# Annual Report
2022

NORTH MEDIA A/S

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CVR-no. 66 59 01 19

# Content

## Management commentary

### Overview



### Companies



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## Financial results

### Financial statements



The Annual Report 2022 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.

## At a glance

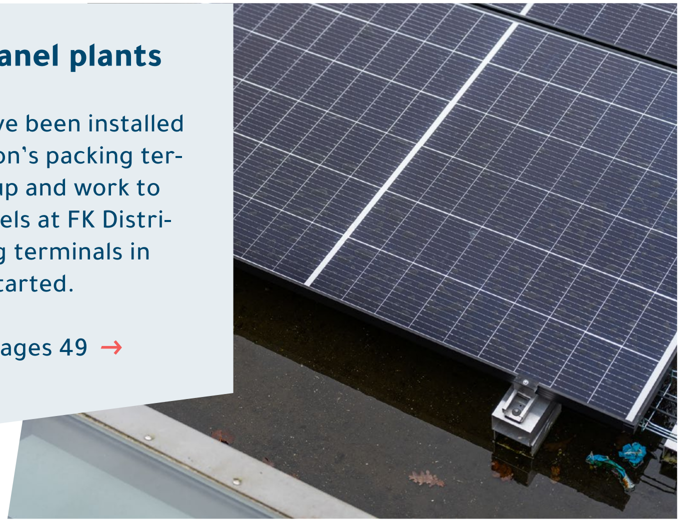
North Media develop platforms for transactions that bring businesses and consumers together and have organised our operations into two business areas: Last Mile og Digital Services.

Read more on pages 3 and 11 →

## Own solar panel plants

Solar panels have been installed at FK Distribution's packing terminal in Taastrup and work to install solar panels at FK Distribution's packing terminals in Tilst has been started.

Read more on pages 49 →



# At a glance

North Media develop and operates platforms for transactions that bring businesses and consumers together. We help consumers find the right products, whether they are looking for groceries, rental housing, jobs or digital access solutions. The Group's two business areas bridge the gap between value and growth:

## Last Mile

FK Distribution is Denmark's leading distributor of leaflets and local newspapers to consumers and readers and also runs the minetilbud.dk digital platform. In addition, FK Distribution provides packing services for Danish customers and for Deutsche Post. FK Distribution is a mature, market-leading business with attractive earnings.

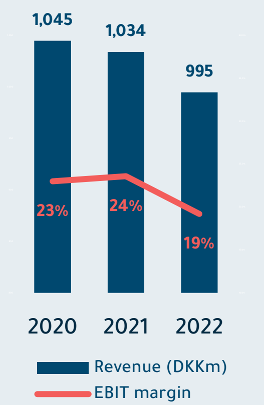
## Digital Services

Digital Services consists of three web-based growth businesses, all with the potential for double-digit growth and rising earnings :

- BoligPortal markets home rentals to prospective tenants and offers services to landlords. The company's Swedish website, BostadsPortal, is to be scaled up on the same platform and also addresses both tenants and landlords.
- Ofir is Denmark's most comprehensive jobs universe and is used by both public and private sector employers to post job vacancies for job seekers.
- Bekey delivers digital access solutions for locked stairwells and private homes for the use of homecare services in Denmark and Norway, companies delivering groceries, meal services, parcels, etc., as well as others with legitimate reasons to approved access locked doors in multistorey buildings.

### Revenue / EBIT

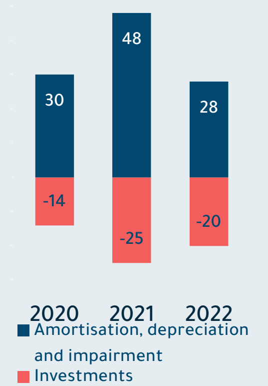
DKKm




Declining revenue and EBIT, but still high profit margin

### Amortisation, depreciation and impairments & investments

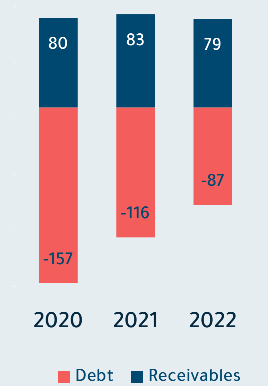
DKKm




Low investment requirement excl. solar panels

### Working capital

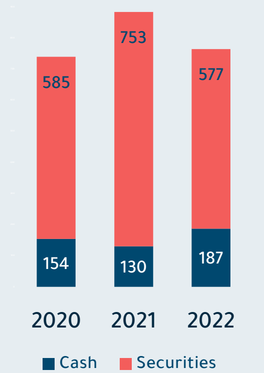
DKKm




Declining negative working capital

### Capital resources

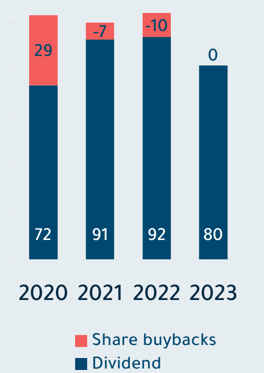
DKKm




Strong financial resources

### Dividend & Share buybacks

DKKm




Attractive dividend

Preface

# We met our EBIT guidance in a challenging year

To say 2022 was a challenging year for Denmark and the entire world is nothing new - though it is undoubtedly an understatement.

Inflation was back with a vengeance in 2022 after years and years of low interest rates around the world and negative rates in Denmark. At North Media, our business is to provide customers for our customers, and a number of our customers in the retail industry and publishers of local newspapers were particularly hard hit.

In February 2022, two weeks before war broke out in Ukraine, we guided for revenue in line with the 2021 figure, DKK 1,010-1,045m, with EBIT in the DKK 190-220m range.

With that in mind, we are pleased to report that we delivered EBIT of 192m for 2022 on revenue of DKK 995m. Despite the challenges we faced in 2022 - which we will detail below - we met our full-year EBIT guidance.

### 2022 was the start of a new and more uncertain future

Our largest business area, FK Distribution (Last Mile), faced rising costs right from the beginning of 2022. Most of FK Distribution's customers were also hit hard, for example because prices of paper doubled. That made many of our customers reduce their formats, lower their page counts and/or cut down on frequencies. The results that FK Distribution nevertheless managed to deliver are testament to its strong position.

This was also a year in which consumers sharpened their attention on special offers due to the steeply rising costs of living. FK Distribution's customers know that distributed leaflets is the most effective marketing method when the intention is to promote many different products to consumers.

In our Digital Services businesses, we had made the decision early in 2022 to step up our investments in sales, marketing and technology, along with the acquisition of Boligmanager. We knew that it would impact on our earnings, and the investment produced good results for BoligPortal.

Ofir and Bekey did not deliver the improved performance in 2022 we had hoped for. Ofir is not winning market share fast enough to offset the decline in the online market for job ads seen since the autumn 2022. Bekey has not managed to build new customer groups. A new CEO of Bekey have been appointed to exploit and execute on the foundation for scalability and growth.

### Market conditions in the years ahead

The market conditions that particularly hit FK Distribution's customers in the second half of 2022 are expected to continue, at least until the end of 2023. The retail sector is being challenged. The persistently high costs, not least for energy but also for paper, will put physical leaflet volumes under even greater pressure, even though distributed leaflets will remain a cornerstone of retail marketing. We will continue to focus on the distribution of digital leaflets through our minetilbud.dk platform. In other words, we plan to invest more to develop the minetilbud.dk organisation, and in its operations and data.

Our businesses in the Digital Services segment have also been affected by market conditions. Ofir is the most affected and is expected to deliver EBIT slightly below the 2022 figure. In Bekey, increased costs to develop the foundation for scaling will result in a lower result than in 2022. BoligPortal expects to repeat last year's double-digit growth performance, even after accounting for the costs of the ongoing efforts to develop Boligmanager and its Swedish sister site, BostadsPortal.

Adding all this together, we guiding for lower revenue and lower EBIT at North Media in 2023 than in 2022.

### Our short and long-term ambitions in this new, uncertain future setting

A year ago, we announced our financial ambitions for 2023-2024. We aimed for 3% organic growth and an EBIT margin of about 20%, driven by advances in Digital Services and consolidation in Last Mile. That was before war broke out in Ukraine and the shock waves that have followed.

Ailing consumer confidence, rising inflation, higher interest rates and economic downturn: this is the reality we'll now have to deal with. Our two largest companies, FK Distribution and BoligPortal, have truly shown that they are robust and agile. They remain well positioned, both relative to the market and to their ambitions for long-term growth and earnings, but they have not been completely unaffected.

On account of the current macroeconomic uncertainties, we will not publish updated long-term financial ambitions. Our strategic course remains unchanged. We continue to believe that what we are doing to drive long-term growth and retain attractive earnings is the right way forward. But visibility is low. It is difficult to predict how the global situation will evolve and what the financial results will look like for our customers/business partners that form the base of our business and our services.

Our ambition remains to pay stable, attractive annual dividends, but obviously that goal is based on our current knowledge and the market situation. That leads us to propose a dividend of DKK 4 per share for 2022.

## Exploring new opportunities

After almost sixty years in operation, North Media is a company with a long history. We want to continue to evolve and adapt, just like we have been doing ever since the start of our company in 1965.  We have what it takes. We know how to run high-volume businesses.

In April 2022, we appointed a new Group Executive Board with a stronger remit, a new group management and new centralised functions for strategy and ESG. The objective was to strengthen business development, accelerate execution and enhance profitable growth, including through acquisitions. We intend to develop and run all of the Group's operations in accordance with uniform principles with the focus on volume, quality, growth and value creation.

We continue to emphasise that we have substantial financial strength. Having that serves several purposes: It enables us to invest for the future, including by exploring opportunities that arise when reduced volumes and higher costs challenge the business model of companies under pressure. We must position ourselves correctly relative to the new dynamics and structures, and we must have a more systematic approach to explore the potential of strategic moves, such as making acquisitions or setting up collaborations. Our strong financial resources also shows our competitors that even though we may be facing challenges, we are still able to withstand pressure and to remain independent of lenders.

Our strong financial resources enable us to take a long-term approach, and thanks to our new management structure, we are able to execute quickly.

## Thank you

Lastly, we wish to extend a big 'thank you' to all our dedicated employees, who make a big difference every single day. And another big 'thank you' to our customers, business partners, end users and shareholders for the confidence you show North Media.

**The Board of Directors and the Executive Board**

# Group financial highlights

| DKKm | 2022 | 2021 | 2020 | *2019 | 2018 |
|---|---|---|---|---|---|
| **Income statement** | | | | | |
| Revenue | 995.3 | 1,033.6 | 1,045.4 | 1,045.6 | 1,144.9 |
| Gross profit | 562.9 | 620.5 | 619.8 | 522.7 | 552.5 |
| EBITDA | 219.2 | 292.2 | 270.4 | 193.2 | 137.2 |
| Amortisation, depreciation and impairments losses etc. | 27.7 | 47.8 | 30.2 | 27.3 | 27.5 |
| EBIT | 191.5 | 244.4 | 240.2 | 170.0 | 94.0 |
| Return on securities | -194.2 | 103.2 | 154.5 | 122.1 | 5.2 |
| Financials, net | -3.3 | -4.8 | -5.5 | -11.6 | -27.0 |
| Profit/loss before tax | 1.4 | 347.0 | 388.1 | 275.6 | 73.1 |
| Tax on profit/loss for the year | 0.7 | -73.4 | -85.1 | -64.1 | -17.3 |
| Net profit, continuing operations | 2.1 | 273.6 | 303.0 | 211.5 | 55.8 |
| Net profit, discontinued operations | 0.0 | 0.0 | 3.5 | -6.2 | 0.0 |
| Net profit for the year | 2.1 | 273.6 | 306.5 | 205.3 | 55.8 |
| Comprehensive income | 2.1 | 273.3 | 306.8 | 205.1 | 66.1 |
| Net profit excluding return on securities | 153.6 | 193.1 | 186.0 | 110.1 | 51.7 |
| **Balance sheet, year end** | | | | | |
| Total assets | 1,211.3 | 1,320.6 | 1,189.1 | 967.8 | 825.4 |
| Shareholders' equity incl. minorities | 995.4 | 1,080.0 | 879.0 | 671.2 | 538.7 |
| Net interest-bearing cash position | 635.3 | 758.0 | 579.0 | 334.9 | 196.1 |
| Properties | 250.4 | 246.4 | 248.2 | 257.2 | 263.8 |
| Mortgage Debt | -113.4 | -118.1 | -122.8 | -127.5 | -131.1 |
| Capital resources | 764.3 | 882.8 | 738.9 | 484.7 | 327.2 |
| Net working capital (NWC) | -7.6 | -33.7 | -58.4 | -41.3 | -39.3 |
| Invested capital | 360.1 | 322.0 | 300.0 | 336.3 | 342.6 |
| Investments in property, plant and equipment | 22.1 | 18.8 | 10.6 | 11.7 | 24.5 |
| Free cash flow | 170.7 | 224.3 | 291.3 | 177.8 | 108.3 |

| DKKm | 2022 | 2021 | 2020 | *2019 | 2018 |
|---|---|---|---|---|---|
| **Cash flow statement** | | | | | |
| Cash flows from operating activities | 191.3 | 156.1 | 218.6 | 132.1 | 104.7 |
| Cash flows from investing activities | -43.8 | -88.2 | -47.2 | -31.3 | -44.1 |
| Cash flows from financing activities | -90.4 | -91.7 | -110.4 | -83.0 | -30.2 |
| Total cash flows, continuing activities | 57.1 | -23.8 | 61.0 | 17.8 | 30.4 |
| Total cash flows, discontinued activities | 0.0 | 0.0 | 7.8 | -3.8 | 0.0 |
| **Other information** | | | | | |
| Average number of employees | 420 | 411 | 445 | 461 | 575 |
| Average number of deliverer | 770 | 825 | 874 | 1,263 | 1,117 |
| Number of shares at year-end, in thousand in denominations of DKK5 | 20,055 | 20,055 | 20,055 | 20,055 | 20,055 |
| Treasury shares (thousands) | 1,629 | 1,909 | 2,100 | 1,600 | 1,100 |
| Share price at year-end, DKK | 57.0 | 108.0 | 79.8 | 44.5 | 33.5 |
| **Ratios** | | | | | |
| Gross margin (%) | 56.6% | 60.0% | 59.3% | 50.0% | 48.3% |
| EBIT margin (%) | 19.2% | 23.6% | 23.0% | 16.3% | 8.2% |
| Equity ratio (%) | 82.2% | 81.8% | 73.9% | 69.4% | 65.3% |
| Return on equity (ROE) (%) | 0.2% | 27.9% | 39.5% | 33.9% | 10.8% |
| Return on capital employed (ROIC) | 56.2% | 78.6% | 75.5% | 50.1% | 26.4% |
| Earnings per share (EPS) | 0.1 | 15.0 | 16.9 | 11.0 | 3.0 |
| Diluted earnings per share (EPS-D) | 0.1 | 14.7 | 16.7 | 11.0 | 3.0 |
| Earnings per share excluding return on securities (EPS-adj) | 8.3 | 10.6 | 10.3 | 5.9 | 2.7 |
| Price/Earnings (P/E) | 570.0 | 7.2 | 4.7 | 4.0 | 11.2 |
| Price/Book Value (P/BV) | 1.1 | 2.0 | 1.8 | 1.3 | 1.2 |
| Cash flow per share (CFPS) | 10.4 | 8.6 | 12.1 | 7.1 | 5.5 |
| Dividend paid in the financial year | 5.0 | 5.0 | 4.0 | 3.0 | 1.5 |

Reference is made to Note 3 for Ratio definitions.
*Key figures have been adjusted for discontinued operations in 2019.

Results

# Overall targets for 2022 achieved

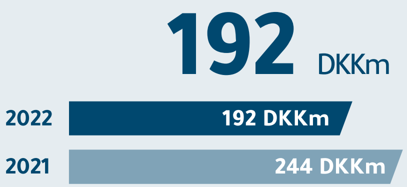
## Earnings impacted by challenging market conditions in 2H

### Revenue

Revenue fell by 4%. The setback occurred in the second half, as Last Mile (FK Distribution) and Ofir experienced challenging markets. Full-year revenue was down by 6% in Last Mile, but up by 10% in Digital Services.

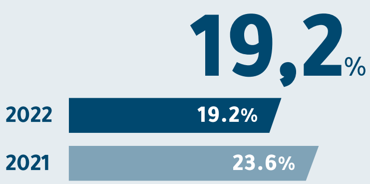

### EBIT

EBIT was impacted in particular by lower volumes and higher distribution costs in Last Mile. In Digital Services the costs of growth initiatives, which included the acquisition of Boligmanager.




### EBIT margin

The decline in EBIT reduced the EBIT margin by 4.4 percentage points. EBIT margin of 22.1% in Last Mile and 7.9% in Digital Services .




## Executing on the strategy in 2022

### Better than expected

- FK delivered double-digit growth in revenue from digital special offers and selected mail items - business activities intended to help make up for the structural loss of volume in leaflets.
- BoligPortal reported stronger-than-expected revenue growth from advertising and partnerships.

### As expected

- BoligPortal's transformation from a marketplace to a home rentals platform continued as planned, including the integration of Boligmanager, which was acquired in February 2022.
- Ofir posted its largest number of paid job ads to date, but the job ads market suffered a sharp setback in the second half of the year.
- FK Distribution has and is in the process of setting up two solar panel plants at the Taastrup and Tilst terminals.
- Bekey reported revenue increase in the 'Homecare DK' segment.

### Not as expected

- FK Distribution's volume decline widened as higher prices of paper made customers reduce page counts, print runs and frequencies.
- FK Distribution's contract with Deutsche Post failed to meet expectations, and a possible expansion of the collaboration is expected to take place during 2023 at the earliest.
- Bekey was unable to deliver satisfactorily on the objectives of building a high-volume business in the Properties segment and increasing the number of secured stairwells in Greater Copenhagen.

# Performance by business area – Q4 2022

## Last Mile
**Q4 2022 (Q4 2021) (DKKm)**

### FK Distribution

- Revenue declined by 11% due to reduced income from packing and distribution of leaflets and local newspapers, while growth was reported in minetilbud and selected mail items
- In response to price increases on paper of up to 100%, several customers chose to reduce their page counts and print runs or selected thinner and less expensive paper for their printed matter. Some smaller customers decided to cancel their Christmas campaigns
- Total leaflet volumes fell by 8.7% relative to the very strong performance in Q4 2021
- The minetilbud.dk digital platform delivered 17% growth that was driven by innovation and growing interest in special offers among consumers
- Volumes distributed for Deutsche Post were lower than expected. A dialogue continues on expanding and amending the terms of the collaboration
- EBIT declined due to lower volumes, higher costs across the value chain as well as changes to the customer and product mix. The effects of these factors were partly offset by cost savings

| Revenue | EBIT | Profit margin |
|---|---|---|
| 221 | 58 | 26.2% |
| (248) | (74) | (29.9%) |

## Digital Services
**Q4 2022 (Q4 2021) (DKKm)**

### BoligPortal

- Revenue was up by 12%, driven by new products, increased revenue from landlords and advertising income from an increase in the number of home rentals listed
- New products accounted for 10% of revenue
- The acquisition of Boligmanager had a negative effect on EBIT in the amount of DKK 1.3m for depreciation, provisions for contingent consideration and costs. EBIT for the core business improved when adjusted for the Boligmanager deal

| | |
|---|---|
| Revenue | 23.2 (20.8) |
| EBIT | 6.7 (6.7) |

### Ofir

- Overall revenue fell by 16%. The core business of job ads declined by 17%
- The general market for job ads continued to weaken due to a slump in the private sector and a hiring freeze in parts of the public sector
- EBIT was impacted by the lower revenue and by an increase in business development costs and a new data platform.

| | |
|---|---|
| Revenue | 8.7 (10.4) |
| EBIT | -0,5 (1.4) |

### Bekey

- Revenue was down by 6%
- Licence and service revenue was up by 6% and comprised 69% of revenue (62%)
- Christian Hesselaa took up the position as Bekey's new CEO in November
- The improved result for the quarter was due to the DKK 20.1m write-down of capitalised costs in Q4 2021.

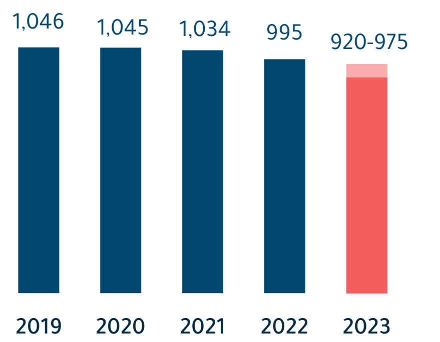
| | |
|---|---|
| Revenue | 6.1 (6.5) |
| EBIT | -3.5 (-23.4) |

| Revenue | EBIT | Profit margin |
|---|---|---|
| 38 | 3 | 7.1% |
| (38) | (-15) | (-40.6%) |

# Group guidance for 2023

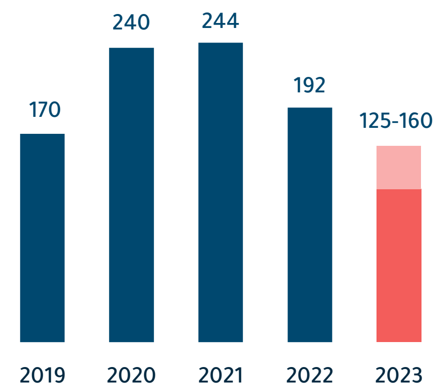
## In 2023, revenue and EBIT are expected lower than in 2022.

**Group revenue** (DKKm)




The Group's revenue is expected to amount to DKK 920-975m in 2023. Consolidated revenue is thus expected to be approx. 5% lower than in 2022.

**EBIT** (DKKm)




The group's EBIT is expected to amount to DKK 125 - 160m in 2023. EBIT is thus expected to be DKK 32-67m lower than in 2022.

In 2022, the group's profit margin was 19.2%, while it is expected to be approx. 15% in 2023.

### Guidance for group financial highlights 2023 (DKKm)

**Revenue**

**920 - 975**

| | |
|---|---|
| Actual results 2022: | **995** |
| Actual results 2021: | **1.034** |

**EBIT**

**125 - 160**

| | |
|---|---|
| Actual results 2022: | **192** |
| Actual results 2021: | **244** |

# FY 2023 vs 2022 guidance by business area

## Last Mile expect lower revenue and lower EBIT

### FK Distribution

- Revenue expected to fall by app. 7%
- Uncertain market conditions are expected, with inflation, high prices of paper and reduced consumer spending
- In 2023, the volume of printed matter and newspapers is expected to be approx. 10% lower
- Distribution of printed matter, newspapers and direct mail, etc. expect to make up more than 90% of revenue
- Revenue from Deutsche Post is expected to be only marginally higher
- EBIT margin in 2023 is expected to be around 19%
- The expected lower EBIT margin is a consequence of lower revenue and slightly higher capacity costs

**Guidance for 2023** (DKKm)

| | |
|---|---|
| Revenue: | 760-800 |
| EBIT: | 135-160 |

**Actual 2022** (DKKm)

| | |
|---|---|
| Revenue: | 836,5 |
| EBIT: | 184,7 |

## In Digital Service, revenue growth of around 5% is expected, driven by BoligPortal Ofir og Bekey expect unchanged revenue and a negative result

### BoligPortal

- Revenue growth is expected at around 12%
- In 2023, BoligPortal expects growth to be driven by the new products and services, as well as increased revenue from Boligmanager
- Boligmanager to reduce BoligPortal's EBIT by about DKK 10m, of which approx. half for depreciation and contingent consideration for future payment
- 2023 EBIT margin expected at around 26%.

