (the Maritime and Commercial High Court). Given the information currently available, a liability cannot be reliably estimated.

At 30 September 2021, no material changes had occurred in respect of the Group's contingent liabilities and assets.



Note 9 Solar panels being installed on FK Distribution's buildings

An agreement was concluded at the end of October for the installation of solar panels and a battery energy storage system at FK Distribution's production facility and office property in Taastrup. Solar panels will be installed on the roof of the building (covering about 7,500 m²) and on the ground (covering about 8,000 m²). Once the solar panels and the battery energy storage system have been installed, about 39% of power consumption at the Taastrup site will be generated in-house by solar panels. The project represents an investment of approximately DKK 15m and is expected to be operational in the spring of 2022.

FK Distribution's production facility and office property in Tilst also has a roof area of about 7,500 m² and a ground area of about 8,000 m² suitable for solar panels. At the Tilst location, power generated from solar panels will account for about 33% of total power consumption. An agreement for the installation of solar panels and a battery energy storage system at Tilst is expected to be concluded in the immediate future, and the investment is expected to represent an amount similar to that of the investment at the Taastrup site.

Once the solar panels and the battery energy storage system at Taastrup and Tilst are in place, FK Distribution will generate about 36% of its total power consumption from in-house solar panels.

Note 10 Subsequent events

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 September 2021 which would have a material impact on the Group's financial position.

North Media A/S

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