**Guidance for 2023** (DKKm)

| | |
|---|---|
| Revenue: | 102-108 |
| EBIT: | 25-30 |

**Actual 2022** (DKKm)

| | |
|---|---|
| Revenue: | 93,9 |
| EBIT: | 24,2 |

### Ofir

- Ofir expects a lower no. of job ads and a lower revenue in the range of -5%
- Ofir expects a market drop in the number of job ads of 10-12%, primarily in the private sector, while the need for recruitment in the public sector is still expected to be high
- Higher costs for both staff and development costs
- EBIT margin is expected to be negative in 2023

**Guidance for 2023** (DKKm)

| | |
|---|---|
| Revenue: | 36-40 |
| EBIT: | -4 to -1 |

**Actual 2022** (DKKm)

| | |
|---|---|
| Revenue: | 40,0 |
| EBIT: | 2,6 |

### Bekey

- Revenue is expected to remain unchanged in 2023
- Stable income from service and license agreements
- Flat revenue from Distributors and Properties
- EBIT is negatively affected by increased costs to expand the foundation and infrastructure in order to scale the business in the future

**Guidance for 2023** (DKKm)

| | |
|---|---|
| Revenue: | 22-27 |
| EBIT: | -21 to -19 |

**Actual 2022** (DKKm)

| | |
|---|---|
| Revenue: | 24,9 |
| EBIT: | -14,2 |

**Last Mile**

| Revenue | EBIT |
|---|---|
| **760-800** | **135-160** |
| (2022: 836) | (2022: 185) |

**Digital Services**

| Revenue | EBIT |
|---|---|
| **160-175** | **0-10** |
| (2022: 159) | (2022: 13) |

# Platforms for transactions

Retailers, other types of advertisers and local newspapers

Letting agents and landlords

Employers

Distributors homecare staff etc.

**Last Mile**

**Digital Services**

## FK Distribution

Nationwide distributions of **1.3 billion** leaflets, local newspapers and direct mail

Digital platform with **>133m** views of leaflets and catalogues

FK DISTRIBUTION

Consumers in a broad sense

## BoligPortal

Marketed of **>115,000** home rentals in DK

BoligPortal
BostadsPortal

Home seekers

## Ofir

Platform for **>46,000** job postings

ofir.dk

Job seekers

## Bekey

Digital access solutions **>15m** annual number of doors open

bekey

Residents

# FK DISTRIBUTION

# About FK Distribution

FK Distribution distributes advertising print or digital material and information from retailers to consumers and is Denmark's leading distributor of leaflets and local newspapers. FK Distribution's automated and cost-efficient technologies for packing and distribution to named households makes it a European leader.

## Packing and distributing to private households in Denmark:

- **+1,3** billion leaflets, local newspapers and selected mail items in 2022
- Leaflets for **1,9** m households - every week - (66% of all Danish households)
- This includes distribution to **+500.000** households every week under the NoAds+ solution allowing consumers to choose what printed matter they want to receive
- Local newspapers to **+2,3** m households (80%)
- Direct mail to **+2,9** m households

## Digital offer solutions

- The platform minetilbud.dk used by **36**% of all Danes of the age of 18

## Packing leaflets

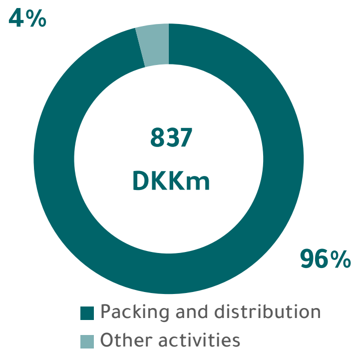
- for local Danish clients and for Deutsche Post

# Performance in 2022

FK Distribution's revenue was down by 6% to DKK 836.5m, which combined with a higher level of costs reduced EBIT to DKK 184.7m. Accordingly, the financial result for the year was slightly lower than expected at the beginning of the year. The results were slightly short of the most recent guidance provided in November for reasons that included significant price rises for paper in 2022, which had a substantial effect on the business conduct of FK Distribution's customers, causing a 6.3% drop in leaflet volumes.

| **Highlights** (DKKm) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenue | 836.5 | 888.8 | 913.6 |
| EBITDA | 198.2 | 263.8 | 249.2 |
| EBIT | 184.7 | 249.0 | 233.7 |
| EBITDA margin | 23.7% | 29.7% | 27.3% |
| EBIT margin | 22.1% | 28.0% | 25.6% |
| Average number of employees | 293 | 300 | 331 |

**Revenue in 2022**




**Changes in revenue in 2022**

-6%

**EBIT margin 2022**

22%

## Revenue

At the beginning of the year, FK Distribution anticipated a structural and market-driven leaflet volume decline of about 4%. However, the overall decline ended at 6.3% because paper prices rising by close to 100% made a number of customers reduce circulation and frequency in especially 2. half. The trend shone through the most among customers dealing in durable consumer goods, while supermarket chains by and large maintained their leaflet volumes, driven by consumers increasingly seeking special offers. In addition, a number of seasonal customers chose not to publish leaflets or catalogues at all.

Local newspaper volumes were also affected by the high prices of paper and fewer ads. The local newspapers were generally published with a lower number of pages per newspaper.

FK Distribution implemented price increases of about 2%, but this was not enough to offset the drop in volume and the increased distribution pay.

Revenue was up for the digital offer platform, minetilbud, which is experiencing growing interest from customers and consumers as well as the addition of new products.

Revenue from selected mail items grew in the double digits following an inflow of new customers.
Revenue from the packing services provided to Deutsche Post is growing slowly. The number of households in northern Germany did not increase beyond the 475,000 already forming part of the agreement, but revenue still improved due to the full-year effect after the number of households had increased in July 2021.

## Earnings

EBIT for 2022 was DKK 184.7m, compared with DKK 249.0m in 2021, while the EBIT margin fell to 22.1% from 28.0% the year before.

The performance was driven by a combination of lower revenue and higher costs due to higher wages paid to deliverers, increased recruitment costs, higher fuel prices, higher cost of external hauliers and higher prices of paper for own wrappers. Cost increases were only modestly offset by higher selling prices, increased productivity and cost savings.

# Business developments

The structural decline in volume and the higher costs has changed the structure and dynamics of the market. However, that also opens for new collaborative and business opportunities over the coming years, a trend that management is following closely at FK Distribution. Prices of paper are expected to remain high for at least the first half of 2023 and combined with persistently high inflation, revenue is expected to fall by about 6.8%.

## Leaflets

Macroeconomic developments in 2022 served to emphasise that the leaflet remains the strongest marketing channel available to the retail sector. The percentage of households registered for the NoAds scheme was stable at about 36% in 2022.

FK Distribution has both one -year and multi-year agreements with customers.

## Local newspapers

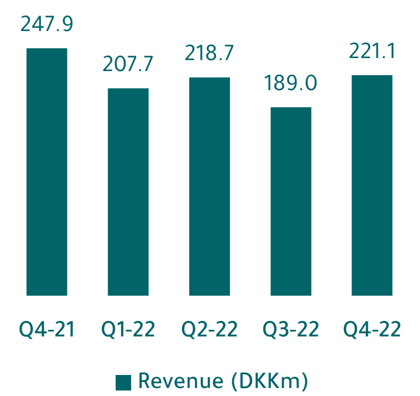
The consolidation trend continued in the local newspaper market in 2022. On the political stage, a new media agreement allocated DKK 140m for the period 2023-2025 in support of local newspapers. The agreement is expected to buoy the number of local newspapers and prevent a major drop in volume circulation.

## Selected mail items

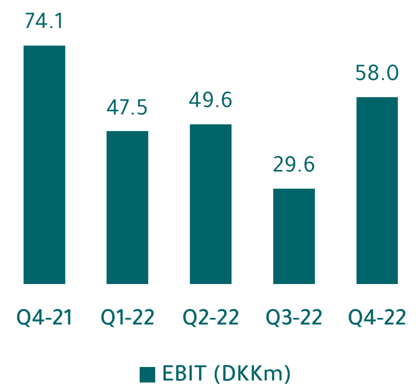
FK Distribution launched a data-driven solution in 2022, enabling advertisers to reach - in print - specific mail boxes where interest in a given product or service is expected to be particularly strong. The solution is expected to generate an increase in revenue in the years ahead.

| Guidance provided for 2022 (DKKm) | Revenue | EBIT |
|---|---|---|
| 9 February 2022 | 850-870 | 190-210 |
| 4 May 2022 | 850-870 | 190-210 |
| 17 August 2022 | 851-866 | 192-208 |
| 2 November 2022 | 837-846 | 188-192 |
| Actual result | 836.5 | 184.7 |

**Quarterly revenue**




**Quarterly EBIT**



### Digital offer solutions: minetilbud

Although the retail sector makes up the main customer base for the platform, new customers and customer segments are also registering for minetilbud. As such, the growth potential is driven by both existing and new customers as well as both traditional and new products.

### Deutsche Post

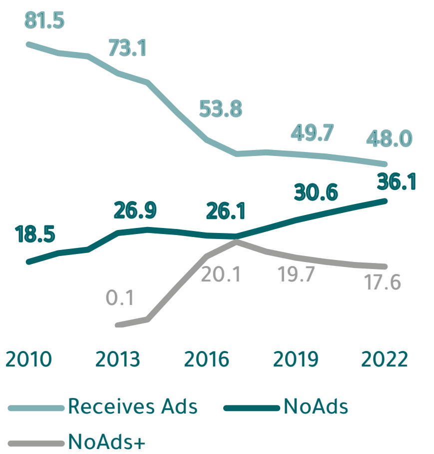
In 2020, FK Distribution signed an agreement with Deutsche Post to package leaflets for households in northern Germany. The parties are still considering a potential expansion of the collaboration.

## Strategic priorities

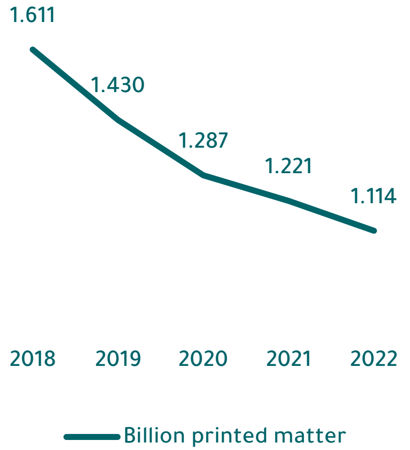
FK Distribution aims to ensure stable revenue with an attractive EBIT margin of around 20%. The company's means of achieving that is to continue to optimise the infrastructure as the foundation for a long-term ambition of being the permanent nationwide distributor of printed matter, magazines and weekly newspapers. The goal is to offset a structural volume drop in the core business by growth in other business activities, such as selected mail items and, in particular, the minetilbud platform, which the company plans to develop into a dynamic media platform for the retail trade and producers. On the international stage, FK Distribution will aim to develop its business concept through the sale of packing services from its two Danish packing terminals as well as its expert know-how.

FK Distribution's business concept is based on three basic concepts: Quality, volume and profitability. They are the essence of constant efforts to optimise the core business,

**Development in the households advertising scheme** (%)




**Total volume of unaddressed printed matter** (billion printed matter)




### minetilbud.dk – Denmark's largest special offer platform

- 36% of Danish consumers aged 18 or over use minetilbud - equal to more than 1.5 million
- 61% of users are women and 39% are men
- 133m million reads of digital leaflets per year
- 47% of reads at minetilbud.dk are converted into visits to a physical store or an online store
- Main advertisers are retailers with physical stores and e-commerce businesses

*Source: YouGov research, Nov. 2022, DST Q4 2022, Index DK 2022, YouGov tracking 2022 and FK Distribution

### Consumers read leaflets like never before – Leaflets drive consumer choices

- More than 80% of households read at least one leaflet every week/almost every week
- 89% of recipients read a substantial part of the leaflets
- 72% consider leaflets to be the most important form of advertising
- 79% of respondents in September read leaflets for the purpose of saving money against 67% in February 2022
- A household can save an average of 25% on their grocery budget by basing their grocery shopping on leaflets
- Leaflets provide the highest sales effect in the market among other media advertisers

Source: Kantar TNS Gallup:
Tryksager som medie, October 2022,
Aldimeter 2022
Acceleration ROI 2022
FK Distribution

including IT systems, attracting and retaining employees, logistics, optimising route networks as well as a general focus on costs.

In its efforts to achieve the long-term target, FK Distribution works along four overall tracks:
- Operations - optimising its own infrastructure and own distribution network, offering high quality and low costs
- Commercial - retaining and developing the position as customers' and consumers' most important channel for distributing special offers and information, and for exploring new collaboration opportunities
- Sustainability and corporate responsibility - becoming a pioneer in the green transition
- Internationally - expanding the business relationship with Deutsche Post and penetrating new near-markets using cost-efficient technology and logistics solutions and/or systems export of the NoAds and NoAds+ schemes

## Follow-up on 2022

| Objectives for 2022 | Status |
|---|---|
| Double-digit growth for minetilbud and selected mail items | ↑ |
| Optimisation in order to mitigate inflation-driven cost increases | → |
| Sustainability strategy | → |
| Volumes from Deutsche Post | ↓ |

FK Distribution will continue to offer weekly nationwide distribution services, giving customers access to as many 'open' mailboxes as possible, because the distribution of leaflets and local newspapers has a very high utility value for society. That also applies to the important role leaflets have in creating jobs, for example with printing companies and for the 10,000+ young people who get their first job in the labour market as deliverers with FK Distribution.

### Sustainability

Sustainability is a core component of the production process at FK Distribution. 93% of the printed matter that FK Distribution packs and distributes comes from printing companies with sustainable certifications stating that their paper is produced from waste wood or recycled material without environmentally harmful processes. In 2022, FK Distribution installed a solar panel plant at its terminal in Taastrup, and a second plant is currently being installed at the Tilst terminal. Once fully operational, the two solar panel plants are expected to cover app. 39% of FK Distribution's combined power consumption.

## Guidance for 2023

| Guidance for 2023 (DKKm) | |
|---|---|
| Revenue | 760-800 |
| EBIT | 135-160 |

Regardless of the strategic objective of achieving a stable revenue and an attractive EBIT margin of about 20%, FK Distribution's 2023 performance will be adversely impacted by the economic downturn.

FK Distribution expects the uncertain market conditions to continue, with inflation, high prices of paper and reduced consumer spending. The financial guidance for 2023 is based on the following assumptions:
- A drop in revenue from leaflets and local newspapers based on customer agreements already concluded and the company's dialogue with the market
- The drop in volume is expected to be only partly offset by price increases, which are higher than in 2022.
- Selected mail and minetilbud expected to deliver double-digit growth rates
- Revenue from the Deutsche Post agreement expected to be only marginally higher than in 2022
- The anticipated decrease in the EBIT margin is the result of the lower revenue and slightly higher overhead costs
- No major investments planned

The principal risks in 2023 are considered to be: Paper prices higher than in 2022, larger-than-expected drop in leaflet volumes, low penetration rates for new products from minetilbud and selected mail items, consolidation among newspaper houses/newspaper titles and issues having lower page counts than anticipated, difficulty in retaining deliverers and rising wage costs, as well as competitive and legislative changes.

## Goals for 2023

### Operations
- Tight cost management

### Commercial aspects
- New products in the selected mail category
- Increase revenue from minetilbud

### Sustainability
- Sign up to SBTi

### Internationally
- Increase volumes from Deutsche Post
- Explore potential in the near-abroad

# How input prices and inflation affect FK Distribution

External factors

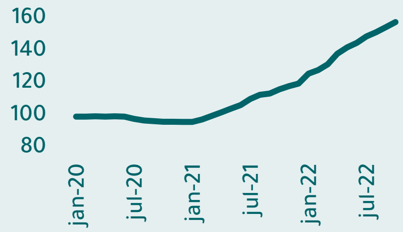
## Leaflet's value chain

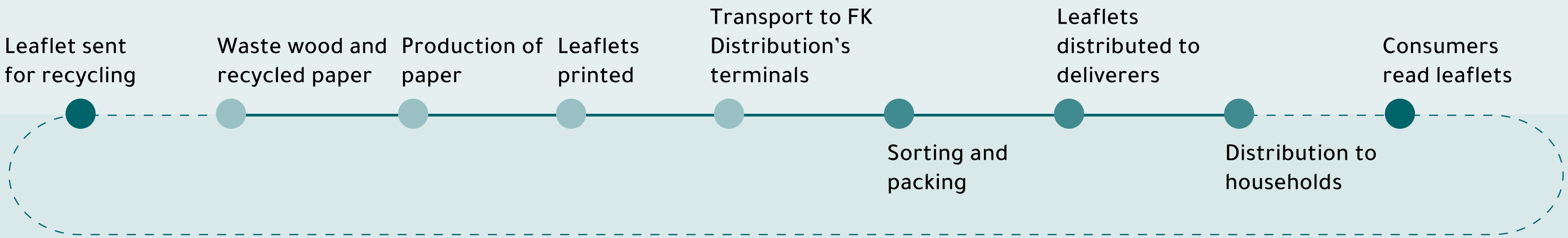
### Higher input prices affected volumes

Prices of paper rose by up to 100% for FK Distribution customers in 2022. As a result, many advertising leaflets had page counts reduced, were printed on thinner paper and were published in other formats or at a lower frequency.

The retail sector was the most affected, while volumes in the supermarket segment were relatively stable.

### Developments in prices of paper, 2020-2022, indexed



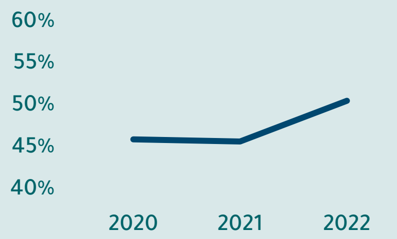

Internal factors

### Higher costs affected earnings

In 2022, FK Distribution's earnings were affected by reduced volumes and higher costs driven by rising inflation, including:

- higher distribution costs due to higher salaries and expenses for deliverers
- increased recruitment costs
- higher prices of paper for own wrappers
- higher fuel prices to external hauliers

### Direct cost in % of turnover, 2020-2022



# BoligPortal

# About BoligPortal

BoligPortal operates the portals Boligportal.dk in Denmark and Bostadsportal.se in Sweden. Boligportal.dk is Denmark's leading home rentals platform - covering flats, rooms, terraced and detached houses together with student accommodation units from both professional and private landlords - and the main hub for landlords and rental home seekers.

Building on its marketplace, BoligPortal has developed services to collect and sell market data, management services for landlords and service offerings to tenants. The purpose is to create an even more complete home rentals platform and generate additional and robust income streams.

## Boligportal.dk in 2022:

- About **675.000** monthly visitors to the website
- **+115.000** rental units listed
- **+20.000** leases signed
- **+21.000** move-in/out inspection reports signed

## Bostadsportal.se i 2022:

- About **170.000** monthly visitors to the website
- **+2.000** leases signed

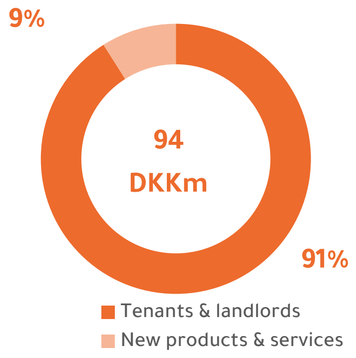
# Performance in 2022

BoligPortal recorded record-high revenue in several quarters of 2022. Revenue for the year as a whole was up by 11% to DKK 93.9m. EBIT amounted to DKK 24.2m. The EBIT figure should be seen in the context that the acquisition of Boligmanager reduced EBIT - as budgeted - by DKK 5.5m for depreciation, provisions for contingent consideration and scaling costs. When adjusted for the Boligmanager deal, EBIT was up by DKK 2.9m, and the EBIT margin was unchanged compared to last year. The results were in level with the most recent guidance provided in November.

| Highlights (DKKm) | 2022 | 2021 | *2020 |
|---|---|---|---|
| Revenue | 93.9 | 84.8 | 82.3 |
| EBITDA | 28.3 | 29.6 | 29.9 |
| EBIT | 24.2 | 26.8 | 27.2 |
| EBITDA margin | 30.1% | 34.9% | 36.3% |
| EBIT margin | 25.8% | 31.6% | 33.0% |
| Average number of employees | 55 | 46 | 46 |
| Units listed on the home rentals platform* | 123,911 | 110,050 | 101,415 |
| Danish landlords on platform | 25,359 | 21,393 | 20,386 |

*2020: units listed on the Danish boligportal.dk

## Revenue in 2022




## Changes in revenue in 2022

+11%

## EBIT margin 2022

26%

Growth in BoligPortal was driven by new products and services as well as increased revenue from landlords advertising rental units in the Danish business. The sale of new products and services was up by more than 140% and made up 9% of revenue. Especially in the second half of the year, revenue was supported by a record supply of listed rental units that was driven by automated sales flows. The second half of the year also saw tenants - influenced by rising inflation and higher living costs - becoming reluctant to move. That led to a slight drop in the number of tenants active on the portal in the second half.

The number of signed leases and move-in/out inspection reports were both at all-time highs.

Revenue from the Swedish business fell slightly, in part due to a minor decrease in the number of homes listed.

## The business

### The Danish market

The core business consists of the actual portal used for advertising and letting rental units, which combined with a number of digital services makes up the home rentals platform. The purpose of the platform is to retain users and build a steady increase in volume and data-driven optimisation and automation, which is essential for developing the BoligPortal business and generate steadily growing, robust and stable income streams to supplement the portal operations.

The digital services account for a small, but growing part of the overall revenue, and they consist of:

- **Partnerships**
  Portal users are able to contract with recognised service providers, for example with power companies, insurance companies, finance providers or energy certificate providers. Service providers are integrated into the portal against paying a fee to BoligPortal.
- **Data Insights**
  Boligportal.dk has built a databank in the field of real estate letting, which is available to landlords, property developers and financial institutions against payment of a fee.
- **Boligmanager**
  The system offers a number of digital tools for housing administration services, including contracts, billings and payments, utility accounts, VAT, communication with tenants and bookkeeping at tenant/property level.

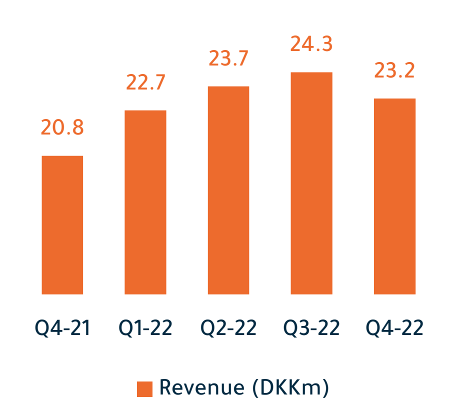
| Guidance provided for 2022 (DKKm) | Revenue | EBIT |
|---|---|---|
| 9 February 2022 | 93-99 | 18-22 |
| 4 May 2022 | 93-99 | 18-22 |
| 17 August 2022 | 94-98 | 21-25 |
| 2 November 2022 | 93-95 | 23-25 |
| Actual results | 93.9 | 24.2 |

## Acquisition of Boligmanager increases service offering

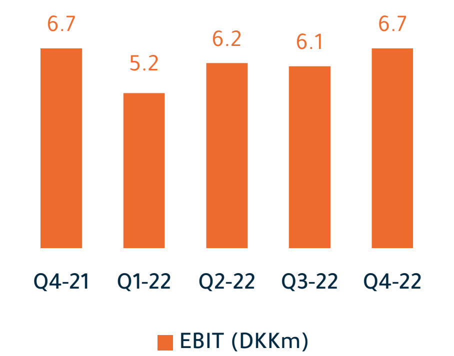
As an important part of its efforts to become a comprehensive home rentals platform, BoligPortal acquired a 51% interest in Boligmanager ApS in January 2022, while taking an option to acquire the rest of the shares in 2027. Boligmanager offers digital tools for housing administration services. The system provides a broad range of services, including the management of contracts, deposits, billings and payments, utility accounts, VAT, communication with tenants and bookkeeping at tenant/property level.

The acquisition represented an investment of DKK 12m. The sellers of the company were paid DKK 4m, while BoligPortal contributed DKK 8m for growth and scalability purposes. The development teams of Boligmanager and BoligPortal have been merged.

### Quarterly revenue




### Quarterly EBIT



### The Swedish market

The Danish and Swedish rental housing markets are subject to different regulations, but they also have certain similarities, and our tested Danish solutions can be implemented in Sweden on an ongoing basis.

## Strategic priorities

In 2023, the development of all activities will be further strengthened, e.g. through optimizing the match between landlords and tenants as well as through partnerships. The digital services product continues to be developed and distributed to existing and new users. In Sweden, a local presence is established A local presence will be established in Sweden in order to increase the company's understanding of the market and promoting the dialogue with tenants and landlords so as to increase the supply of rental units and the number of tenants on the portal. The ambition is also to conclude partnerships in Sweden in order to offer tenants the services already offered in Denmark.

## Guidance for 2023

| Guidance for 2023 (DKKm) | |
|---|---|
| Revenue | 102-108 |
| EBIT | 25-30 |

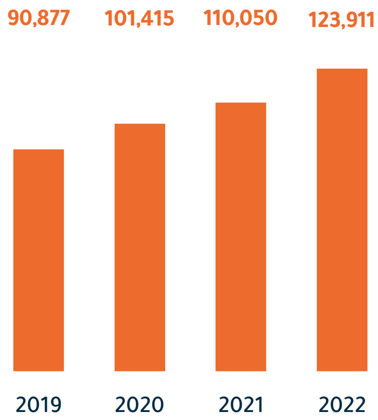
BoligPortal expects to drive growth through the products and services that were launched in 2021 and those acquired in 2022. The core business is expected to grow only marginally, as the trend of a declining number of tenants seen in 2022 will continue into the first six months of 2023. The company plans to counter this trend through increased advertising.

In addition, the financial guidance for 2023 is based on the following assumptions:

- Retaining existing customers of Data Insights and attracting new ones
- Establish Data Insights as a preferred data partner in the financial sector
- Continued growth in the number of signed leases and move-in/out inspection reports
- Addition of more new partnerships, generating more offers to tenants
- Additional product development and integration of Boligmanager and increased inflow of new customers
- Increase the number of rental units on the portal in Sweden and establishing services from partnerships

The principal risks are considered to be: A macroeconomic-driven decline in demand for rental units in Denmark and Sweden and the resulting lack of growth in advertising and sales of products to landlords as well as significant changes in competition in Denmark and Sweden.

### Units listed on the Danish boligportal.dk

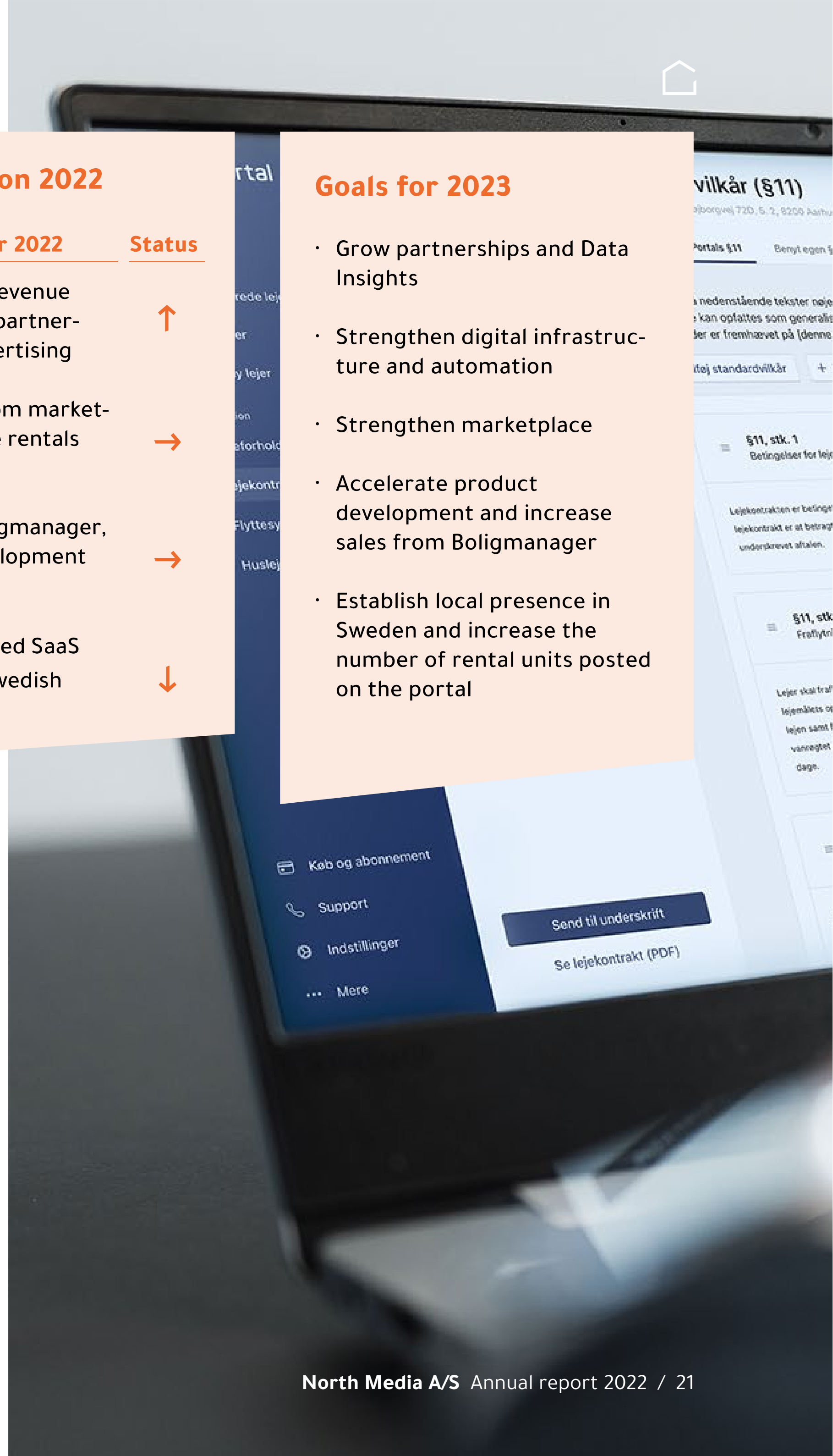



## Follow-up on 2022

| Objectives for 2022 | Status |
|---|---|
| Double-digit revenue growth from partnerships and advertising | ↑ |
| Transform from marketplace to home rentals platform | → |
| Integrate Boligmanager, optimise development department | → |
| Launch targeted SaaS solutions in Swedish market | ↓ |

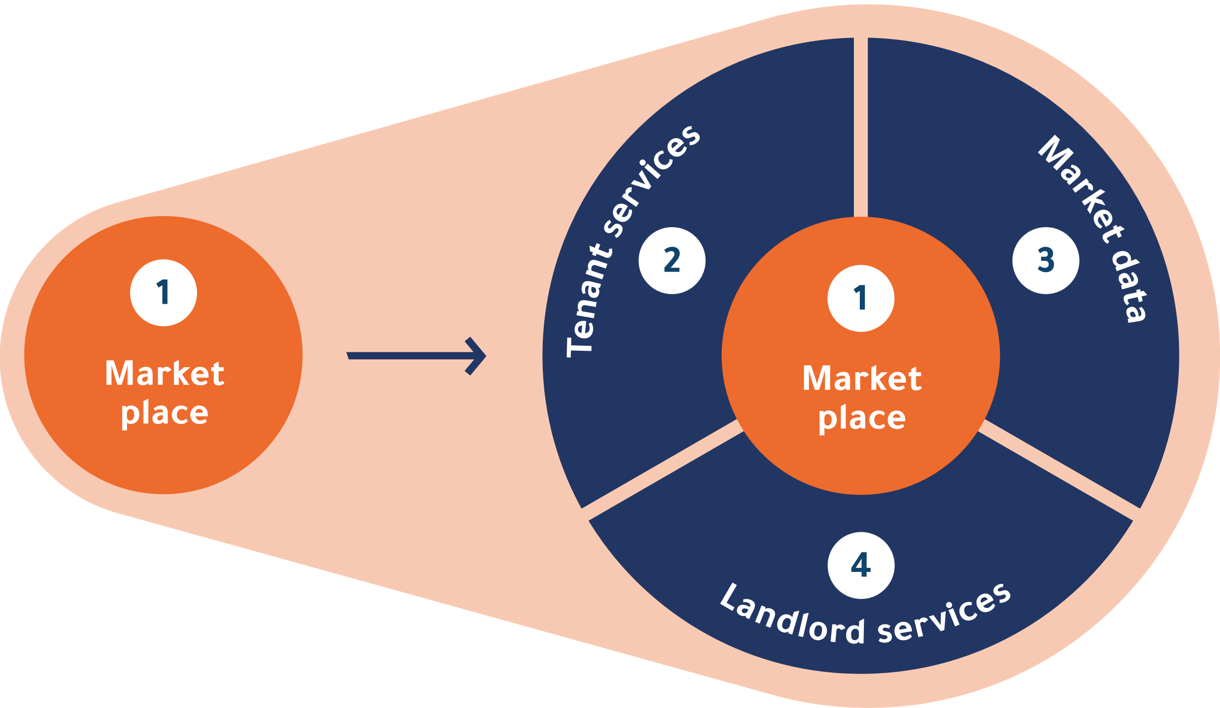
## Goals for 2023

- Grow partnerships and Data Insights
- Strengthen digital infrastructure and automation
- Strengthen marketplace
- Accelerate product development and increase sales from Boligmanager
- Establish local presence in Sweden and increase the number of rental units posted on the portal



# BoligPortals business model

## From one to four revenue streams




1 Advertising income from tenants as well as from private and professional landlords

2 Partnerships in which providers of electricity, broadband or insurance offer their services to tenants on BoligPortal's platform

3 **Data Insight:** Subscription-based market data on supply and demand, price sensitivity, tenant profiles, etc.mv.

4 **Property management services:** Subscription-based services for property and property management services

ofir.dk

# About Ofir

Ofir publishes job ads to attract candidates. The company posts employers' job vacancies on Ofir.dk and other job portals, social media and in Ofir's own database of candidates. Ofir will target job ads, so every vacancy is promoted to the relevant target group. Ofir is also able to reach individuals not actively seeking a new job through social media and its own database of candidates.

## Ofir in 2022:

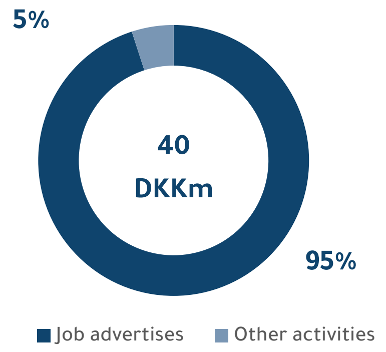
- Private and public employers used Ofir to post more than **+ 46,000** job vacancies
- **+ 400,000** monthly visitors to ofir.dk
- **+ 370,000** candidates in Ofir's own database
- Estimated market share (number of job ads sold): **~12%**
- Recruitment marketing based on a multiple-channel strategy that reaches relevant candidates no matter where they are
- Ofir identifies more qualified applicants by using advertising targeted at both active and passive job seekers
- Industry research, employer branding and recruitment strategies

# Performance in 2022

Ofir delivered a 11% revenue improvement to DKK 40.0m. Despite the revenue increase, EBIT fell to DKK 2.6m due to higher business development costs and the costs of developing a new data platform. The EBIT margin was 6.5% compared with 15.6% last year. The results were in line with the most recent guidance provided in November.

| **Highlights** (DKKm) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenue | 40.0 | 36.0 | 20.9 |
| EBITDA | 2.7 | 5.7 | -1.9 |
| EBIT | 2.6 | 5.6 | -2.0 |
| EBITDA margin | 6.8% | 15.8% | -9.1% |
| EBIT margin | 6.5% | 15.6% | -9.6% |
| Average number of employees | 29 | 22 | 18 |
| Number of paid postings | 46,000 | 42,000 | 32,600 |
| Number of active customers | 1,130 | 1,202 | 832 |

**Revenue in 2022**




**Changes in revenue in 2022**

+11%

**EBIT margin 2022**

7%

Growth was driven by the core business of selling job ads. The higher revenue from the public sector was driven by increased sales of advertising packages at better unit prices. The higher revenue from the private sector was driven by increased sales of advertising packages. Revenue from software licenses was on a level with the figure for 2021.

The market for job ads peaked at the end of the first quarter of 2022, while the volume declined sharply from the third quarter, dropping 10.8%. Reasons for the drop were the rate of inflation and businesses' growing focus on costs. The downturn was especially noticeable in the retail sector and in parts of the public sector, which introduced a de facto hiring freeze towards the end of the year. Nevertheless, more than 46,000 job ads were posted on Ofir. An all-time high.

| **Guidance provided for 2022** (DKKm) | **Revenue** | **EBIT** |
|---|---|---|
| 9 February 2022 | 42-46 | 5-7 |
| 4 May 2022 | 42-46 | 5-7 |
| 17 August 2022 | 43-46 | 5-7 |
| 2 November 2022 | 40-42 | 3-5 |
| Actual results | 40.0 | 2.6 |

**The Danish central bank's research on developments in GDP and employment**

| **Real growth relative to the previous year, (%)** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|
| GDP (real) % | 4.9 | 2.0 | -0.1 | 1.2 |
| Employment, in thousands | 3,046 | 3,161 | 3,150 | 3,126 |
| Gross unemployment, in thousands | 106 | 76 | 89 | 97 |

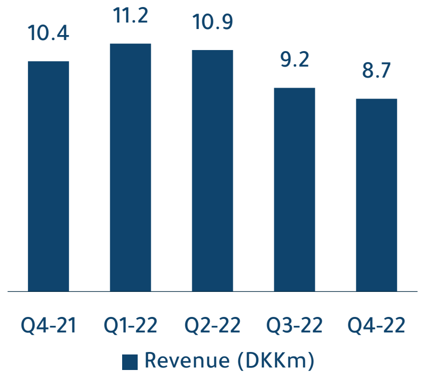
Source: The Danish central bank, Outlook for the Danish economy, no. 11, 21 September 2022

## The business

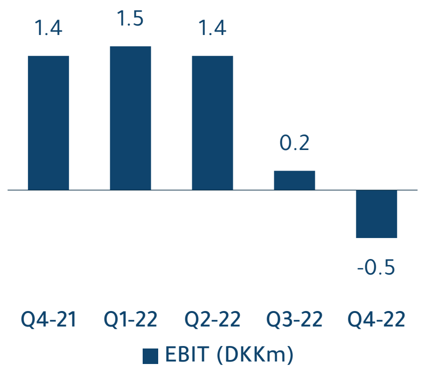
Based on the Danish central bank's report 'Outlook for the Danish economy', the number of job ads is expected to decline by 10-12% in 2023 due to zero economic growth, stagnant employment and a slightly rising jobless rate. However, parts of the labour market will still have many vacant positions to fill, so selling job ads with the possibility of attracting job seekers and strengthening the database of candidates will still be an attractive business.

Ofir's sale of job advertisements is based on a multi-channel strategy, where relevant candidates are sought out wherever they are. Ofir's unique value proposition for recruiting companies is the ability to identify more qualified candidates through its access to both active and passive job seekers. The access to passive job seekers is particularly attractive. Ofir is able to reach this group primarily through targeted job campaigns on social media like LinkedIn, Facebook and Instagram.

**Quarterly revenue**




**Quarterly EBIT**



## Strategic priorities

Ofir's goal is to strengthen its platform on an ongoing basis by adding even more powerful offerings for both employers and candidates through a constant focus on impact and high data quality. This is to be achieved by:

- increasing the number of qualified candidates, expanding the database of candidates and ensuring high match rates with employers wishes through data compilation and optimisation
- building on the position as market leader in job ads on social media and use of other appropriate channels
- improving the advisory services provided, for example advertising on social media and employer branding campaigns
- developing and launching a new and even more user-friendly website
- accelerate growth through strategic partnerships

**Guidance for 2023** (DKKm)

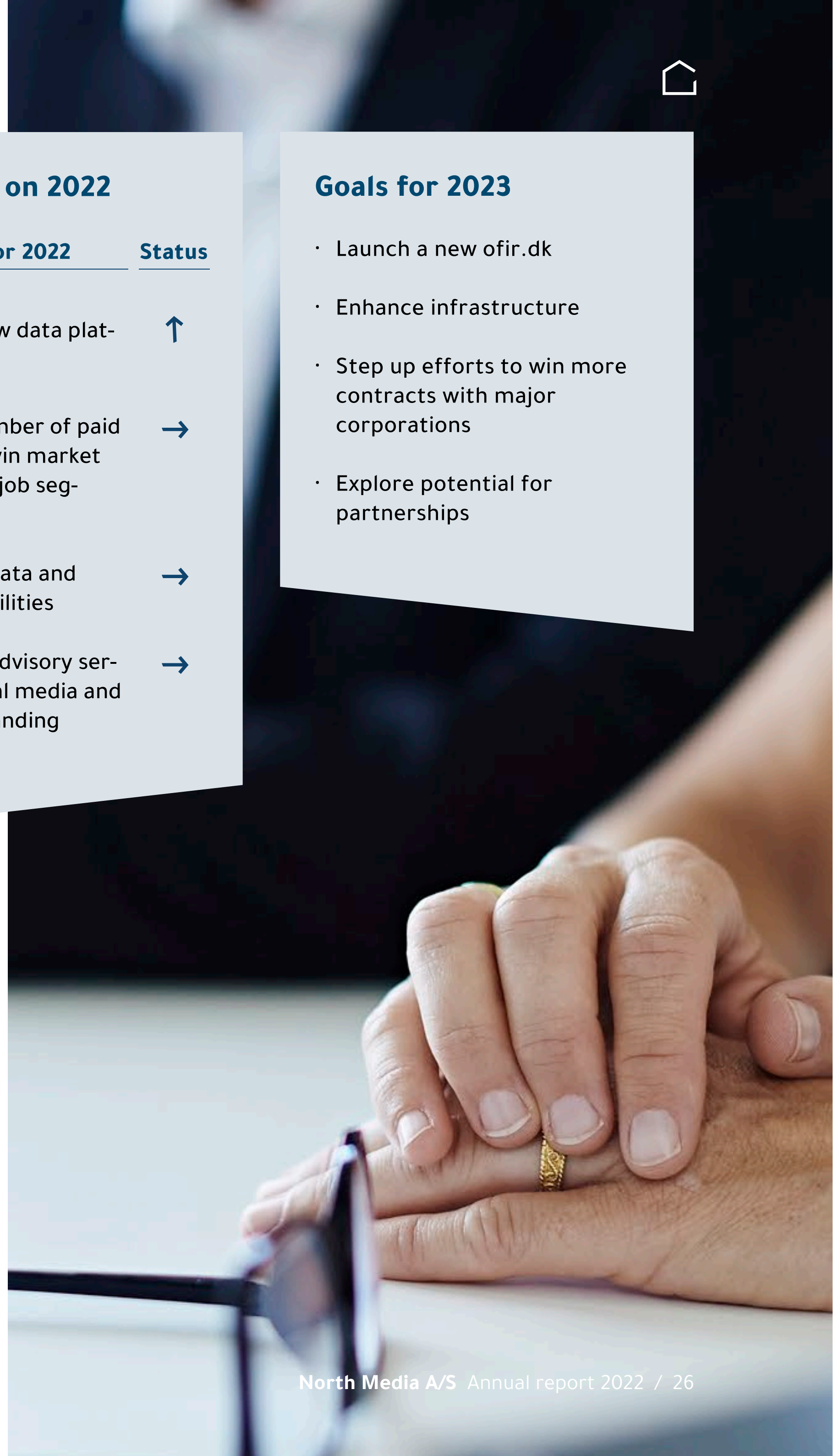
| | |
|---|---|
| Revenue | 36-40 |
| EBIT | -4 to -1 |

## Guidance for 2023

Based on an expected drop in the number of job ads in 2023, Ofir expects a lower revenue than in 2022 and a slight negative EBIT loss. The financial guidance for 2023 is based on the following assumptions:

- A 10-12% drop in job ads, mainly in the private sector
- Public sector recruitment needs expected to remain high
- Higher costs for both staff and development costs

The principal risks in 2023 are considered to be a decline in the job market, resulting from a sharper-than-expected economic downturn and significant changes in competition.



## Follow-up on 2022

| Objectives for 2022 | Status |
|---|---|
| Develop a new data platform | ↑ |
| Grow the number of paid job ads and win market share in new job segments | → |
| Strengthen data and search capabilities | → |
| Strengthen advisory services on social media and employer branding | → |

## Goals for 2023

- Launch a new ofir.dk
- Enhance infrastructure
- Step up efforts to win more contracts with major corporations
- Explore potential for partnerships

# Ofir's goals for 2023

# About Bekey

**Bekey provides and maintains digital access systems installed in secured multi-storey buildings and private homes in Denmark and Norway. Access control is provided by a cloud-based system, which allocates encrypted digital keys to approved users, enabling them to open doors using an app on their mobile phones. The digital keys cannot be copied, gives secure access and users avoid having to drive to a secured property in vain. All activities are logged.**

## Bekey's access systems consist of:

- **Netkey**: Cloud based administration system
- **Bekey Mobil App**: Assign/revoke digital keys to/from users and operation of digital lock units via Bluetooth
- **SmartRelay**: A chip in the entry phones of secured stairwells
- **SmartLock**: A unit installed next to a secured door in private homes
- **SmartKeybox**: A key box that is opened using a mobile phone

## Bekey in 2022:

- **+ 68.000** installed digital lock units in Denmark and Norway
- Doors were opened **+ 15,3** million times, of which about 33% were for digital access to secured stairwells and about 67% were for access to private homes
- Homecare DK is the largest customer segment **(83% of revenue)**
- Direct agreements with 31 Danish municipal authorities and agreements with Norwegian retailers of the Norwegian and Swedish market. There are agreements with 42 Norwegian municipal authorities

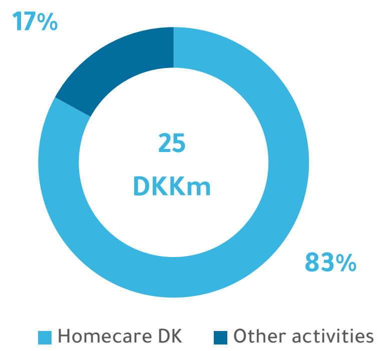
# Performance in 2022

Bekey generated a 4% increase in revenue to DKK 24.9m. The EBIT loss was reduced to DKK 14.2m from a DKK 29.3m loss in 2021. The improvement should be seen in the context of Bekey's decision to write off capitalised expenses of DKK 20.1m in SmartRelay development and installation costs incurred in 2019-2021, and to expense such costs in 2022.

The results were in line with the most recent guidance provided in November. Overall, the performance for the year was not satisfactory.

| Highlights (DKKm) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenue | 24.9 | 24.0 | 28.6 |
| EBITDA | -13.8 | -8.3 | -4.3 |
| EBIT | -14.2 | -29.3 | -6.8 |
| EBITDA margin | -55.4% | -34.6% | -15.0% |
| EBIT margin | -57.0% | -122.1% | -23.8% |
| Average number of employees | 29 | 32 | 31 |
| Number of door entries and exits (millions) | 15,6 | 14,4 | 12,1 |
| Recurring income as a percentage of revenue | 65% | 63% | 54% |

### Revenue i 2022




### Changes in revenue in 2022

+4%

### EBIT margin 2022

-57%

Three new municipal contracts were implemented and twelve were extended in the Homecare DK segment in 2022. In addition, the monthly licence and service revenue increased slightly. The Homecare International and Property segments reported lower-than-expected revenue due to fewer contracts signed and fewer customer leads generated. The Distributors segment reported revenue in line with the previous year.

Recurring licence and service income made up approximately 65% of Bekey's total revenue, against 63% in 2021.

With 68,000 installed lock units and more than 15 million door openings in 2022 alone, the Bekey system rightly deserves its designation as a thoroughly tested, secure, stable and reliable system.

### New CEO

In November 2022, Bekey appointed Christian Hesselaa as its new CEO. He has to build the foundation for scalability and growth for the company in Denmark and abroad.

## The business

In Denmark, Bekey operates in the Homecare, Distributors and Properties segments. In Norway, the company operates in the Homecare segment through agents.

| Guidance provided for 2022 (DKKm) | Revenue | EBIT |
|---|---|---|
| 9 February 2022 | 25-30 | -14 til -12 |
| 4 May 2022 | 25-30 | -14 til -12 |
| 17 August 2022 | 27-30 | -14 til -12 |
| 2 November 2022 | 25-27 | -14 til -13 |
| Actual results | 24.9 | -14.2 |

Bekey is one of the largest providers of digital access solutions in its markets of operation, and it is the only provider giving access to secured multi-storey buildings on a large scale in Denmark.

NetKey, developed by Bekey, is a highly sophisticated access management system used by the individual customer's approved access manager. The access manager can assign and revoke digital keys to/from specific users who, according the customer's instructions, are to have access to specific secured premises - and when.

Bekey Mobil App is an app developed by Bekey, which can be downloaded on any standard mobile phone. Via NetKey, the customer's access manager can assign and revoke digital keys to/from users who, according the customer's instructions, are to have access to secured premises specified by the customer - and when. After the digital key is assigned, the user's mobile can be used to open the secured door via Bluetooth when the user is within a short range.

All activity is logged, meaning that the customer is always able to determine who has had access, when and for how long.

Homecare. As a growing number of elderly people live longer and stay longer in their own homes, municipal homecare services are experiencing growing requirements for digital access to private homes. Bekey's contracts with Danish municipal authorities typically run for four-year terms with a two-year extension option.

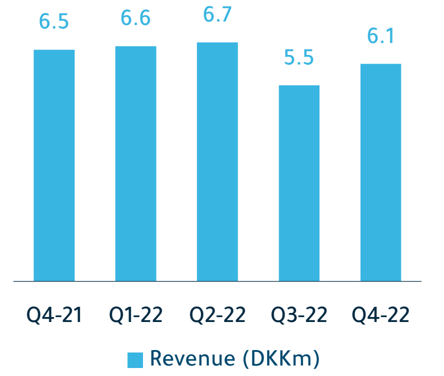
The Norwegian market offers a growing potential, because more and more municipal authorities demand that the master agreements they sign with private sector providers of IT infrastructure require access to elderly citizens' homes. Several of these providers also sell Bekey's solutions.

Distributors. Distributors deliver groceries, meal services, parcels, newspapers, etc. directly to end users in multi-storey buildings. By using Bekey's access solution, distributors have the flexibility to deliver to end users 24/7, optimising delivery routes and the time available. At the end of 2022, Bekey managed access to about 29,000 secured stairwells.

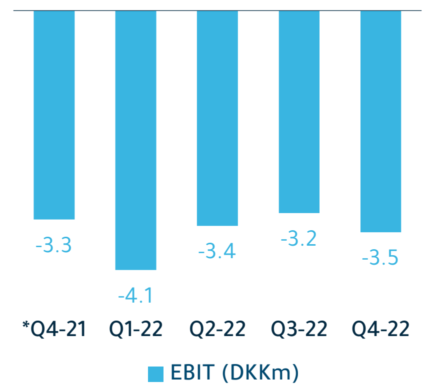
Property. Bekey's solutions allow property owners and property administrators to give digital access to secured property for residents, caretakers, repair services, etc.

Customers pay a fixed monthly licence fee per stairwell and a one-off price for hardware. Many municipal authorities also have service and maintenance subscriptions. Bekey renegotiates contracts on a regular basis with a view to increasing its licence and service revenue.

**Quarterly revenue**




**Quarterly EBIT**




*Excl. write down

## Strategic priorities

The key to accelerating growth for Bekey is to create an automated, scalable high-volume business with a website acting as the hub of customer interaction and with the focus on licensing revenue in all customer segments. The coverage of secured stairwells needs to be increased. Coverage should be expanded in Greater Copenhagen as well as in all major cities across Denmark. The focus in 2023 will be on the cities of Aarhus, Odense, Aalborg and Roskilde. In addition, new customers need be integrated quickly on the IT platform. The goal is to win new municipal tenders, extend contracts and ensure more consistent licence payments.

## Guidance for 2023

With a new CEO on board and a focus on building the foundation for a scalable business, Bekey expects to generate 2023 revenue in line with the 2022 figure with lower EBIT as a result of increased costs to develop the foundation and infrastructure to be able to scale the business.

The financial guidance for 2023 is based on the following assumptions:

- Contract extensions and new municipal agreement wins in Denmark
- Stable income flows from service and licence agreements
- Revenue flat in the Distributors and Properties segments

Principal risks in 2023 are expected to be: failure to win municipal tenders or delays in municipal projects, delays in the installation of SmartRelays, shortage of new customers in the Distributors and Properties segments as well as legislative changes.

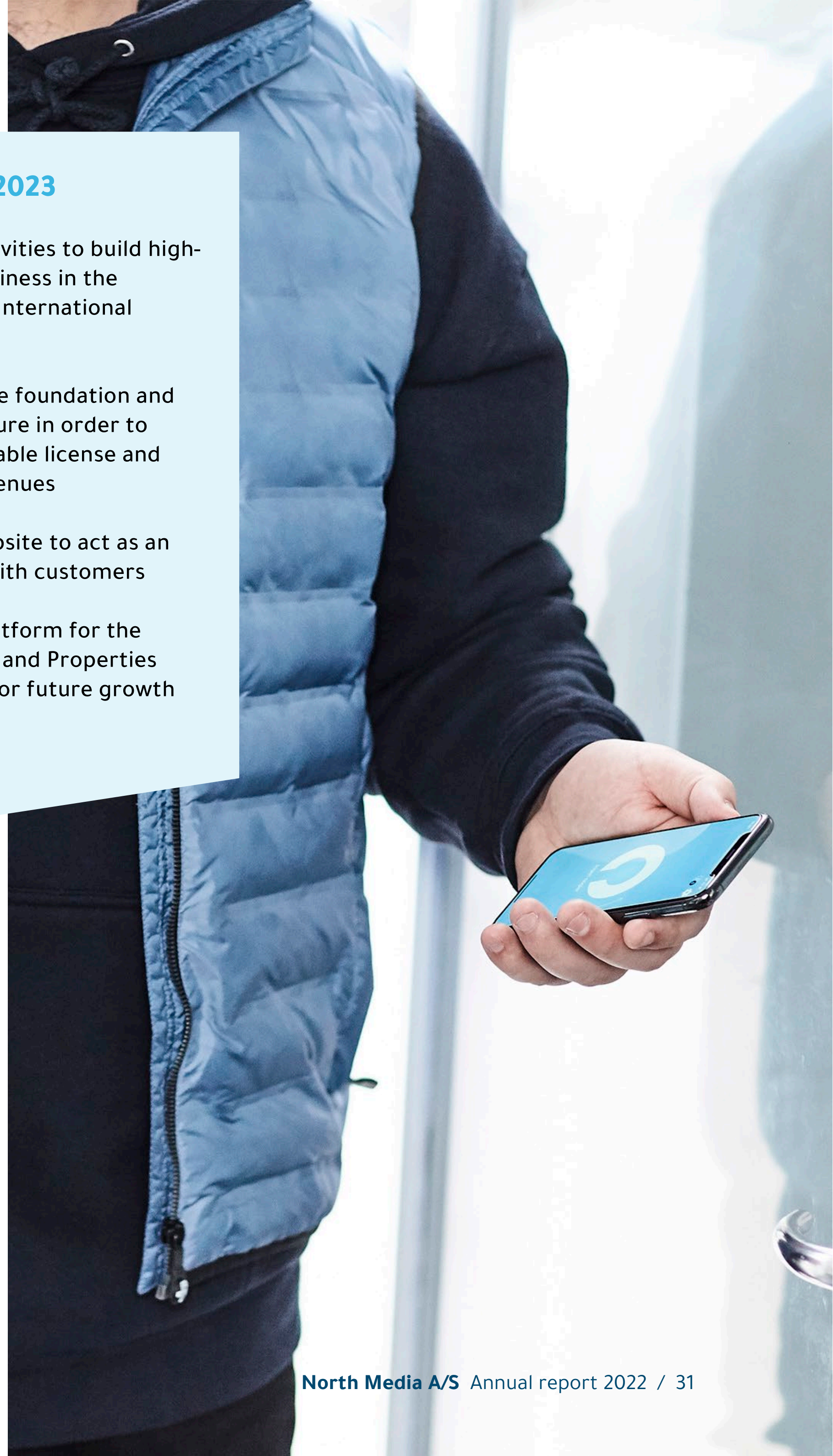
## Follow-up on 2022

| Objectives for 2022 | Status |
|---|---|
| Build high-volume business in the Homecare DK segment | → |
| Secure stable licence income | ↓ |
| Build high-volume business in the Properties segment | ↓ |
| Increase the number of secured stairwells in the Greater Copenhagen area | ↓ |

## Goals for 2023

- Initiate activities to build high-volume business in the Homecare International segment
- Improve the foundation and infrastructure in order to increase stable license and service revenues
- Expand website to act as an interface with customers
- Prepare platform for the Distributor and Properties segments for future growth

| Guidance for 2023 (DKKm) | |
|---|---|
| Revenue | 22-27 |
| EBIT | -21 to -19 |



# Bekey's goals for 2023

# Group quarterly financial highlights - revenue

| DKKm | Year 2022 | Year 2021 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| **Last Mile** | | | | | | | | | | |
| Packing and distribution | 806.4 | 863.3 | 215.7 | 183.4 | 209.4 | 197.9 | 243.3 | 205.0 | 215.8 | 199.2 |
| Online | 30.1 | 25.5 | 5.4 | 5.6 | 9.3 | 9.8 | 4.6 | 4.6 | 6.7 | 9.6 |
| **Last Mile, total** | 836.5 | 888.8 | 221.1 | 189.0 | 218.7 | 207.7 | 247.9 | 209.6 | 222.5 | 208.8 |
| *Index cp. same period last year* | *94.1* | *97.3* | *89.2* | *90.2* | *98.3* | *99.5* | *103.7* | *91.9* | *100.5* | *92.8* |
| **Digital Services** | | | | | | | | | | |
| BoligPortal | 93.9 | 84.8 | 23.2 | 24.3 | 23.7 | 22.7 | 20.8 | 21.9 | 21.7 | 20.4 |
| *Index cp. same period last year* | *110.7* | *103.0* | *111.5* | *111.0* | *109.2* | *111.3* | *104.0* | *101.4* | *100.9* | *106.3* |
| Ofir | 40.0 | 36.0 | 8.7 | 9.2 | 10.9 | 11.2 | 10.4 | 8.9 | 9.1 | 7.6 |
| *Index cp. same period last year* | *111.1* | *172.2* | *83.7* | *103.4* | *119.8* | *147.4* | *157.6* | *171.2* | *202.2* | *165.2* |
| Bekey | 24.9 | 24.0 | 6.1 | 5.5 | 6.7 | 6.6 | 6.5 | 6.0 | 5.6 | 5.9 |
| *Index cp. same period last year* | *103.8* | *83.9* | *93.8* | *91.7* | *119.6* | *111.9* | *73.0* | *105.3* | *90.3* | *75.6* |
| **Digital Services, total** | 158.8 | 144.8 | 38.0 | 39.0 | 41.3 | 40.5 | 37.7 | 36.8 | 36.4 | 33.9 |
| *Index cp. same period last year* | *109.7* | *109.9* | *100.8* | *106.0* | *113.5* | *119.5* | *106.2* | *113.2* | *113.0* | *107.3* |
| **Group revenue, total** | 995.3 | 1,033.6 | 259.1 | 228.0 | 260.0 | 248.2 | 285.6 | 246.4 | 258.9 | 242.7 |
| *Index cp. same period last year* | *96.3* | *98.9* | *90.7* | *92.5* | *100.4* | *102.3* | *104.0* | *94.6* | *102.1* | *94.5* |

# Group quarterly financial highlights - EBIT

| | Operating profit (EBIT) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| DKKm | **2022** | **2021** | | | | **2022** | | | | **2021** |
| **EBIT** | | | | | | | | | | |
| **Last Mile** | | | | | | | | | | |
| FK Distribution | 184.7 | 249.0 | 58.0 | 29.6 | 49.6 | 47.5 | 74.1 | 51.3 | 62.1 | 61.5 |
| *EBIT margin* | *22.1%* | *28.0%* | *26.2%* | *15.7%* | *22.7%* | *22.9%* | *29.9%* | *24.5%* | *27.9%* | *29.5%* |
| **Digital Services** | | | | | | | | | | |
| BoligPortal | 24.2 | 26.8 | 6.7 | 6.1 | 6.2 | 5.2 | 6.7 | 6.7 | 7.7 | 5.7 |
| *EBIT margin* | *25.8%* | *31.6%* | *28.9%* | *25.1%* | *26.2%* | *22.9%* | *32.2%* | *30.6%* | *35.5%* | *27.9%* |
| Ofir | 2.6 | 5.6 | -0.5 | 0.2 | 1.4 | 1.5 | 1.4 | 1.2 | 1.9 | 1.1 |
| *EBIT margin* | *6.5%* | *15.6%* | *-5.7%* | *2.2%* | *12.8%* | *13.4%* | *13.5%* | *13.5%* | *20.9%* | *14.5%* |
| Bekey | -14.2 | -29.3 | -3.5 | -3.2 | -3.4 | -4.1 | -23.4 | -2.4 | -2.0 | -1.5 |
| *EBIT margin* | *-57.0%* | *-122.1%* | *-57.4%* | *-58.2%* | *-50.7%* | *-62.1%* | *-360.0%* | *-40.0%* | *-35.7%* | *-25.4%* |
| **Digital Services, total** | 12.6 | 3.1 | 2.7 | 3.1 | 4.2 | 2.6 | -15.3 | 5.5 | 7.6 | 5.3 |
| *EBIT margin* | *7.9%* | *2.1%* | *7.1%* | *7.9%* | *10.2%* | *6.4%* | *-40.6%* | *14.9%* | *20.9%* | *15.6%* |
| Unallocated income/cost | -5.8 | -7.7 | 1.6 | -3.6 | -1.9 | -1.9 | -1.8 | -1.2 | -2.1 | -2.6 |
| **Operating profit (EBIT)** | 191.5 | 244.4 | 62.3 | 29.1 | 51.9 | 48.2 | 57.0 | 55.6 | 67.6 | 64.2 |
| *EBIT margin* | *19.2%* | *23.6%* | *24.0%* | *12.8%* | *20.0%* | *19.4%* | *20.0%* | *22.6%* | *26.1%* | *26.5%* |

# Results in associates – Karman Connect

## Corporate profile

Karman Connect connects and provides the best matches between borrowers and lenders. Karman Connect is one of the strongest loan aggregators in the Swedish, Danish and Finnish markets. The company is currently developing its presence in other countries.

Karman Connect's online comparison services help consumers find the right loan in an easy, transparent and secure process. Karman Connect's digital products provide banks and other providers of regulated loans with customers in large volumes and high quality, along with market insights and advice on generating digital leads.

North Media co-owns the company together with Karman Connect's founders, Andreas Linde og Stefan Vinding Olesen.

### Strong growth and record earnings

The 50%-owned fintech business Karman Connect (formerly Lead Supply) reported strong revenue growth and its best ever earnings, delivering EBIT of DKK 19.3m - 79% improvement over 2021.

North Media recognises DKK 7.4 million profit from Karman Connect under share of profit/loss in associates, which is shown after tax.

Karman Connect made a substantial improvement to its earnings from the 2021 EBIT of DKK 10.8m. The improvement was driven by 24% revenue growth to DKK 78.3m but mostly by the strong 54% increase in the contribution margin. On account of improved access to real-time responses to market changes, the improvements were accompanied by only a minor increase in traffic costs.

### Strategic focus

Karman Connects strategy is based on the data-driven business model. The main points of the strategy are:

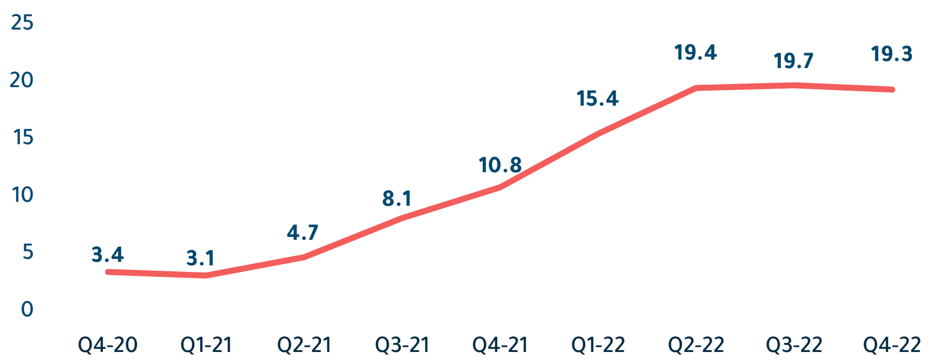
- To strengthen the position in the established markets in Scandinavia by attracting more lenders to the platform, delivering the market's best data and market insights and by strengthening the value proposition to borrowers and lenders.
- To win new high-volume markets through partnerships and a well-proven multiple channel strategy. Initial steps have been taken in the high-volume markets of Germany, France and Spain.
- To create a continuous flow of launches in selected new markets.
- To continue expanding infrastructure with a view to facilitating ongoing upscaling

| Highlights (DKKm) | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenue | 78.3 | 63.2 | 38.6 |
| EBITDA | 19.3 | 10.8 | 3.4 |
| EBIT | 19.3 | 10.8 | -2.4 |
| Net profit before tax | 19.1 | 10.7 | -2.4 |
| Net profit for the year | 14.8 | 8.4 | -1.9 |
| EBITDA margin | 24.7% | 17.1% | 8.8% |
| EBIT margin | 24.7% | 17.1% | -6.2% |
| Average number of employees | 16 | 13 | 8 |

### Guidance for 2023

Most markets suffered a downturn during the last part of 2022, and the decline accelerated in the early weeks of 2023. As a result, short-term performance is difficult to predict. Karman Connect expects full-year 2023 revenue and earnings to decline as a result of market conditions.

**EBITDA – rolling 12 months (DKKm)**



# Results and selected balance sheet items

### Performance in 2022

While North Media's H1 2022 results were in line with expectations, the Group's H2 performance was adversely affected by rising inflation and reduced business activity in parts of society. In H2, FK Distribution's physical volumes was negatively affected, as surging prices of paper made customers reduce page counts, print runs and frequencies. Ofir was affected by reduced activity in the online market for job ads.

### Revenue

Consolidated revenue was down compared to 2022 by 4% to DKK 995. The revenue was at the low of the latest guidance in November.

Revenue was down by 6% in Last Mile (FK Distribution) due to a reduced physical distribution volume of printed matter, with the greatest decline of 9% seen in H2.
Digital Services revenue was up by 10%, driven by 11% growth in both BoligPortal and Ofir, while Bekey revenue was up by 4%. For both BoligPortal and Ofir, the performance marked the highest annual revenue to date.

### Operating profit

EBITDA fell to DKK 219m from DKK 292m in 2021, and the EBITDA margin dropped to 22.0% from 28.3% in 2021.

Amortisation, depreciation and impairment losses totalled DKK 28m in 2022, compared with DKK 48m in 2021. Ordinary depreciation charges were unchanged at DKK 28m, while impairment losses were at 0, compared with DKK 20m in 2021.

EBIT fell to DKK 192m from DKK 244m in 2021, and the EBIT margin dropped to 19.2% from 23.6% in 2021. EBIT was at the low end of previously guided ranges.

In Last Mile, the EBIT margin fell by 5.9 percentage points to 22.1%, which was slightly below the expected level. In line with expectations, FK Distribution's earnings came under pressure from the beginning of the year due to substantial increases in distribution costs etc. In addition, volumes fell more than expected in H2, as a number of customers chose to reduce their campaigns due to the very steep prices of paper.

Digital Services improved its EBIT margin by 5.8 percentage points to 7.9%.

BoligPortal improved the profitability of its core business, but nevertheless saw its EBIT margin decline to 25.8% from 31.6% in 2021 following the acquisition of a 51% stake in Boligmanager. The acquisition reduced EBIT by DKK 5.5m, which amount consisted of depreciation of the purchase price, provision for the outstanding contingent consideration for the remaining shares and the operating loss in Boligmanager.

Ofir's EBIT margin fell to 6.5% from 15.6% in 2021 on the back of a challenging second half-year with lower revenue and higher business development and technology costs.

Bekey's EBIT margin was negative at 57%, against a negative EBIT margin of 122% in 2021, when Bekey wrote off capitalised development costs of DKK 20m. In 2022, all development and installation costs were expensed. Adjusted for this change, Bekey's EBIT was largely unchanged.

Unallocated income and expenses stood at DKK -6m in 2022 against DKK -8m in 2021. This includes income of DKK 3m from COVID-19 relief received by the now divested North Media Aviser in 2020. The amount was recognised because it was not possible to repay the funds to the Danish government.

### Share of profit/loss in associates

The 50%-owned business Karman Connect (formerly Lead Supply) is recognised at a positive DKK 7.4m (2021: DKK 4,2m), which is half of the company's profit after tax. Karman Connect achieved its best result so far in 2022. See separately on previous page.

### Return on securities

The securities portfolio yielded a net return (realised as well as unrealised) of DKK -194m, (2021: DKK +103m).

The return on the portfolio was -25.7% (2021: +18.3%). By comparison, the MSCI World index produced a return of -19,5% in 2022, compared with +21.2% in 2021.

### Net profit for the year

Profit for the year net of securities return was DKK 154m against DKK 193m in 2021. The decline in EBIT was partly offset by the increase in the profit contribution from Karman Connect and reduced financial expenses.

Earnings per share (exclusive of the return on securities) were DKK 8.3, against DKK 10.6 in 2021.

| **Guidance for 2022** (DKKm) | Revenue | EBIT |
|---|---|---|
| 9 February 2022 (Annual report) | 1,010-1,045 | 190-220 |
| 4 May 2022 (Interim report Q1) | 1,010-1,045 | 190-220 |
| 17 August 2022 (Interim report Q2) | 1,015-1,040 | 195-220 |
| 2 November 2022 (Interim report Q3) | 995-1.010 | 190-200 |
| Actual results | 995 | 192 |

The net profit for the year was DKK 2m (2021: DKK 274m, affected in particular by the lower EBIT and the negative return on securities.

The net profit yielded a return on equity of 0.2% (2021: 27.9%). Earnings per share (diluted) was DKK 0.1 (2021: DKK 15,0).

### Cash flows

Cash flows from operating activities amounted to DKK 191m, compared with DKK 156m in 2021, in spite of a DKK 26m reduction in working capital. The improvement was attributable to lower tax payments due to a loss on securities.

The 2021 cash flows were adversely affected by the payment of a total amount of DKK 48m in deferred payments of employee income taxes, VAT payments, the payment of frozen holiday pay and the payment of increased corporate income tax. In 2022, cash flows were not affected by any significant changes in working capital other than the DKK 26m reduction in working capital.

The free cash flow amounted to DKK 167m in 2022, compared with DKK 224m in 2021.

### Selected balance sheet items

**Shareholder's equity**

Shareholders' equity amounted to DKK 995m at 31 December 2022, compared with DKK 1.080m at 31 December 2021. In particular, the change was attributable to the DKK 92m dividend payment and the sale of treasury shares for DKK 10m relating to the company's share option programme.

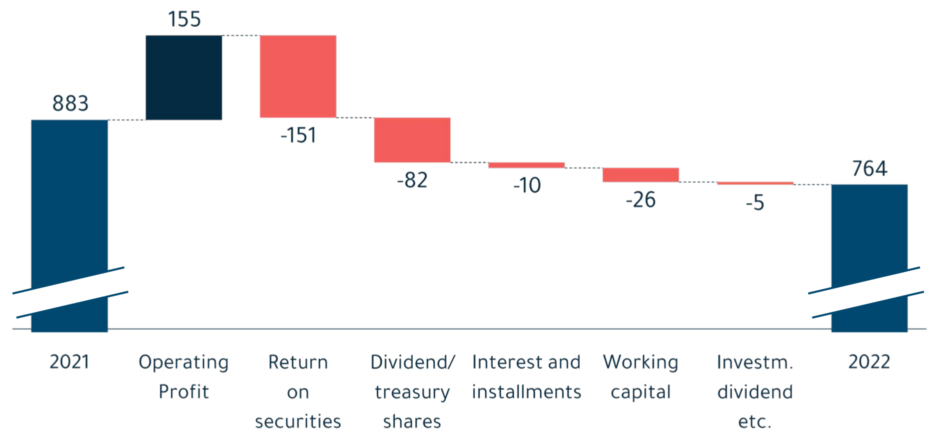
The equity ratio was 82.2% at 31 December 2022, an increase of 0.4 percentage points relative to 31 December 2021.

### Properties

At 31 December 2022, the properties were recognised at a carrying amount of DKK 250m (DKK 246m at 31 December 2021). The increase is due to installation of the Solar panel plants in Taastrup and Tilst. The properties were mortgaged against long-term, fixed-rate loans at a total of DKK 113m (DKK 118m at 31 December 2021). North Media will only raise debt in the form of long-term mortgage loans secured against the domicile properties in Søborg, Taastrup and Tilst.

The Group's businesses pay rent on market terms for the use of the properties. Operating profit on the properties is recognised in the item "unallocated income and expenses". This item also includes group costs not charged to operating companies, such as costs of IR activities and parts of shared group functions, including parts of board members' fees.

**Capital resources 2021-2022** (DKKm)




| **Properties and outstanding mortgaging** (DKKm) | **Carrying amount** | **Out-standing mortgage** |
|---|---|---|
| Gladsaxe Møllevej, Gladsaxe | 90.0 | 58.5 |
| Bredebjergvej, Taastrup | 86.3 | 30.5 |
| Blomstervej, Tilst | 55.0 | 24.4 |
| Klostermosevej, Helsingør | 16.8 | 0.0 |
| Energivej, Esbjerg | 2.3 | 0.0 |
| Total | 250.4 | 113.4 |

## Securities portfolio

At 31 December 2022, the securities portfolio consisted of 16 highly liquid listed shares and share-based investment associations with a combined market value of DKK 578m (2021: DKK 753m).

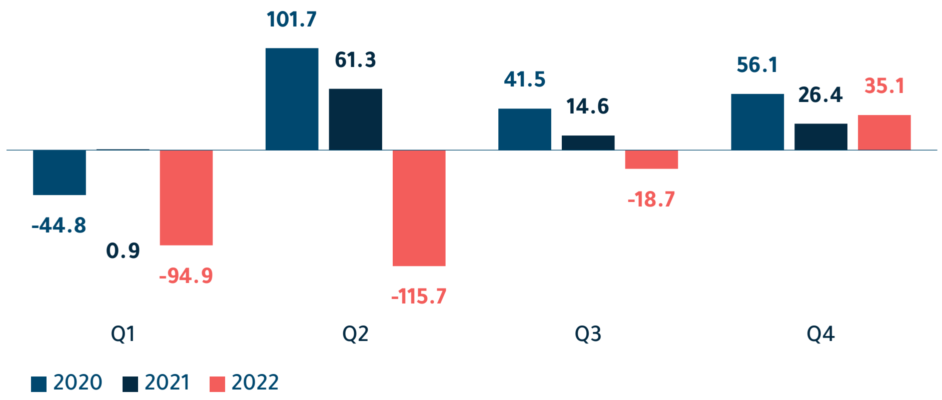
North Media also made small portfolio adjustments in 2022. The number of securities positions was reduced from 18 to 16 through the divestment of SimCorp and Facebook, while the positions in Novo Nordisk and Apple were increased. North Media made net securities purchases of DKK 25m.

Since 2015/2016, the value of the securities portfolio has appreciated from DKK 196m to DKK 578m. DKK 219m of the increase was attributable to the share price increases, while DKK 162m was due to net share purchases. Accordingly, more than half of the gain on the securities portfolio in 2022 was due to appreciating prices even with the substantial price falls recorded in 2022, which produced capital losses of DKK 194m.

The portfolio carries a risk calculated at 23.2% (2021: 19.4%). 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 three-month period at a 95% probability, amounted to DKK 113m (2021: DKK 115m).

At 31 January 2023, the value of the portfolio was DKK 641.3m, including the return on the portfolio in January of DKK 32.5m, or 5.5%. In January, North Media acquired shares for DKK 31.3m.

**Quaterly return on securities,** DKKm




| Securities portfolio market value (DKKm) | 31.01.2023 | 31.12.2022 | 31.12.2021 |
|---|---|---|---|
| Novo Nordisk | 141,5 | 140,7 | 73,5 |
| Genmab | 67,1 | 73,8 | 66,0 |
| DSV | 56,3 | 54,8 | 76,4 |
| Apple | 49,5 | 45,3 | 34,9 |
| Microsoft | 42,5 | 41,8 | 55,2 |
| Teradyne | 41,9 | 36,5 | 64,4 |
| Ørsted | 45,4 | 31,6 | 41,8 |
| NVIDIA Corp | 40,2 | 30,6 | 57,9 |
| MasterCard | 40,7 | 24,2 | 23,6 |
| Amazon | 28,3 | 23,4 | 43,8 |
| MercadoLibre | 24,3 | 17,7 | 26,5 |
| Infinion Techology | 19,6 | 16,9 | 24,2 |
| Sea | 13,3 | 10,9 | 44,0 |
| Fundamental Invest ABC | 11,4 | 10,8 | 14,2 |
| EQT AB | 10,0 | 9,6 | 23,3 |
| Fundamental Invest ABD | 9,3 | 8,9 | 14,0 |
| SimCorp | | - | 42,9 |
| Facebook | | - | 26,5 |
| **Total** | 641,3 | 577.5 | 753,1 |

### Money deposit in securities

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

# Capital resources and capital structure

## Capital resources

North Media had capital resources of DKK 764m at 31 December 2022 (2021: DKKm 883), consisting of DKK 187m in cash and DKK 577m in marketable securities. The decline was due in particular to dividend payments of approximately DKK 92m and a capital loss on securities of 194m, which was partially offset by cash flow from operations.

## Capital structure policy

North Media prefers to maintain strong financial resources in order to support long-term value creation for the Group.

The Group's markets are undergoing considerable change, driven in part by changes in customer and end-user conduct as well as technological innovation.

Having strong financial resources allows North Media to continue to take a long-term approach and to continue its strategic developments with a special focus on infrastructure, technology, innovation and scaling the business. In addition, the financial resources enable North Media to exploit opportunities arising in the market, such as making company acquisitions that offer positive synergy and scaling potential matching North Media's existing activities and competencies.

In 2022, North Media invested DKK 11m in solar panel plants and DKK 4m to acquire Boligmanager (and injected DKK 8m for future growth), in addition to ordinary investments made to upgrade FK Distribution's production equipment.

## Placing capital resources

Placing the capital resources as liquid deposits with a bank would yield a negative return, because the low interest income would be eroded by inflation. Instead, North Media places a significant proportion of its capital resources in highly liquid listed shares and marketable share-based investment associations, such as stocks in the C25 or similar international indices because securities must be expected to provide a positive return over time. The rest of the liquid resources are held as cash.

Despite the capital losses incurred in 2022, North Media has recorded gains of DKK 219m on its equity portfolio since 2015.

Being a long-term investor, North Media will accept temporary fluctuations in securities values - and by extension, in its overall capital resources. Accordingly, the capital resources must be sufficient to ensure flexibility and independence during periods when the value of the securities portfolio declines

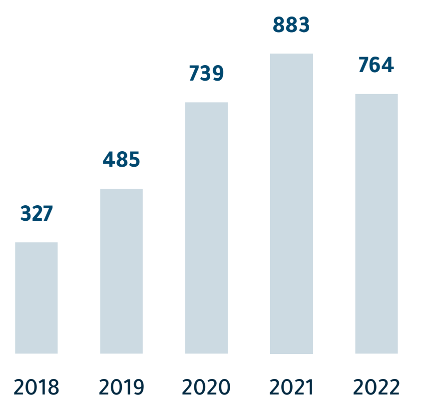
## Dividend policy

The capital resources support North Media's dividend ambitions.

The objective is to pay stable, attractive dividends that reflect the operating profit before the return on securities.

Dividend distributions may occasionally be supplemented by share buybacks if the Board of Directors deems this expedient for the Company and its shareholders.

**Capital resources DKKm**




## Purpose of capital resources

- To maintain sufficient financial strength to exploit market opportunities, meet strategic objectives and to fend off changes in competition
- To have the financial strength to acquire businesses that hold a potential for positive synergies and scalability
- To be financially robust enough to withstand society lockdowns and other significant changes
- To remain independent of bank debt and of capital contributions from shareholders. North Media will only raise debt in the form of long-term mortgage loans secured against the Group's real property.

# Shareholder information

## Dividend

The Board of Directors intends to propose to the shareholders at the General Meeting to be held on 24 March 2023 that a dividend of DKK 4 per share be paid in respect of the 2022 financial year. The recommended dividend would result in a total amount to be distributed of DKK 80.2m or DKK 73.7m exclusive of the holding of treasury shares.

The proposal implies a dividend payout of 48% of the net profit for 2022 excluding the return on securities (2021: 47%). The recommended dividend represents a dividend yield of 7.0% relative to the share price at 31 December 2022.

Including the proposed dividend, North Media will have returned a total of DKK 420m to the shareholders through dividends and share buybacks over the past five years.

The annual general meeting will be held on 24 March 2023 at 3.00 p.m.

## Market capitalisation and trading

Effective on 1 January 2022, North Media shares became a component of the Nasdaq OMX Copenhagen Mid Cap index.

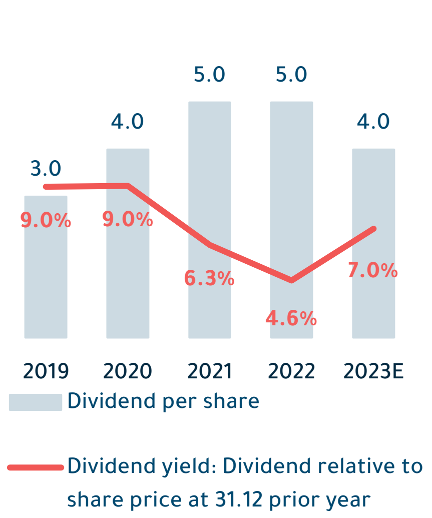
After three years of high double-digit returns, the shareholders incurred a negative return in 2022. North Media shares opened 2022 at a price of DKK 108 per share and closed the year at DKK 57 per share, equal to a negative return of 47.2%. Including the dividend paid in March, the return to shareholders in 2022 was negative at 42.6%. By comparison, Danish Mid Cap shares produced a negative return of 11.7% exclusive of dividends.

North Media shares had a market capitalisation of DKK 1,143m at 31 December 2022 compared with DKK 2,166m at 31 December 2021. The market capitalisation less the value of treasury shares declined during the year from DKK 1,960m to DKK 1,050m.

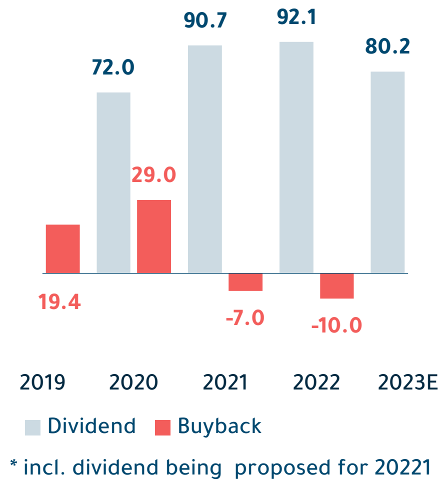
Trading in the stock fell to 3,063,136 shares, for daily average trading of 12,199 shares.

| DKKm | 2022 |
|---|---|
| **Amount available for distribution** | |
| Retained earnings at 1 January 2022 | 937.1 |
| Net profit for the year | 0.3 |
| Dividends distributed | -100.3 |
| Dividend on treasury shares | 8.2 |
| Sales of treasury shares | 10.1 |
| Tax on options | -4.9 |
| Share-based payment | 0.2 |
| Total amount available for distribution | 850.7 |
| **Recommended distribution of profit** | |
| Dividend to shareholders | 80.2 |
| Retained earnings | 770.5 |

### Shareholders return




### Amounts distributed in last five years




## Investor base

At 31 December 2022, North Media had 3,772 registered shareholders, compared with 4,168 at 31 December 2021.

At 31 December 2022, the 30 largest shareholders held 83.99% of the shares in aggregate. The group of the thirty largest shareholders consists mainly of Danish pension funds, investment associations and private investment companies, executives of the Group as well as international asset managers and family offices. At 31 December 2022, the Company's Board of Directors and Executive Board, including Baunegård ApS, held a total of 11.368.582 shares, equal to 56.7% of the share capital. International investors held about 9.2% of the shares.

Two shareholders have reported holding more than 5% of the shares and the voting rights:
Baunegård ApS, Fredensborg Kongevej 49, DK-2980 Kokkedal remains the Company's principal shareholder with 55.75% of the shares. Baunegård is wholly owned by North Media's founder and vice-chairman of the Board, Richard Bunck. Baunegård prepares consolidated financial statements that include North Media.

## Company Information

| | |
|---|---|
| Adress | North Media A/S<br>Gladsaxe Møllevej 28<br>DK - 2860 Søborg |
| Internet | www.northmedia.dk |
| Telephone: | (+45) 39 57 70 00 |
| E-mail: | investor@northmedia.dk |
| CVR-no.: | 66 59 01 19 |
| Securities ID code: | DK001027034-7 |
| Auditors: | Pricewaterhouse Coopers Statsautoriseret Revisionspartnerselskab |
| Bankers: | Danske Bank A/S |

In addition, North Media A/S, of Gladsaxe Møllevej 28, 2860 Søborg, holds 8.12% of the shares as treasury shares. This shareholding was reduced during the course of the year from 9.52% of the share capital, due to executives exercising their share options.

A list of senior executives' shareholdings is provided in the Remuneration Report.

### Investor relations

North Media holds conference calls on a quarterly basis, and our dialogue with shareholders, prospective investors, analysts and others also includes individual meetings, group presentations and seminar, which are generally held as virtual events.

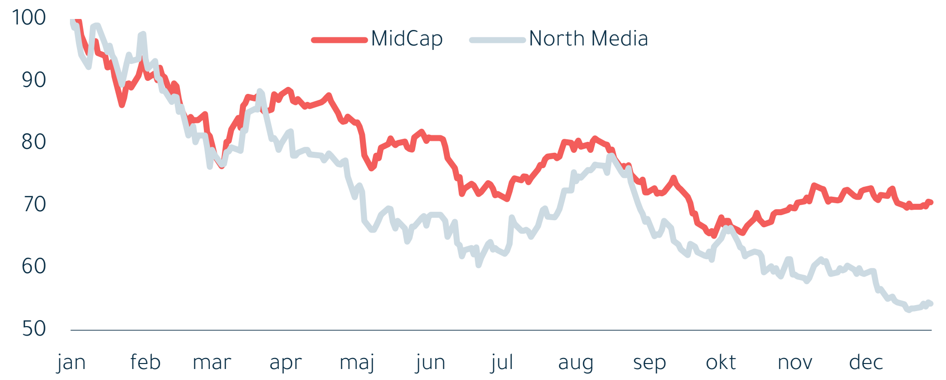
The company collaborates with HC Andersen Capital on digital IR and events, and with the company Aktieinfo on providing research and with ABGSC on research coverage, investor events and market making. The equity reports and presentations are available on the Company's website. Investor contact: Kåre Stausø Wigh, Group CFO: Tel: (+45) 39 57 70 00, investor@northmedia.dk

### Share capital unchanged

The share capital was unchanged at DKK 100.3m, distributed on 20,055,000 shares of DKK 5 nominal value. All shares are listed on Nasdaq Copenhagen. No shares carry special rights, and all shares are freely negotiable.

Any amendment to the Articles of Association must be presented to the general meeting and must be adopted by at least two-thirds of the votes cast as well as of the voting share capital represented at the general meeting. Proposals submitted by parties other than the Board of Directors or not accepted by the Board also require that at least half of the voting share capital is represented at the general meeting.

### Indexed share price development (1 January 2022 – 31 December 2022)




### Authority granted to the Board of Directors

The Board of Directors is authorised, in the period to 25 March 2026, to increase the share capital in one or more issues by up to DKK 25m by way of cash or otherwise. Capital increases may be effected without pre-emption rights to existing shareholders if carried out at market price or as consideration for the acquisition of an existing business or specific assets of a value that equals the value of the shares issued. In all other cases, the existing shareholders are entitled to subscribe for new shares in proportion to their existing shareholdings.

The Board of Directors is also authorised to let the Company acquire treasury shares of a total value of up to 15% of the share capital in accordance with current legislation. Purchases of treasury shares must be made at the market price prevailing from time to time subject to a deviation of up to plus or minus 5%. The authorisation is valid until 27 March 2025.

### Information regarding a change of control of the Company

The Danish Financial Statements Act requires listed companies to publish information in relation to provisions on a change of control of the company. No significant agreements would be affected by a change of control of the Company.  Nor have any special agreements been entered into with directors or employees regarding remuneration, severance pay or the like in connection with potential takeover bids..

### Treasury share

At 31 December 2022, North Media held 1,629,000 treasury shares, corresponding to 8.12% of the share capital. Reference is made to note 6+19. The holding of treasury shares covers 300,500 share options awarded to senior executives as part of the share option programme launched in 2018. Treasury shares may also be used for full or partial payment of any future acquisitions of or investments to be made in other companies.

# Corporate governance

### Duties and responsibilities of the Board of Directors

The Board of Directors is responsible for the general and strategic governance of North Media A/S and for ensuring that the Company is managed appropriately and in accordance with its articles of association and Danish legislation. The Board sets out the Group's business concepts, strategies, objectives, policies and guidelines, including the scope of its financial structure and risk management. The Board appoints and acts as a sounding board for the Group Executive Board.
The Board held 12 meetings in 2022, compared with 10 in 2021. The Group Executive Board and the CEOs of the operating companies attend all board meetings of North Media A/S. In addition, the boards of the operating companies hold separate board meetings.

### Composition of the Board of Directors

Members of the Board of Directors are elected for terms of one year at a general meeting, which is the supreme authority of the Company. At the general meeting held on 25 March 2022, the Board of Directors of was reduced from seven to five members.

The Board of Directors is composed with due consideration for the competencies that are deemed particularly relevant to the Group.

The Board performed its annual self-evaluation in the fourth quarter. Unlike in 2021, the evaluation was performed without external assistance. The conclusion of the assessment was that the Board is well-functioning and the members work well together, and that there is a sound and open debate as well as a focus on the areas that contribute to actual value creation for the Group. The survey also identified new themes that the Board intends to pursue in 2023.

The Board of Directors considers competencies in the following areas to be particularly relevant: Knowledge of the business areas of the operating companies along with good business acumen, as well as experience from executive level management, business and infrastructure development, strategy, technology and data insights and understanding, financial reporting and financial management, risk management, legal expertise, acquisition and divestment of businesses, entrepreneurship and scaling organisations for growth.

The Board of Directors is composed of individuals that between them represent these competencies and also reflects diversity in terms of age, professional background, educational background and experience. Each board member's CV and areas of expertise are listed on pages 44-45.

The chairman and two of the board members are independent as per the definitions applied by the Committee on Corporate Governance, while two are not independent:

- The Vice-Chairman, Richard Bunck, is the company's founder and principal shareholder. It is entirely appropriate for the founder and principal shareholder to serve on the Board, and his interests are aligned with those of other shareholders.
- Ulrik Holsted-Sandgreen is a lawyer and partner of the law firm Horten Advokatpartnerselskab, which provides professional advisory services to the Group. Ulrik Holsted-Sandgreen has served on the Board for a period exceeding 13 years, being first elected to the Board in 2008.

### Board committees

The Board of Directors continued in 2022 to have an Audit Committee, a Nomination Committee, a Sustainability Committee, an IT Security Committee, an Infrastructure Committee and a Legal Committee. In December 2022, the scope of the Nomination Committee was expanded the Nomination and Remuneration Committee.

The Audit Committee has three members: Ulrik Holsted-Sandgreen, Ulrik Falkner Thagesen and Ann-Sofie Østberg Bjergby. The Audit Committee monitors the financial reporting, internal controls and audits. The organisation and tasks of the Audit Committee are specified in its terms of reference, which are posted on the website. The Audit Committee held six meetings in 2022, compared with seven in 2021.

The Nomination and Remuneration Committee has three members: Ole Borch, Richard Bunck and Ann-Sofie Østbjerg Bjergby. The Nomination and Remuneration Committee performs the Board's preparatory work in nominating and selecting candidates for North Media A/S's Board of Directors and Group Executive Board, and makes recommendations on the remuneration of the Group's executive management. The organisation and tasks of the Audit Committee are specified in its terms of reference, which are posted on the website. The Nomination and Remuneration Committee held two meetings in 2022.

The Sustainability Committee has two members: Ann-Sofie Østberg Bjergby and Ulrik Falkner Thagesen. The committee's focus in 2022 was to redefine the focal areas with a view to making them more operational. The committee's terms of reference are available on the website. The Sustainability Committee held five meetings in 2022, compared with seven in 2021.

The IT Security Committee has two members, Ulrik Holsted-Sandgreen and Ulrik Falkner Thagesen. The IT Security Committee defines the framework for and oversees the initial and continued development and implementation of digital security efforts. The committee's terms of reference are available on the website. The IT Security Committee held four meetings in 2022, compared with seven in 2021.

The Infrastructure Committee has two members: Ole Borch and Richard Bunck. The committee monitors the expansion of advanced infrastructure based on the tools and solutions that enable the Group to produce and sell high-volume services at low unit costs. The committee's terms of reference are available on the website. The committee held three meetings, the same as in 2021.

The Legal Committee has three members: Richard Bunck, Ole Borch and Ulrik Holsted-Sandgreen. The Legal Committee defines a framework for and oversees that assignments of a legal nature are carried out and continuously optimised at a highly qualified, commercial and professional level. The committee's terms of reference are available on the website. The committee held three meetings, the same as in 2021.

## Group Executive Board

Effective from 2 April 2022, the Group Executive Board was reduced from four to three members.

Lasse Ingemann Brodt, a member of the Group Executive Board since 2018 and CEO of the subsidiary FK Distribution, was appointed new Group CEO. Kåre Stausø Wigh, who had served as both Group Executive Director & CFO since 2016 continued as Group CFO. Also Lisbeth Britt Larsen was appointed Group HR Director. Lisbeth Britt Larsen joined FK Distribution in 2010, and served as Group Head of HR for two years preceding the announcement.

Henrik Løvig Jensen, Group Director, Acquisitions and Business Development, resigned his position and stepped down from the Group Executive Board. Jannik Bray Christensen resigned from the Group Executive Board, but stayed on as CEO of Bekey. Jannik Bray Christensen resigned as CEO of Bekey on 31 October 2022 and was replaced by Christian Hesselaa on 15 November 2022.

The responsibilities of the Group Executive Board include building strong collaboration across the Group and ensuring that the Group is run and developed even more diligently according to uniform principles with the focus on volume, quality, growth and value creation.

## Managements of the operating companies

The CEOs of the operating companies report to their separate boards of directors. FK Distribution's board of directors consists of the Chairman and the Vice-Chairman of the Board of Directors of North Media A/S and of the Group CFO. These three individuals and the Group CEO make up the boards of directors of both Ofir and Bekey. BoligPortal's board of directors consists of the aforementioned individuals with the addition of Ann-Sofie Østbjerg Bjergby, who has served on the board of North Media A/S since 2021.

In addition to their commercial responsibilities as part of their day-to-day management, the operating company CEOs are also charged with executing on strategies and with ensuring implementation of and compliance with concepts and policies resolved by the Board of Directors.

## Corporate Governance

As required under section 107 b of the Danish Financial Statements Act, North Media A/S has prepared a statutory report on corporate governance 2022, which is available at https://www.northmedia.dk/governance-cfm.

The report sets out the Board of Directors' position on the Danish recommendations on corporate governance issued by the Committee on Corporate Governance. Together with applicable law and the company policies of North Media A/S, these recommendations form the basis of the considerations of the Board of Directors and the Group Executive Board from time to time regarding the Company's practices and procedures.

North Media A/S follows 38 of 40 recommendations made by the Committee on Corporate Governance. The Company does not comply with two of the recommendations, as explained in the following:

- In item 3.4.2, the committee recommends that a majority of the members of a board committee are independent. A majority of the members of the statutory Audit Committee, the Sustainability Committee and the Nomination and Remuneration Committee are independent. The Infrastructure Committee, the Legal Committee and the IT Security Committee do not have a majority of independent members. The Board believes that a board member's competencies and contribution to these committees outweighs the importance of the member being independent.
- The Company does not comply with recommendation 4.1.5 that members of the board of directors should not be remunerated with share options and warrants. The Board of Directors believes that it is in the shareholders' interests for board members also to have a financial interest in long-term value-accretive growth in and by the Company. Share options are granted to board members in accordance with the Company's remuneration policy, which was approved by the shareholders in general meeting. The final tranche of North Media A/S's share option programme, which vested during the period to the release of the 2022 Annual Report, will expire four weeks after North Media A/S releases its 2023 Annual Report.

### Remuneration report

As required under section 139 b of the Danish Companies Act, North Media A/S has prepared a statutory remuneration report. The Remuneration Report is available from the Company's website https://www.northmedia.dk/vederlagsrapport/.

C = Chairman, VC = Vice Chairman, BM = Board Member; C = CEO
External managerial positions are stated at 8 February 2023.

# Board of Directors

| | Personal information | Experience | Other board and executive positions held | Special areas of expertise |
|---|---|---|---|---|
|  | **Ole Elverdam Borch**<br>Chairman, independent<br>**Member of the Board since:**<br>27 March 2020<br>**Born:**<br>1956<br>**Committees served on:**<br>Nomination and Remuneration Committee, Infrastructure Committee, Legal Committee | • 2016- Partner of Borch & Elverdam law firm<br>• 1983- Board and executive positions held in numerous companies.<br>• 1982-2016 Partner of Bech-Bruun law firm | • Sirena Group A/S (VC)<br>• FFH Invest A/S (C)<br>• LHFO A/S (C)<br>• LHFO B P/S (C)<br>• LHFO D P/S (BM & CEO)<br>• LHFO K ApS (CEO)<br>• Jazzhus Montmartre Fonden (BM) | In-depth general management knowledge and experience (governance matters) acquired through board and executive positions held with numerous companies since 1983.<br><br>Special expertise in corporate change management<br><br>M&A experience |
|  | **Richard Gustav Bunck**<br>Vice Chairman, not independent 1)<br>**Member of the Board since:**<br>2 April 1965<br>**Born:**<br>1940<br>**Committees served on:**<br>Nomination and Remuneration Committee, Infrastructure Committee, Legal Committee . | • 1996 Set up the Group's internet activities<br>• 1978 Published the inaugural issue of Søndagsavisen, a weekly newspaper that would grow to have the largest circulation and the largest readership among Danish newspapers.<br>• 1965 Established Forbruger-Kontakt<br>• 1963 Thule Air Base, Greenland, administration and management<br>• 1963 Completed shipping-man training with EAC | • Baunegård ApS (CEO)<br>• Bunck Invest 1 ApS (CEO)<br>• LeanLinking ApS (BM) | In-depth management and business development experience, and not least with infrastructure.<br><br>A true entrepreneur who sees new business opportunities as society and markets change and evolve.<br><br>Activities initiated are built on strong principles that reflect the Group's values of customer focus, responsibility, quality, fairness and positive aggressiveness. |
|  | **Ulrik Holsted-Sandgreen**<br>Board Member, not independent 2)<br>**Member of the Board since:**<br>4 April 2008<br>**Born:**<br>1970<br>**Committees served on:**<br>IT Security Committee, Audit Committee and Legal Committee | • 2015 Horten Advokatpartnerselskab, partner<br>• 2013-2015 Plesner Advokatpartnerselskab, partner<br>• 2005-2013 Bech-Bruun Advokatfirma partner<br>• 1998-2005 Bech-Bruun Advokatfirma lawyer | • None | In-depth knowledge of international and national legal matters, including company and stock exchange law . |

1) Richard Bunck is not considered an independent board member, being the principal shareholder of North Media A/S among other.
2) Ulrik Holsted-Sandgreen is not considered an independent board member, being a lawyer and partner of the law firm Horten Advokatpartnerselskab among other, which provides professional advisory services to Richard Bunck and the North Media Group.

C = Chairman, VC = Vice Chairman, BM = Board Member; C = CEO
External managerial positions are stated at 8 February 2023.

# Board of Directors

| | Personal information | Experience | Other board and executive positions held | Special areas of expertise |
|---|---|---|---|---|
|  | **Ulrik Falkner Thagesen**<br>Board member, independent<br>**Member of the Board since:**<br>27 March 2020<br>**Born:**<br>1971<br>**Committees served on:**<br>Audit Committee, IT Security Committee, Sustainability Committee. | • 2017- e-Boks A/S, CEO<br>• 2007-2017 MediaCom Nordic, CEO<br>• 2007-2015 MediaCom Danmark A/S, CEO<br>• 2011-2015 External professor, responsible for the marketing course, DTU Executive MBA<br>• 2003-2006 MediAid - Media, Marketing & Management Consultancy, founder & partner<br>• 1999-2003 Universal McCann, various positions held, ultimately as managing director<br>• 2000-2003 Newwway McCann Interactive, founder & managing partner<br>• 1996-1999 Initiative Universal Media, various positions held, ultimately as account manager<br>• 1996-1996 Expansion Marketing - IT research | • e-Boks Group A/S (CEO)<br>• Basisfinans A/S (BM)<br>• Falkner Holding ApS (CEO)<br>• Karman Connect A/S (BM) | Management and scaling businesses for growth. Strong strategic and digital trans-formation skills.<br><br>Excellent understanding of finance and accounting, both academically and commercially |
|  | **Ann-Sofie Østberg Bjergby**<br>Board member, independent<br>**Member of the Board since:**<br>26 March 2021<br>**Born:**<br>1987<br>**Committees served on:**<br>Audit Committee, Nomination and Remuneration Committee, Sustainability Committee. | • 2020- AKF Holding A/S, CFO<br>• 2019- CBS, External Lecturer<br>• 2017-2020 Sovino Brands ApS, CFO<br>• 2015-2017 PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC), M&A, Deals - Advisory<br>• 2012-2015 Deloitte Statsautoriseret Revisionspartnerselskab, M&A, Financial Advisory<br>• 2011-2012 GN Netcom, controller<br>• 2009-2011 Deloitte Statsautoriseret Revisionspartnerselskab, auditing | • AKF Holding A/S (CFO)<br>• Oreco A/S (BM) | Solid understanding of finance, financial reporting, accounting, risk and effective data procurement.<br><br>Experience in automation, IT implementation and robotics, strategy and M&A from several years as a consultant in the field.<br><br>Particular interest and expertise in sustainable management and the green transition, including the EU Taxonomy. GHG emissions (scopes 1 to 3), the UN Global Compact and general ESG best practice. |

C = Chairman, VC = Vice Chairman, BM = Board Member; C = CEO
External managerial positions are stated at 8 February 2023.

# Executive Board

| | Personal information | Educational background | Experience | Other board and executive positions held |
|---|---|---|---|---|
|  | **Lasse Ingemann Brodt**<br>Group CEO, North Media A/S and Managing Director, Forbruger-Kontakt A/S<br>**Joined the Executive Board :**<br>2 April 2018<br>**Born:**<br>1973 | • 2000 Media programme, Danish School of Advertising<br>• 1999 MSc Economics and Business Administration | • 2012-2018 Forbruger-Kontakt A/S, Chief Sales Officer<br>• 2010-2012 Bring Express A/S, CEO, Bring Danmark A/S, Chief Commercial Officer<br>• 2009-2010 Bring Express A/S, CEO, VP, Sales and Marketing Executive<br>• 2002-2009 Benjamin Media, a part of Bonnier Publications A/S, various positions held, ultimately as Sales and Marketing Executive<br>• 2000-2002 Berlingske Media, various positions held, ultimately as Head of Customer Contacts | • None |
|  | **Kåre Stausø Wigh**<br>Group CFO, North Media A/S<br>**Joined the Executive Board :**<br>1 September 2006<br>**Born:**<br>1969 | • 2011 Executive MBA - CBS-SIMI, Copenhagen Business School<br>• 2005 Advanced Development<br>• Programme - Cranfield School of Management<br>• 2000 Program for Executive Development - IMD<br>• 1994 HD Graduate Diploma in accounting and financial management, Copenhagen Business School | • 2001-2005 The East Asiatic Company Ltd. (Singapore), senior financial controller<br>• 1997-2001 Plumrose Latinoamericana C.A. (Caracas, Venezuela), assistant to CEO<br>• 1995-1997 Plumrose, Latinoamericana C.A. (Cagua, Venezuela), administration manager<br>• 1991-1995 EAC Shipping A/S, manager accounts | • Travelmarket A/S (BM)<br>• KWS Invest ApS (CEO) |
|  | **Lisbeth Britt Larsen**<br>Group CHRO, North Media A/S<br>**Joined the Executive Board :**<br>2 April 2022<br>**Born:**<br>1973 | • 1998 M.Sc. Economics and Business Administration - Strategy, Organisation and Leadership, Copenhagen Business School | • 2020-2022 North Media A/S, Head of Group HR<br>• 2010-2020 Forbruger-Kontakt A/S, Head of HR<br>• 2008-2009 Bring Citymail, Head of QA<br>• 2006-2008 IBM, Contract Business Operations Manager<br>• 1998-2006 Maersk Data A/S, Project Manager, Business Development | • None |

# Statutory statement on social responsibility etc.

### North Media's business model, as per s.99a of the Danish Financial Statements Act, and public benefit purpose

North Media is a listed group providing platforms and channels for communication between businesses and consumers.

Every week, we make contact with the majority of Danish households. We serve as a connecting link for businesses wishing to present offers, rental housing, jobs or bank loans to consumers, and we arrange digital access to secured stairwells and private homes for distribution companies and home care services for the benefit of the residents. In short, we deliver customers to our customers in a sound and responsible business built on trust and focusing on enhancing our positive footprint in society.

### Working with corporate social responsibility (CSR)

North Media has strong core values based on a sense of responsibility towards employees, customers and society in general. The company accelerated its work on corporate responsibility and sustainability in 2022, allocating additional resources to ensuring progress. North Media has set up a department that will assist the Board's Sustainability Committee in its work throughout the Group. In our assessment, the Group's activities do not pose significant environmental and climate risks, and in many respects, we are at the forefront, as we explain in the following pages.

The managements of the operating companies play an active role in the CSR and sustainability efforts, and they are in charge of implementing initiatives that will enable us to reach our targets. They are also tasked with making CSR and sustainability an integral part of their companies' strategy and day-to-day operations

Our CSR policy, which is available on our website, https://www.northmedia.dk/governance, will always serve as a guide to our work on corporate social responsibility, climate and environment, sustainability etc.

This section constitutes the statutory reporting of North Media A/S on *corporate social responsibility* pursuant to section 99a of the Danish Financial Statements Act (the 'Act'), on the *gender composition in Management pursuant* to section 99b of said Act, on *diversity* pursuant to section 107d of said Act, and on *data ethics* pursuant to section 99d of said Act., for the 2022 financial year,

### Developments in 2022

Based on the four focal areas defined in 2021, North Media worked in 2022 on integrating and highlighting sustainability across the Group. In 2022, we concentrated our efforts on redefining and operationalising the focal areas. The project continues in 2023.

## Four focal areas of the strategy

North Media continued its efforts to integrate sustainability throughout the Group and all its companies

**Day-to-day peace of mind**

**Climate and the environment**

**A stimulating workplace**

**A responsible company**

## Day-to-day peace of mind

### Policies and risks

North Media provides a number of solutions and services that make consumers' day-to-day lives easier, safer and less resource-demanding.

For example, it is easier for consumers to plan their shopping at home on the basis of leaflets and local newspapers before doing their shopping in their local community. Or for those wishing to have their purchases delivered, North Media can help by issuing a digital key to give access to a secured building.

North Media delivers solutions that can help consumers make important choices, such as choosing a job or a home, by making these decisions easier and more transparent. These are some of the ways North Media also contributes to making everyday life easier for people living in Denmark.

Through its activities and in the 'day-to-day peace of mind' focal area, North Media also makes an active contribution to minimising the risk of home seekers and jobseekers being scammed or discriminated against when applying for rental accommodation or jobs on its platforms.

When made in a store, impulse purchases often become buy-and-throw-away (or BATA) items, resulting in a waste of resources that is greater than planned purchases. In other words, another advantage of consumers receiving leaflets and local newspapers is that they are able to check out - in advance - product offerings, prices and where to shop.

### Actions and results in 2022

**FK Distribution**

In 2022, FK Distribution maintained its focus on delivering efficient joint distribution of leaflets and local newspapers, enabling consumers to plan their shopping and getting access to local news.

In 2022, FK Distribution delivered leaflets to 64% and local newspapers to 78% of Danish households. FK Distribution saw a stable development in the number of people opting to subscribe to the NoAds+ scheme, which is designed to ensure that Danish consumers receive exactly those leaflets they find of value.

In 2022, FK Distribution employed on average approx. 10,000 deliverers, mainly young people aged 13 to 17. For many young people in Denmark, working for FK Distribution is their first job. The company employs a total of 24% of young people in Denmark who are aged 13 or 14 and holding spare-time jobs.

**BoligPortal**

BoligPortal develops solutions intended to ensure transparency for house hunters, whether they are moving in or moving out. BoligPortal screens all housing ads for scams, using automated systems and manual procedures.

In 2022, BoligPortal continued dedicated working on the project to giving users peace of mind when entering into a lease by offering digital leases and tools for move-in/move-out reports. Through these products, BoligPortal is an active contributor to creating and maintaining an environment with a solid legal framework for landlords and tenants that also reduced the risk of misunderstandings and scams.

**Ofir**

Ofir makes regular spot checks of job ads on its platform to ensure that ads comply with applicable legislation and the company's own guidelines, including to avoid discriminatory language. As in 2021, no ads were found in 2022 that violated applicable law or Ofir's own guidelines. The efforts to support diversity and inclusion in the job market will continue to be a focal area for Ofir going forward.

**Bekey**

Bekey continued the work to expand the use of its solution for digital access to secured stairwells and homes in 2022. Every time a door is opened using a Bekey digital key, a log is created recording the user and the time of entry, adding to residents' sense of security.

In 2022, Bekey's systems were used 15.3 million times to give digital authorised access to secured stairwells and people's homes, helping the company's customers and municipal home care services to provide services and deliver products to residents in a flexible and secure manner.

**10.000**

deliverers

**on average per week employed in 2022**

# Climate and the environment

## Policies and risks

At the North Media Group, we are aware that we have a responsibility to provide solutions that safeguard our climate and the environment and comply with international climate objectives. We run efficient production processes and are focused on resource consumption. We develop new innovative solutions that can help our customers and consumers lower their CO2 emissions. Our primary risks in terms of climate and the environment centre on our own energy consumption across the Group and on the overall climate and environmental footprint of the printed matter we distribute.

## Actions and results in 2022

### North Media

North Media stepped up its efforts to reduce the overall consumption of electricity and heating across the Group by informing and training employees in developing good energy saving habits. We have also drawn up an action plan to reduce consumption further in 2023.

### FK Distribution

A solar panel plant was installed at FK Distribution's packing terminal in Taastrup that will provide about 39% of the terminal's annual electricity consumption. A similar system is currently being installed at the packing terminal in Tilst. It is expected to be operational from the spring of 2023. The solar panel plant at Tilst is also expected to deliver about 39% of the terminal's annual electricity consumption.

### BoligPortal

BoligPortal aims to encourage the rental housing market to become more sustainable. As part of that plan, the company continued to work on data models that will enable BoligPortal to offer prospective tenants visualisation of how sustainable its listed rental units are. This work continues in 2023.

### Ofir

In 2022, Ofir made efforts to identify opportunities for having a positive effect on climate and the environment.

### Bekey

For Bekey, the potential for reducing CO2 emissions lies in enabling customers to avoid driving to secured properties in vain and better plan optimal delivery routes, in turn helping to reduce their climate footprint.

## Objectives for 2023

The following initiatives will be launched in 2023:

- Completion of climate accounts complying with the GHG protocol for our scopes 1, 2 and 3 emissions
- Sign up for the Science Based Targets initiative and define clear targets for reducing emissions with 2018 as the base year across the Group
- Determine targets for all items in our ESG reporting
- Define initiatives that need to be launched to ensure that North Media accomplishes the targets across the Group
- Operationalising our four focal areas for sustainability purposes

# A stimulating workplace

## Policies and risks

Our primary risks in social matters and human resources are related to industrial accidents, especially among FK Distribution's warehouse employees and deliverers. Moreover, there is a strong focus across the entire Group on increasing employee wellbeing, including through efforts to prevent short and long-term absences due to illness.

## Actions and results in 2022

Having a good working environment is essential for North Media, and we use employee wellbeing surveys to identify areas where an additional effort may be appropriate. In 2022, North Media conducted two surveys focused on the psychological wellbeing of all employees.

At FK Distribution, people of many nationalities work closely together, and the company emphasises the importance of everyone understanding and speaking Danish, so they can join in conversations. FK Distribution offers its employees Danish lessons as needed.

The Group has performed a health screening project in which all full-time employees were given the opportunity to participate in a survey on their physical and mental health. The health screening produced good results, and the employees of North Media A/S are generally in good physical and mental health.

Going forward, North Media plans to use the results of the health screening to introduce a number of initiatives intended to making the healthy choice the easy choice for the employees.

## Objectives for 2022

*Plans*

Continue conducting employee wellbeing surveys
Reduce absence due to illness
Reduce the number of industrial accidents

*Action taken*

We continued conducting employee wellbeing surveys.

We did not achieve the expected decline in absence due to illness for the main reason that the long-term absences related to non-work-related physical injuries. The overall average of absence due to illness was 10.2 days including long-term absences and 4.1 days if long-term absences are not included. The increase in sickness absence can be attributed to an extraordinary number of non-work-related long-term illnesses.

The number of industrial accidents was 36, unchanged from 2021, which is not satisfactory. However, the safety-promoting video directed at deliverers helped to reduce the absence of this group. Most of the industrial accidents registered among FK Distribution's some 10,000 deliverers generally involved minor fall injuries. Aiming to reduce the number of incidents further, FK Distribution has developed a range of video campaigns targeting deliverers.

## Objectives for 2023

*Plans*

We intend to continue conducting employee wellbeing surveys and to stay focused on reducing illness-related absence and industrial accidents. Our efforts will include following up on absence due to illness and working to improve employee health and wellbeing.

We also plan to expand our employee development efforts further by giving our employees better opportunities to upskill.

| KPI | Unit | 2021 | Status 2022 |
|---|---|---|---|
| Absence due to illness | Days / FTE | 6.9 | 10.2 |
| Number of industrial accidents | Number | 36 | 36 |

Illness-related absence is calculated as the number of days absent relative to FTEs.
Number of work-related incidents reported to EASY

### No. of industrial accidents

The number of industrial accidents in 2022 was 36, which is unchanged compared to 2021.
Most of these industrial accidents occurring among our some 10.000 deliverers, and is typically minor fall injuries

**1**
**Salaried employees**

**6**
**Production**

**29**
**Deliverers**

# A responsible company

## Policies and risks

North Media is an honest and responsible business operation, making positive contributions to society by providing useful, good and relevant products and services. North Media also contributes by providing decent conditions for customers, users and employees along its entire value chain. In addition, North Media contributes to Danish society by paying tax.

We require ethical and responsible conduct not just from ourselves but also from our suppliers, and we emphasise responsible procurement as well as observing the international human rights and combatting corruption and bribery. We work consistently to provide the best protection of data about our customers and consumers.

The primary risks related to combatting corruption and promoting international human rights are found in the Group's supply chain, and we focus on screening and placing clear demands on our business partners. In addition, we face risks relating to the protection of our customers' and of consumers' personal data.

## Activities and results in 2022

At North Media, we believe that, for a company that is a part of Danish society, contributing to the Danish State and a well-functioning public sector should come naturally in the form of paying taxes and excise duties.

At North Media, we consider being a responsible taxpayer as a key part of our work on corporate social responsibility, and we conduct our tax and excise duty transactions in accordance with the principles of best practice and conduct in taxation. North Medias total tax payment appears on a separate page later in this section. In 2020, we were No. 64 on the list of the Danish companies that pay the most in corporation tax. In 2021, which is the latest published list, we were number 122.

It is our assessment that our efforts to screen, and set clear requirements for our suppliers and, most recently in 2021, implement a whistle-blower scheme ensure that the risks of North Media violating human rights or falling prey to corruption and bribery are entirely minimal.

North Media received one whistle-blower report in the past year and, following a thorough review, no grounds were found to proceed with the case.

## Work on data ethics, ÅRL § 99 d

GDPR and IT security training continued in 2022 for all full-time staff. These efforts form part of our work and objectives of always protecting data relating to our customers and to consumers. North Media's policy for Data Ethics aims to determine the North Media Group's overall principles for ethically correct, responsible and transparent data processing towards business partners, suppliers and third parties. The policy is available from our website https://www.northmedia.dk/governance/.

North Media's compliance organisation monitors and advises the Group on GDPR and data ethics, keeps the Board of Directors informed on the current status of new and ongoing initiatives and submits annual reporting to the Board on North Media's work on data ethics.

## A responsible company, continued

### Our work on diversity in upper layers of management, ÅRL §99 b

At North Media, we consider diversity to be an important part of establishing a dedicated and stimulating work environment. Accordingly, the Group endeavours to retain a diverse mix of employees, offering equal opportunities for all regardless of gender, age or other background criteria, whether in terms of educational background, work experience, ethnic background, nationality or sexual orientation.

Since 25 March 2022, the gender distribution on the Board of Directors of North Media A/S, the parent company, has been 20% women (one female board member) and 80% men (four male board members), which is in line with the target set.

The gender distribution at the company's other management levels was 43% women and 57% men at the end of 2022 (end 2021: 29% women and 71% men). Thus, North Media meets the requirements for gender balance in the upper layers of management.

North Media conducts an annual evaluation of the competencies and experience of Board members in order to ensure an optimal mix of skills on the Board of Directors.

In 2022, North Media continued to make use of employee surveys and performance evaluations to identify management potential among the Group's employees with a view to supporting and encouraging talented employees to apply for executive positions.

A basic requirement when filling board, executives, management or other positions is for all candidates to be considered on an equal footing. Whatever the position, candidates will be selected on the basis of knowledge, skills, attitude and willingness.

North Media's overall future goal is an equal distribution of women and men, which in the legal sense means 40% of the underrepresented gender in all jobs and positions, within four years.

### Objectives for 2023

North Media intends to continue to focus on sustainable procurement and supplier management in 2023 and will only make use of suppliers complying with the requirements for ethical and responsible conduct. It is essential that our suppliers comply with these requirements and that our procurement reflects our values.

Under the North Media current and future procurement policies, we will favour products and services from Denmark and other democratic nations to the utmost extent, and by the same token, we will, to the fullest extent possible, deselect products and services originating in dictatorships and countries whose governments fail to treat genders equally or persecute minorities or that fail to respect the individual's right to self-determination. This policy applies regardless of whether we will incur additional costs as a consequence.

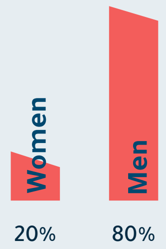
For example, our procurement principles ensured that we bought components and batteries from western Europe for the solar panel plants at Taastrup and Tilst - despite the fact that the decision drove up the cost price.

Finally, the Group will focus on continuing the implementation of its diversity policy.

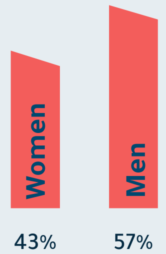
### Diversity

In 2022, the proportion of women on the Board of Directors increased from 14% to 20%, thus meeting the target of at least 20% women on the Board.

### Diversity on the Board of Directors




### Diversity in upper layers of management



# A responsible company, continued

### Taxes

North Media plays a significant role in Danish society, and the Group's activities contribute to employment, integration and training of a large number of young people who choose a delivery job with FK Distribution for their first employment. In addition, the Group contributes as a payer of direct and indirect taxes.

"Integrity" is a leading principle in our tax policy, which implies that North Media will honour always its obligations as a taxpayer under the tax legislation in force from time to time.

North Media's consolidated profit for 2022 resulted in tax payable of negative DKK 1m for 2022 due to losses on the securities portfolio. Despite this, North Media contributes significantly by paying indirect taxes such as VAT and other taxes for DKK 152m. Lastly, the Group's some 400 employees and about 10,000 deliverers paid approximately DKK 123m in personal income tax on the wage income they earned in their jobs with North Media.

The total direct and indirect taxes and fees paid for 2022 thus amount to DKK 274m (2021: DKK 354m). In comparison, the shareholders received a profit of DKK 2m. (2021: DKK 274m).

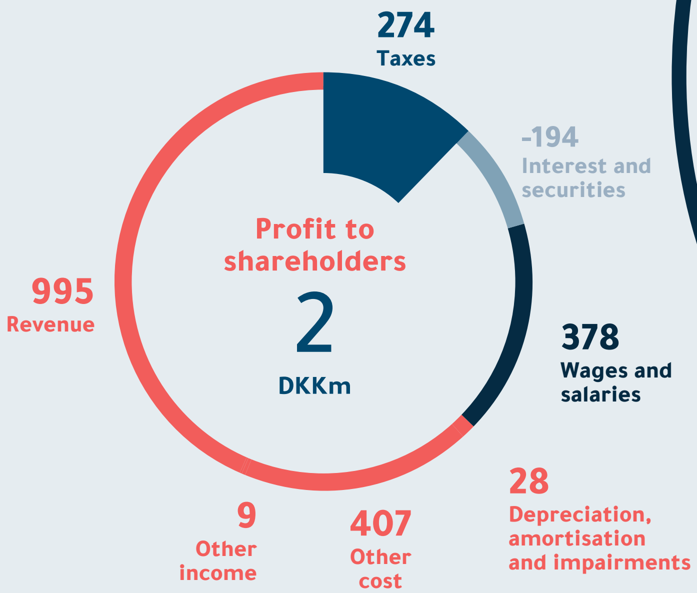
North Media paid just under DKK 1 billion in direct and indirect taxes and fees over the past 3 years, while the profit for shareholders has amounted to barely DKK 600m.

In connection with the distribution of profit to the shareholders, recipients are taxed on their dividends in accordance with the applicable tax rules as determined by, for example, their country of residence, whether the shares are held personally, through a company or a pension scheme.

Read more about income tax in Note 11.

## 28%

of North Media's consolidated revenue is paid to Danish society through direct or indirect taxes.




## The EU Taxonomy Regulation

The EU Taxonomy Regulation and the related delegated regulation (EU) 2021/2139 of 4 June 2021 (Delegated Regulation) have the objective to establish when *revenue, operating expenditure* or *capital expenditure* may be characterised as being environmentally sustainable.
The classification is centred on six environmental objectives, of which only two are currently reportable. These are 1) mitigation of climate change and 2) adaptation to climate change. North Media is covered by environmental objective 1, see below.

In addition to being comprised by the environmental targets, activities must not substantially impact other environmental targets, i.e. they must comply with DNSH criteria (if relevant for the activity). For the purpose, the EU has prepared technical screening criteria that describe how requirements must be complied with. Lastly, it is important to comply with "minimum social safeguards".

In its 2022 Annual Report, North Media reports for the first time on the share of Revenue, Capex and Opex costs that are subject to the taxonomy. North Media's work on climate initiatives is in its early stages, just as the legislation is new and open to interpretation, and it is therefore likely that the level of activities that meets the technical screening activities of the EU taxonomy and thus may be classified as environmentally sustainable, will change.

## FK Distribution's revenue

FK Distribution's activities can be split into the following main components:

1. Distribution of sets of printed matter, leaflets, local newspapers, direct mails, etc. from various local logistics centres/drops for the individual household, i.e. last mile distribution.
2. Transport of sets of printed matter and local newspapers from the packing facilities in Taastrup and Tilst to the logistics centres/drops around the country.
3. Other activities, including digital services, packing for business partners and Deutsche Post, among others.

The parts of the activities attributable to the transport of the last mile distribution and the transport of sets of printed matter (points 1 and 2 above) are covered by the taxonomy ('eligible'), as all transport activity is covered, cf. Article 6 of the Delegated Regulation. The last mile distribution of sets of printed matter, local newspapers, direct mails, etc. may be broadly divided into two main group:

- A proportion distributed on foot, and
- A proportion distributed using passenger cars and small vans (motorised vehicles).

The breakdown is mainly due to the fact that the mode of distribution depends on whether distribution takes place in urban or rural areas.

In urban areas, distribution is done on foot, typically with a pushcart, as this is the most efficient way to distribute to virtually all households on, for example, a residential street. In rural areas, there is further between the households, so distribution requires and/or is most efficiently done by a motorised vehicle.
Based on the nature of the route and information about the deliverer, revenue can be broken down into a proportion distributed on foot and a proportion distributed by motorised vehicle, including revenue for which we do not have sufficient information on whether it is derived from distribution on foot or by motorised vehicle.

### 1 'Eligible and aligned' revenue

The proportion of FK Distribution's revenue that is listed as both 'eligible and aligned' in the table below mitigates the climate challenges in the transport sector, as the distribution is done on foot, where the primary means of propulsion comes from the person's own physical activity. The interpretation is based on the Delegated Regulation and the Draft Commission Notice of 19 December 2022" on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria [...] other environmental objective, which states among other things:
"A mail cart may be seen as a similar transport device as a cargo bike (which is explicitly mentioned in the description of the activity) as it:

- Has the primary aim of transporting an item from one point to another, and;
- The propulsion comes solely from the physical activity of the user."

On this basis, we have classified the revenue attributable to the sets of printed matter, leaflets, direct mails, etc. distributed on foot as 'eligible and aligned'.

### 2. Eligible, not aligned' revenue

The proportion of the revenue which is 'eligible, not aligned' derives from distribution on routes carried out by motorised vehicles (M1 and N1) which do not meet the technical screening criteria. FK Distribution is working to ensure that this revenue is also 'aligned', which will be achieved if distribution is carried out by motorised vehicles that meet the EU technical screening criteria, currently emitting a maximum of 50g of $CO_2$ per kilometre driven.
In addition to the last mile distribution, the transport from the packing facilities in Tilst and Taastrup to the logistics centres/drops around the country is also classified as 'eligible, not aligned', as it does not currently meet the technical screening criteria for making a substantial contribution to climate change mitigation (see Article 6.6 of the Delegated Regulation).

### 3. Not 'eligible' revenue

- Revenue generated by the remaining companies of the Group and the remaining revenue generated by FK Distribution are not subject to the EU's Taxonomy Regulation, as they are primarily of a digital nature and do not have "mitigation of climate change as their primary purpose".

*Minimum social safeguards*
At North Media, we respect and comply with international human and labour rights as described in the International Bill of Human Rights and in the eight core conventions of the International Labour Organisation.

We ensure that there are proper pay and working conditions for our employees across the organisation, from our young deliverers who distribute sets of printed matter and leaflets after school as their first job and introduction to the labour market, to our logistics staff who make sure that every household receives the exact selection of printed matter they opted for via the NoAds+ scheme.

## Revenue

Of the Group's consolidated revenue of DKK 995.3m, DKK 413.6m (42%) may be attributed to activities that are environmentally sustainable, as they meet the requirements of the EU taxonomy. A further DKK 352.0m (35%) of the revenue is included but does not meet the requirements to be environmentally sustainable revenue in the sense of the EU taxonomy regulation (eligible).

*Substantial contribution*

The last mile distribution on foot contributes substantially to mitigating climate change according to the technical screening criteria of the taxonomy, i.e. environmental objective 1, see table below.

*Review of DNSH criteria (Do no significant harm)*

1. The propulsion of the deliverer's cart comes from the physical activity of the deliverer. In addition, the carts are pulled along public infrastructure otherwise used by pedestrians (pavement).
2. In our assessment, the distribution of sets of printed matter, leaflets, direct mails, etc. performed by a deliverer on foot with a cart has no impact on hazards to the climate, whether related to temperatures, wind, water or solid mass and whether chronic or acute in nature.
3. Not relevant according to the technical screening criteria.
4. We meet the requirements of circular economy, as we ensure the maintenance of our deliverers' carts in accordance with the waste hierarchy. If a cart can no longer be repaired for further use, it is recovered and divided into the appropriate waste fractions to achieve a high recycling rate. A full-time employee is employed to carry out this task.
5. Not relevant according to the technical screening criteria.
6. Not relevant according to the technical screening criteria.

*EU environment targets / DNSH criteria*

1. Climate change mitigation
2. Climate change adaptation
3. Water and marine resources
4. Circular economy
5. Contamination
6. Biodiversity

### Accounting policies

We screened the activities listed in the technical annexes under the Delegated Act and identified both eligible and non-eligible revenue, as described on previous page.

**Taxonomy - Revenue**

| Economic activity | Absolute revenue | Proportion of revenue | Substantial contributions (%) Objectives 1-6: 1 | 2 | 3 | 4 | 5 | 6 | DNSH criteria Objectives 1-6: 1 | 2 | 3 | 4 | 5 | 6 | Minimum social safeguards | Taxonomy aligned CapEx | Category (enabling/ transitional) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Taxonomy aligned activities** | | | | | | | | | | | | | | | | | |
| Distribution by food (6.4) | DKK 413.6M | 42% | 100% | 0% | - | - | - | - | Yes | Yes | N/A | Yes | N/A | N/A | Yes | 42% | T |
| **Taxonomy eligible but not aligned activities** | | | | | | | | | | | | | | | | | |
| Road freight (6.5 and 6.6) | DKK 352.0M | 35% | 0% | 0% | | | | | | | | | | | | | |
| **Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | |
| Other revenue | DKK 229.7 M | 23% | | | | | | | | | | | | | | | |
| **Total Revenue** | **DKK 995.3M** | **100%** | | | | | | | | | | | | | | | |

**Revenue according to P&L; page 65**

## Capital expenditure (CapEx)

In 2022, North Media installed solar panels on the roof of FK Distribution's production facilities in Taastrup and on a grassy area nearby. The solar panel plant is expected to generate enough electricity to cover app. 39% of FK Distribution's consumption at the Taastrup facility. A similar plant is currently being installed at the production site in Tilst, which is expected to be operational in spring 2023. The installation and operation of FK Distribution's electricity-generating solar panel plant is an economic activity comprised by the EU's Taxonomy Regulation and qualifies as an environmentally sustainable economic activity.

The solar panels were chosen for their quality in terms of durability and recyclability. Factors also considered were the protection and restoration of biodiversity and ecosystems, as a large variety of meadow flowers were sown under the solar panels rather than grass, in which insects and birds in particular can thrive. This will significantly increase biodiversity. Existing trees and small ponds have been preserved.

*Substantial contribution*

As with the DNSH criteria, electricity generation using solar PV technology meets the technical screening criteria for an activity that makes a substantial contribution to climate change mitigation, i.e. environmental objective 1, as set out in the table below.

### Accounting policies

Investments in solar panels, including installation and mounting, are classified as "eligible and aligned", whereas the investment in the related battery is classified as "non-eligible". Other investments, including investments in technical plant (packaging equipment), IT, etc. are also classified as "non-eligible".

*Review of DNSH criteria*
*(Do no significant harm)*

1. According to the technical screening criteria, using solar PV technology to generate electricity contributes substantially to mitigating climate change.
2. In our assessment, the construction and operation of a solar panel plant has no impact on hazards to the climate, whether related to temperatures, wind, water or solid mass and whether chronic or acute in nature.
3. Not relevant according to the technical screening criteria.
4. Equipment and components of high durability and recyclability have been used in the construction and operation of the solar panel plant. The panels were also installed, so they will be easy to dismantle when the time comes. It is therefore our assessment that the activity meets the technical screening criteria.
5. Not relevant according to the technical screening criteria.
6. Various measures have been taken during the construction and operation of the solar panel plant to ensure the protection and restoration of biodiversity at the solar plant. The existing lawn was converted into a solar panel park, with meadow flowers sown between the panels and the existing trees and a small pond were preserved.

**Taxonomy - CapEx**

| Economic activity | Absolute CapEx | Proportion of CapEx | Substantial contributions (%) Objectives 1-6 | | | | | | DNSH criteria Objectives 1-6 | | | | | | Minimum social safeguards | Taxonomy aligned CapEx | Category (enabling/ transitional) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Taxonomy aligned activities** | | | **1** | **2** | **3** | **4** | **5** | **6** | **1** | **2** | **3** | **4** | **5** | **6** | | | |
| Solar panels (4.1) | DKK 7.4M | 33% | 100% | 0% | - | - | - | - | Yes | Yes | N/A | Yes | N/A | Yes | Yes | 33% | T |
| **Taxonomy eligible but not aligned activities** | | | | | | | | | | | | | | | | | |
| Nothing to report | DKK 0.0M | 0% | | | | | | | | | | | | | | | |
| **Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | |
| Total | DKK 15.3 M | 67% | | | | | | | | | | | | | | | |
| **Total CapEx** | **DKK 22.7 M** | **100%** | **CapEx according to note 25; page 90** | | | | | | | | | | | | | | |

### Operating expenditure (OpEx):

FK Distribution incurred no direct maintenance costs in 2022 relating to the solar panel plant in Taastrup and incurred no other costs eligible for classification under the taxonomy.

### Accounting policies

Only a relatively modest share of the Group's costs are comprised by "operating expenses" as defined by the EU Taxonomy. These involve renovation of buildings, short-term leases as well as repair and maintenance of property, plant and equipment.

**Taksonomi - OpEx**

| Economic activity | Absolute OpEx | Proportion of OpEx | Substantial contributions (%) | | | | | | DNSH criteria | | | | | | Minimum social safeguards | Taxonomy aligned CapEx | Category (enabling/ transitional) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Objectives 1-6 | | | | | | Objectives 1-6 | | | | | | | | |
| **Taxonomy aligned activities** | | | 1 | 2 | 3 | 4 | 5 | 6 | 1 | 2 | 3 | 4 | 5 | 6 | | | |
| Nothing to report | DKK 0.0M | 0% | | | | | | | | | | | | | | | |
| **Taxonomy eligible but not aligned activities** | | | | | | | | | | | | | | | | | |
| Acquisition ownership buildings (7.7) | DKK 8.6M | 34% | | | | | | | | | | | | | | | |
| **Taxonomy non-eligible activities** | | | | | | | | | | | | | | | | | |
| Total | DKK 16.7M | 66% | | | | | | | | | | | | | | | |
| **Total OpEx** | **DKK 25.3M** | **100%** | | | | | | | | | | | | | | | |

# Risk and risk management

Risk is an event that, if it materialises, would reduce the possibility of achieving a given objective. The objectives are a reflection of what the North Media Group strives to achieve in pursuing its strategy, whereas risks present a potential threat to the Group achieving its objectives.

Risk management provides an opportunity to assess risks and implement measures to reduce the impact of risks to an acceptable level.

Risk management is the process of identifying, assessing, reacting to, monitoring and reporting on risks.
Like other areas, risks affecting the Group are managed according to the principles of the fundamental management structure which are outlined in the section on corporate governance in North Media. Risks are managed and followed up on via internal policies, concepts and procedures.

## Risk management policy

Our risk management policy is to manage risks proactively in order to ensure the sustained growth of our business and protect our employees, our assets and our reputation. Accordingly, we:

- apply an effective and integrated risk management process while maintaining corporate flexibility;
- identify and assess significant risks associated with our business; and
- monitor, manage and minimise risks.

Our risk tolerance varies with the specific category of risk:

- We accept the risks associated with launching new technological solutions on the market that meet the needs of our customers.
- We take a conservative approach to financial risk management.
- We strive to minimise supply chain risks through proactive business planning and back-up options in case we are let down by suppliers and IT systems, etc.
- We are actively engaged in minimising risks to people or the environment in undertaking our business activities,

## Risks at North Media

- Operational
- Strategic (potentially affected by political risks, mega trends and market risks)
- Financial
- Compliance (compliance with government rules and regulations)

North Media's most significant risks and measures taken to minimise such risks are set out in the table overleaf:.
Pursuant to section 107b of the Danish Financial Statements Act, North Media A/S has implemented general principles, policies, procedures and internal controls to ensure that the financial reporting is prepared in accordance with applicable rules. These are described in details here https://www.northmedia.dk/governance-cfm and reviewed at least once a year by North Media's Board of Directors and Executive Board.

# Top five risk

| | Structural market changes | Political decisions and intervention | Cyber and IT security threats | Regulatory events related to GDPR and other legislation | Pandemics or other events leading to full or partial lock-down of society |
|---|---|---|---|---|---|
| **Risk** | Decline in the volume of printed matter for distribution by FK Distribution. A volume decline may be a result of structural market changes making advertising increasingly digital and causing the consolidation and/or closure of retail chains and local newspapers. | Political initiatives may affect markets in which the Group operates. If, for instance, changes are made to the current NoAds scheme, the number of house-holds wanting to receive promotional leaflets may reduce - either for a period of time or permanently. This may cause a drop in the volume of promotional leaflets and costs may be incurred in creating awareness of a new scheme. | Since the majority of the Group's activities are based on or dependent on IT systems that are connected to the Internet, cyber threats constitute a risk.<br><br>If, for instance, critical systems become inaccessible for any length of time, customers may be lost, and the reputation of the Company may suffer. | Cyberattacks or inadvertent errors may cause the Group to lose personal data, and confidential information may be stolen or compromised. This in turn may result in fines, loss of customers, and it may harm the Group's reputation. | The COVID-19 pandemic in 2020-2021 is one example of society having to go into lockdown for shorter or longer periods of time. Such events may have the effect of forcing the Group to shut down its operations to varying degrees, or to incur extraordinary costs of transitioning and adapting operations to the situation at hand. |
| **Mitigating of risk** | The development of new complementary products (whether physical or digital), price adjustments on the distribution of printed matter, and ongoing efficiency enhancements in production processes may reduce/minimise the eventual impact of reduced volumes of printed matter. | We make a determined effort to contribute to providing political leaders with a well-documented and accurate decision-making basis in areas that may affect the Group's activities. For instance, we continually strive to provide strategic business partners and political decisionmakers with information on the benefits of local leaflets and their specific environmental impact. | North Media has stepped up its focus on cyber and IT security. The Group regularly trains staff to be vigilant of cyber risks, to strengthen the monitoring of systems/networks and renewing technology, logging and back-up/restore policies. | We continually endeavour to ensure that by setting priorities for our efforts, we comply with applicable rules and standards via internal controls and risk management procedures. With respect to GDPR, we have set up a dedicated legal team that collaborates with internal personal data experts in all business fields. | The Group's values are rooted in responsibility and quality. Combined with our detailed work and process guidelines, this approach to addressing challenges is a sound way to tackle the unexpected and the unthinkable. |

# Financial statements



# Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the Annual Report of North Media A/S for the financial year 1 January to 31 December 2022.

The consolidated financial statements are present-ed in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act. Furthermore, the Annual Report is prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2022 and of their financial performance and the Group's cash flows for the financial year 1 January to 31 December 2022.

We believe that the management commentary contains a fair review of the developments in the Group's and the Parent's activities and finances, performance for the year and the Parent's financial position, and of the financial position as a whole for the entities included in the consolidated financial statements as well as a description of the most material risks and uncertainties facing the Group and the Parent.

In connection with digital filing under the ESEF regulation, in our opinion, the annual report for the financial year ended 31 December 2022, with the file name NORTHM-2022-12-31-da.zip, has been prepared in all material respects in compliance with the ESEF regulation.

## We recommend the Annual Report for adoption at the Annual General Meeting.

Søborg 8 February 2023

## Executive Board

| | | |
|---|---|---|
| Lasse Ingemann Brodt<br>Group CEO | Kåre Stausø Wigh<br>Group CFO | Lisbeth Britt Larsen<br>Group CHRO |

## Board of Directors

| | | |
|---|---|---|
| Ole Elverdam Borch<br>Chairman | | Richard Gustav Bunck<br>Vice-Chairman |
| Ulrik Holsted-Sandgreen | Ulrik Falkner Thagesen | Ann-Sofie Østberg Bjergby |

## Adoption

As presented and adopted at the Annual General Meeting of shareholders on 24 March 2023.

As chairman of the meeting :

# Independent Auditor's Reports

To the shareholders of North Media A/S

## Report on the audit of the Financial Statements

**Our opinion**

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

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

*What we have audited*

The Consolidated Financial Statements of North Media A/S for the financial year 1 January to 31 December 2022 comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes, including summary of significant accounting policies.

The Parent Company Financial Statements of North Media A/S for the financial year 1 January to 31 December 2022 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

*Appointment*

We were first appointed auditors of North Media A/S on 29 March 2019 for the financial year 2019. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of four years including the financial year 2022.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the

### Key audit matter

Revenue recognition

Revenue from the Group's four segments is recognised when the control of the individual delivery obligations is transferred to the customers. Revenue is measured at the value of the agreed remuneration. Revenue comprise of revenues from primarily the distribution of printed advertising matters and newspapers, jobs- and banner ads, user fees and sale of access to key systems.

The different types of revenue and the revenue recognition depends on complex IT systems, the integration between them and data collection.

We focused on this area, because errors in data that form the basis for revenue recognition, weaknesses in IT systems or lack of controls that ensure correct data creates a risk of errors in revenue recognition.

See notes 4 and 21 in the Consolidated Financial Statements.

## How our audit addressed the key audit matter

We assessed the Group's accounting policies, hereunder whether this was in accordance with IFRS 15.

We performed risk assessment activities to gain an understanding of IT systems, business processes and relevant controls relating to revenue recognition. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis, including controls in IT systems, controlling and verification of revenue transactions.

We performed data analysis, among other things, with use in identifying and assessing any atypical transactions recognised as revenue.

We performed substantive audit procedures of revenue transactions and significant contracts to assess existence, accuracy and cut-off for recognition of revenue.

Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### 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 further requirements in the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and 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 Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company 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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the 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 these Financial Statements.

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

- Identify and assess the risks 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 Parent Company'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 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 Parent Company'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 or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of North Media A/S for the financial year 1 January to 31 December 2022 with the filename NORTHM-2022-12-31-da.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format,

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary,

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of North Media A/S for the financial year 1 January to 31 December 2022 with the file name NORTHM-2022-12-31-da.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup 8 February 2023

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
CVR-no. 3377 1231

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

# Consolidated statement of comprehensive income

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Revenue | 4, 21, 35 | 995.3 | 1,033.6 |
| Direct costs | 16, 35 | 252.7 | 236.7 |
| Direct staff costs | 5, 35 | 179.7 | 176.4 |
| Gross profit | | 562.9 | 620.5 |
| Staff costs | 5, 6, 35 | 226.0 | 221.0 |
| Other external costs | 7, 35 | 126.5 | 112.2 |
| Amortisation, depreciation and impairments losses etc. | 8, 14, 35 | 27.7 | 47.8 |
| Other operating income | 35 | 8.8 | 4.9 |
| Operating profit (EBIT) | | 191.5 | 244.4 |
| Share of profit/loss in associates | 15 | 7.4 | 4.2 |
| Return on securities | 9 | -194.2 | 103.2 |
| Financial income | 10 | 1.4 | 0.5 |
| Financial costs | 10 | -4.7 | -5.3 |
| Profit/loss before tax | | 1.4 | 347.0 |
| Tax on profit/loss for the year | 11 | 0.7 | -73.4 |
| Net profit for the year | | 2.1 | 273.6 |
| Attributable, net profit/loss | | | |
| Shareholders in North Media A/S | | 2.1 | 273.6 |
| | | 2.1 | 273.6 |
| Earnings per share, in DKK | 12 | | |
| Earnings per share (EPS) - total | | 0.1 | 15.0 |
| Diluted earnings per share (EPS-D) - total | | 0.1 | 14.7 |
| Earnings per share excluding return on securities (EPS-adj) | | 8.3 | 10.6 |

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Net profit for the year | | 2.1 | 273.6 |
| *Financial statement items that may later be reclassified to the income statement:* | | | |
| Translation adjustments, foreign companies | | 0.0 | -0.3 |
| Other comprehensive income | | 0.0 | -0.3 |
| Comprehensive income | | 2.1 | 273.3 |
| Attributable, comprehensive income | | | |
| Shareholders in North Media A/S | | 2.1 | 273.3 |
| | | 2.1 | 273.3 |

# Consolidated balance sheet

## Assets

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Goodwill | | 40.0 | 39.1 |
| Other intangible assets | | 7.7 | 8.9 |
| Software | | 4.0 | 1.4 |
| Intangible assets | 14 | 51.7 | 49.4 |
| Land and buildings | | 235.8 | 233.6 |
| Investment property | | 16.8 | 16.9 |
| Plant and machinery | | 25.0 | 29.1 |
| Operating equipment, fixtures and fittings | | 9.3 | 10.0 |
| Property, plant and equipment | 14 | 286.9 | 289.6 |
| Investments in associates | 15 | 14.5 | 8.1 |
| Other securities and investments | | 4.2 | 2.2 |
| Deferred tax asset | 18 | 10.4 | 0.1 |
| Other receivables | | 1.3 | 1.2 |
| Other non-current assets | | 30.4 | 11.6 |
| Total non-current assets | | 369.0 | 350.6 |
| Inventories | 16 | 5.8 | 5.6 |
| Trade receivables | 17 | 55.2 | 57.5 |
| Income tax receivables | | 0.0 | 6.3 |
| Other receivables | | 1.3 | 1.5 |
| Prepayments | | 15.7 | 16.3 |
| Securities | | 577.5 | 753.1 |
| Cash at bank and in hand | | 186.8 | 129.7 |
| Total current assets | | 842.3 | 970.0 |
| Total assets | | 1,211.3 | 1,320.6 |

## Equity and liabilities

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Share capital | 19 | 100.3 | 100.3 |
| Reserve, translation adjustments | | 0.0 | -2.9 |
| Retained earnings | | 895.1 | 982.6 |
| Total equity | | 995.4 | 1,080.0 |
| Financial institutions | 20, 26 | 108.6 | 113.3 |
| Lease debt | 26, 27 | 1.9 | 3.3 |
| Total non-current liabilities | | 110.5 | 116.6 |
| Financial institutions | 20, 26 | 4.8 | 4.8 |
| Lease debt | 26, 27 | 3.4 | 3.4 |
| Trade payables | | 30.9 | 44.7 |
| Income tax payable | | 10.3 | 0.0 |
| Contract liabilities | 21 | 7.1 | 5.4 |
| Other payables | 22 | 48.9 | 65.7 |
| Total current liabilities | | 105.4 | 124.0 |
| Total liabilities | | 215.9 | 240.6 |
| Total equity and liabilities | | 1,211.3 | 1,320.6 |

# Consolidated statement of changes in equity

| DKKm | Share capital | Reserve, translation adjustments | Retained earnings | Total equity |
|---|---|---|---|---|
| Equity 1 January 2021 | 100.3 | -2.6 | 781.3 | 879.0 |
| **Change in equity 2021** | | | | |
| Net profit for the year | 0.0 | 0.0 | 273.6 | 273.6 |
| 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 | 273.6 | 273.3 |
| Tax on options | 0.0 | 0.0 | 10.3 | 10.3 |
| 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 |
| Total changes in equity in 2021 | 0.0 | -0.3 | 201.3 | 201.0 |
| Equity at 31 December 2021 | 100.3 | -2.9 | 982.6 | 1,080.0 |
| **Change in equity 2022** | | | | |
| Net profit for the year | 0.0 | 0.0 | 2.1 | 2.1 |
| Translation adjustments, foreign companies | 0.0 | 2.9 | -2.9 | 0.0 |
| Other comprehensive income after tax | 0.0 | 2.9 | -2.9 | 0.0 |
| Total comprehensive income | 0.0 | 2.9 | -0.8 | 2.1 |
| Tax on options | 0.0 | 0.0 | -4.9 | -4.9 |
| Sale of treasury shares | 0.0 | 0.0 | 10.1 | 10.1 |
| Share-based payment | 0.0 | 0.0 | 0.2 | 0.2 |
| Dividend paid | 0.0 | 0.0 | -100.3 | -100.3 |
| Dividend on treasury shares | 0.0 | 0.0 | 8.2 | 8.2 |
| Total changes in equity in 2022 | 0.0 | 2.9 | -87.5 | -84.6 |
| Equity at 31 December 2022 | 100.3 | 0.0 | 895.1 | 995.4 |

# Consolidated cash flow statement

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Net profit for the year | | 2.1 | 273.6 |
| Adjustments for non-cash items | 23 | 217.5 | 19.7 |
| Changes in working capital | 24 | -26.2 | -42.8 |
| Cash flow from operating activities before net financials | | 193.4 | 250.5 |
| Interest received | | 1.2 | 0.5 |
| Interest paid | | -4.7 | -4.9 |
| Cash flow from ordinary activities before tax | | 189.9 | 246.1 |
| Income tax paid | 11 | 1.4 | -90.0 |
| Cash flow from operating activities, total | | 191.3 | 156.1 |
| Investments in intangible assets and PP&E | 25 | -20.2 | -25.5 |
| Sale of property, plant and equipment | | 0.0 | 0.5 |
| Dividend from associates | 15 | 1.0 | 2.2 |
| Investment in securities | | -61.9 | -185.7 |
| Divestment of securities | | 37.4 | 118.4 |
| Dividend from securities | 9 | 5.9 | 2.9 |
| Purchase of subsidiary | 34 | -4.0 | 0.0 |
| Investments in other non-current assets | | -1.9 | -0.9 |
| Sale of other non-current assets | | -0.1 | -0.1 |
| Cash flow from investing activities, total | | -43.8 | -88.2 |
| Repayment of non-current liabilities | 26 | -8.4 | -8.0 |
| Sale of treasury shares | 19 | 10.1 | 7.0 |
| Dividend paid | 13 | -92.1 | -90.7 |
| Cash flow from financing activities, total | | -90.4 | -91.7 |
| Total cash flows' for the year | | 57.1 | -23.8 |
| Cash and cash equivalents beginning of period | | 129.7 | 153.5 |
| Cash and cash equivalents at 31 December | | 186.8 | 129.7 |

# Notes to the consolidated financial statement

## Accounting policies



## Consolidated income statement



## Consolidated balance sheet



## Consolidated cash flow statement



## Other information

## Note 1 Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports for listed companies and the Danish Executive Order on Adoption of IFRSs issued in accordance with the Danish Financial Statements Act

Basically, the income statement is presented in the vertical format classified by type of expenditure, albeit so that the share of the staff costs directly spent on the supply of the Group's products is recognised in the contribution margin.

In addition, accounting policies are unchanged compared with 2021.

### New and revised standards and interpretations

North Media has implemented all new or revised IFRS and interpretations as adopted by the EU, and which are effective for financial years beginning on 1 January 2022.

### Standards and Interpretations that have not yet become effective

At the time of publication of this Annual Report a number of new or amended standards and interpretations are available and approved by IASB. None of these, however, are considered to have significant impact on North Media's financial statements.

### Presentation currency

The Annual Report is presented in Danish kroner.

## Note 2 Accounting policies

### Consolidated financial statements

The consolidated financial statements comprise the Parent, North Media A/S, and the subsidiaries in which North Media A/S exercises control through a controlling interest. Control exists where North Media A/S owns or holds, directly or indirectly, more than 50% of the voting rights or otherwise exercises control over the enterprise concerned. Enterprises, in which the Group holds between 20% and 50% of the voting rights and exercises a significant, but not controlling influence, are considered associates.

The consolidated financial statements are prepared by consolidating the financial statements of the Parent and the relevant subsidiaries, all of which are presented in accordance with the Group's accounting policies. All intragroup items, including revenue, expenses, interest, dividends, unrealised gains and losses on intra group transactions as well as balances and investments, are eliminated for the purpose of consolidation.

The proportionate share of the fair value of the subsidiary's identifiable net assets and recognised contingent liabilities offsets in-vestments in subsidiaries at the time of acquisition.

### Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition or establishment. Comparatives are not restated for enterprises newly acquired, sold or discontinued, unless sold or discontinued enterprises qualify under IFRS 5 as dis-continued activities. Acquisitions of new enterprises which give the Parent control over the enterprise acquired are accounted for by applying the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of the acquired enterprises are measured at fair value at the time of acquisition. Identifiable intangible assets are recognised if they can be separated from or arise from a contractual right. Deferred tax is recognised on the revaluations.

Positive differences (goodwill) between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised but is tested for impairment. The first impairment test is carried out before the end of the year of acquisition. On acquisition, goodwill is allocated to the cash-generating units which subsequently provide the basis for the impairment test. Negative differences (negative goodwill) are recognised in the income statement at the time of acquisition.

Profits or losses from divestment or winding up of subsidiaries and associates are calculated as the difference between selling price plus fair value of any equity interests held or settlement price and the carrying amount of net assets, including goodwill, at the time of sale plus divestment or winding-up expenses.

# Note 2 Accounting policies (continued)

### Currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency which have not been settled at the balance sheet date are translated at the closing rate. Differences between the closing rate and the exchange rate at the time when the receivable or payable has occurred or is recognised in the latest financial statements are recognised in the income statement under financial income and expenses.

On recognition of foreign subsidiaries and associates in the consolidated financial statements using a functional currency different from the presentation currency of the Group, the income statement is translated at the average exchange rate for each month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising from the translation of the opening equity of foreign group enterprises at closing rates and exchange differences from the translation of income statements from average rates to closing rates are taken directly to other comprehensive income and are taken to a separate reserve in equity.

### Derivative financial instruments

Derivative financial instruments are initially recognised at fair value in the balance sheet and subsequently measured at fair value and are recognised as other receivables and other payables.

Fair value adjustments of derivative financial instruments classified as hedges of expected future cash flows are recognised in other comprehensive income and are included in equity under a separate hedging reserve until the hedge transaction is carried through.

## Statement of comprehensive income

### Revenue

Revenue comprises income from the Group's four segments for goods and services rendered. Revenue is recognised when control of each identifiable performance obligation passes to the customer and measured at present value of the consideration agreed net of VAT, cash discounts and quantity discounts.

Revenue from the FK Distribution segment arises from the distribution of door-to-door distribution of newspapers and printed matter as well as the packing of printed matter for external distribution companies. Revenue is recognised at the time of distribution.

BoligPortal's revenue consists of subscription income and user fees, as well as income from the use of various SaaS solutions.

Ofir income comprises job- and banner ads as well as sales of software for classified advertisement databases, including in particular job databases.

Revenue from subscriptions is recognised over time concurrently with the subscription period whereas income from advertisements is recognised upon delivery.

Bekey's revenue arises from the sale of digital access systems. Revenue from physical goods is recognised when such goods have been installed whereas related payment of subscriptions for using the administration system is recognised over the term of the contract.

The terms of payment of the Group's sales contracts with customers depend partly on the underlying performance obligation and partly on the underlying customer relationship, although typically the terms of payment will be between 14 and 30 days, alternatively invoice month + 30 days.

### Direct costs

Direct costs include expenses incurred to generate revenue for the year. The costs included are external distribution, distribution services, excluding direct staff costs and Google costs that may be attributed directly to revenue generating activities. Direct costs are recognised at the same time as the associated revenue.

### Direct staff costs

Direct staff costs include costs of staff in functions performed directly to generate the year's revenue, including distribution pay and payroll costs of warehouse and other production functions.

### Staff costs

Staff costs include wages and salaries as well as social security costs, pensions etc. for the Company's staff in production management, sales and administrative functions.

### Other external costs

Other external costs include costs of sale, advertising, administration, premises, bad debts etc. Costs relating to development projects which do not qualify for recognition in the balance sheet are recognised under other external expenses.

### Amortisation, depreciation and impairment

Amortisation, depreciation and impairment comprise amortisation of intangible assets and depreciation of property, plant and machinery over the expected useful life of the individual asset. Profit/loss from the sale or retirement of intangible assets and property, plant and equipment are calculated as the selling price less selling expenses and the carrying amount at the time of sale.

### Other operating income

Other operating income includes items of a secondary nature relative to the activities of the enterprises.

# Note 2 Accounting policies (continued)

### Share option programme

The value of options granted in relation to the Group's share option programme is measured at the fair value of the options at the grant date.

The Group's share option programme can solely be exercised by acquiring shares in North Media A/S, and is therefore classified as an equity programme, whereby the determined fair value of the granted share options is recognised in the income statement under staff costs over the period in which the final right to the options vests. The contra entry is carried directly to equity.

On initial recognition of the share options, an estimate is made of the number of options to which the employees are expected to acquire a right, see the granting conditions described in Note 6. Subsequently, adjustments are made for changes in the estimate of the number of vested options so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated by using the Black Scholes pricing model. In this estimate, allowance is made for the terms and conditions that apply to the share options granted.

### Return on securities

This item includes realised and unrealised gains or losses from the portfolio of securities as well as income received in the form of dividends, interest etc.

### Share of profits/losses in associates

The proportionate shares of the net profits/losses in associates are included in the consolidated income statement after elimination of the proportionate shares of unrealised intra-group gains/losses.

### Financial income and expenses

Financial income and expenses relate to interest rates, debt and transactions in foreign currency, and additions and allowances pursuant to the Danish tax prepayment scheme etc.

The item also contains fair value adjustments of other investments.
Borrowing costs are amortised over the term of the loan

### Tax on profit/loss for the year

North Media A/S participates in a joint taxation arrangement. The current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with refunds for losses). The jointly taxed companies are covered by the tax prepayment scheme.

Tax for the year, which consists of current tax and changes in the computed deferred tax, is recognised in the income statement by the portion that relates to the net profit or loss for the year and directly in the statement of comprehensive income by the portion that relates to other comprehensive income.

## Balance sheet

### Goodwill

Initially, goodwill is recognised in the balance sheet at cost as described under 'Business combinations'. Subsequent measurements are 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 time of acquisition. The definition of cash-generating units follows the management structure and the internal financial management policy.

The carrying amount of goodwill is tested for impairment if there are any indications of impairment, but at least on a yearly basis. The impairment test is carried out for all operating assets taken together in the cash-generating unit to which goodwill is allocated. Goodwill is written down to the lower of the carrying amount and the recoverable amount of the cash-generating unit to which goodwill relates. Goodwill impairment is presented in the income statement under "Amortisation, depreciation and impairment".

### Development projects, software

Development costs comprise costs and salaries that are directly attributable to the Group's development activities, primarily development of software for the Group's online activities.

Development projects that are clearly defined and identifiable and in respect of which the technical rate of utilisation, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated and where the intention is to produce, market or use the project, are recognised as intangible assets provided that cost can be determined reliably and it is sufficiently certain that future earnings will be adequate to cover the production, sales and administrative expenses and actual development costs. Other development costs are expensed in the income statement as incurred.

Capitalised development projects are measured at cost net of accumulated amortisation and impairment losses.

After completion of the development work, a development project is amortised on a straight-line basis over its estimated useful life. The period of amortisation for software is usually 3 years.

### Other intangible assets

Other intangible assets include distribution rights, trademarks and customer relations taken over in connection with acquisitions. For some of these assets, the Group cannot forecast a limit in the period in which the assets are expected to generate future economic benefits to the Group. In these cases, the lives of the assets are therefore deemed indefinite, for which reason they are not amortised. Other intangible assets the lives of which are deemed definite are amortised over their expected useful lives.

# Note 2 Accounting policies (continued)

Other intangible assets are amortised on a straight-line basis over their estimated useful lives of 10 years. The basis of amortisation is reduced by any impairment losses. Any impairment loss on other intangible assets is included in the item "Amortisation, depreciation and impairment" in the income statement.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes cost and expenses directly related to the acquisition until the asset is ready for use. Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

The cost of properties includes the cash cost of acquisition for land and buildings and the aggregate building and/or refurbishment expenses.

The assets are depreciated on a straight-line basis over the expected useful lives based on the following assessment of the expected useful lives of the assets:

| | |
|---|---|
| Leasehold improvements | 5 years |
| Owner-occupied property | 50 years |
| Mixed land, property and buildings | 20-35 years |
| Plant and machinery | 5-10 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |
| Investment property | 35 years |

Land is not depreciated.

Depreciation is expensed in the income statement under "Amortisation and depreciation".

The basis of depreciation is calculated allowing for the asset's scrap value and is reduced by any impairment losses. The scrap value is fixed at the time of acquisition and is reconsidered every year. If the scrap value exceeds the asset's carrying amount, no further depreciation will be made.

If the period of depreciation or the scrap value is changed, the impact on depreciation will be recognised prospectively as a change of accounting estimates.

### Lease assets

Leases are recognised in the balance sheet at the value of the calculated lease liability. The lease liability is measured as the present value of lease payments calculated using the rate of interest implicit in the lease, or the company's marginal borrowing rate as a discount rate if the rate of interest implicit in the lease cannot be determined. Lease assets are depreciated in accordance with the accounting policy for the Company's other non-current assets.

The Company applies the exemptions relating to short-term leases and leases of low value. Accordingly, such lease assets are not recognised as assets or liabilities in the balance sheet. The lease liability relating to short-term leases and leases of low value is disclosed in a note to the financial statements. Expenses are recognised in the income statement on a straight-line basis over the term of the lease.

The lease liability is recognised in the balance sheet as a liability and adjusted on a current basis to reflect lease payments made. Similarly, the liability is increased to reflect interest on the lease. Interest expenses are recognised in the income statement on a current basis.

### Investments in associates

Investments in associates are measured according to the equity method.

The purchase method is used with respect to acquiring investments in associates; see the description of business combinations.

Investments in associates are measured in the balance sheet at the proportionate share of the equity value of the associates less or plus a proportionate share of unrealised intra-group profits and losses plus the carrying amount of goodwill.

Any receivables from associates are written down to the extent that the receivable is found to be irrecoverable.

### Inventories

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

The cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct and indirect labour costs as well as production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, which will in most cases be equivalent to nominal value net of impairment losses. The Group has only insignificant losses on debtors, as a large part of the revenue is either prepaid or credit insurance is arranged

### Prepayments (assets)

Prepayments include expenses related to subsequent reporting periods.

### Securities

Securities, which are regularly monitored, are measured and reported at fair value in accordance with the Group's policy for investments, recognised on the trading date at cost in current assets and subsequently measured at fair value. Fair value changes are recognised on a continuing basis in the income statement in the line "Return on securities".

### Other investments

Other investments include investments in other enterprises as part of the Group's business operations, and which are not classified as subsidiaries or associates. Other investments are presented as non-current assets and measured and reported at fair value. Fair

# Note 2 Accounting policies (continued)

value changes are recognised on a continuing basis in the income statement as financial income or financial expenses.

### Impairment of non-current assets

North Media tests goodwill and other non-current assets for impairment if there are indications of impairment, but at least on a yearly basis. Any impairment loss is recognised in the income statement under " Amortisation, depreciation and impairment". Correspondingly, ongoing projects are tested at least annually for impairment.

The carrying amount of intangible assets and property, plant and equipment with definite useful lives is reviewed on an annual basis to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less expected selling costs and its value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds the recoverable amount of the asset or the cash-generating unit.

### Equity

### Dividend

Proposed dividend is recognised as a liability when a resolution approving the dividend has been adopted by the Annual General Meeting of shareholders (the time of declaration).

### Treasury shares

Cost and selling prices related to treasury shares are recognised in retained earnings. A capital reduction through cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the investment. Dividend related to treasury shares is taken to the retained earnings account.

### Income taxes and deferred taxes

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme. Deferred tax is measured on all temporary differences between the carrying amount and tax base of assets and liabilities and other temporary differences, such as share-based remuneration. However, no deferred tax is recognised on temporary differences relating to goodwill which is not deductible for tax purposes and office buildings and other items where temporary differences - other than business acquisitions - arise at the date of acquisition without affecting either the profit/(loss) for the year or taxable income. In cases where the tax base may be computed according to several sets of tax regulations, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability as planned by Management.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the values at which they are expected to be realised, either by elimination against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is adjusted for eliminations of unrealised intra-group gains and losses. Changes in deferred tax as a result of changed tax rates are recognised in the income statement.

### Financial liabilities

Debt to credit institutions etc. is recognised at the time of borrowing at the proceeds received after deduction of transaction costs incurred.

In subsequent periods, the financial liabilities are measured at amortised cost using "the effective interest method" so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan term.

Other financial liabilities are measured at amortised cost.

### Contractual obligations

Contractual obligations comprise prepayments by customers and prepaid subscription fees etc., income from which is recognised in a subsequent period.

### Fair value hierarchy

Financial instruments measured at fair value in the balance sheet are classified using the following fair value hierarchy:

- Listed prices in active markets of identical assets or liabilities (Level 1).
- Listed prices in active markets of similar assets or liabilities, or other valuation methods where all material input is based on observable market data (Level 2).
- Valuation methods under which any material input is not based on observable market data (Level 3).

# Note 2 Accounting policies (continued)

## Cash flow statement

The cash flow statement shows the consolidated cash flow for the year, broken down by cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented by the indirect method.

Cash flows from enterprises acquired are recognised from the date of acquisition.

### Cash flow from operating activities

Cash flows from operating activities are calculated as the profit or loss before tax, adjusted for non-cash operating items, working capital changes, interest received and paid, and income taxes paid.

### Cash flows from investing activities

Cash flows from investing activities include payments in connection with purchases and sales of enterprises and activities, purchases and sales of intangible assets, property, plant and equipment, and other non-current assets, and purchases and sales of securities not recognised as cash and cash equivalents.

### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayments on interest-bearing debt, purchases and sales of treasury shares, and payment of dividend to shareholders.

### Cash and cash equivalents

Cash and cash equivalents include cash balances which are an integrated part of the Company's financial resources.

## Segment information

**The Group has the following four business segments divided into two business areas**

*Last Mile*

- FK Distribution, which consists of the distribution activities of FK Distribution and Tryksagsomdelingen Fyn.

*Digital Services*

- BoligPortal.dk, BostadsPortal.se and boligmanager.dk
- Ofir.dk and MatchWork.com.
- Bekey, which consists of the Group's digital access solution.

Segment income and expenses comprise the items that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Unallocated items mainly comprise income and expenses relating to the Group's administrative functions, interest and return on securities, income taxes, etc. Unallocated items also include the Group's owner-occupied and investment properties and the financing thereof.

Segment income and expenses are defined as EBIT.

Segment information is determined based on the Group's accounting policies.

# Note 3 Ratio definitions

| | | |
|---|---|---|
| Gross margin | = | Gross profit x 100 / Revenue |
| Operating profit before depreciation and amortisation | = | EBITDA (EBIT + depreciation and amortisation ) |
| EBITA | = | EBIT + amortisation |
| Operating profit (EBIT) | = | EBIT |
| Net profit for the year excl. return on securities | = | Net profit for the year - return on securities x 0,78 |
| EBIT margin | = | EBIT x 100 / Revenue |
| Equity ratio | = | Equity at the end of the period incl. min. interests x 100 / Total assets |
| Return on equity (ROE) | = | Profit after tax x 100 / Average equity incl. minority interests |
| Net interest-bearing cash position | = | Interest-bearing assets and cash less interest-bearing debt (incl. acquisition price payable) |
| Net working capital (NWC) | = | Non-interest-bearing receivables less current liabilities excl. non-interest-bearing debt |
| Capital employed | = | Equity and minority interests plus net interest-bearing debt |
| Return on capital employed before special items | = | EBITA x 100 / Average capital employed incl. goodwill |
| Free cash flow before tax (CFFO) | = | EBITDA adjusted for changes in operational balance sheet items excl. tax and minus investments |
| Earnings per share (EPS) | = | Parent's share of net profit/loss for the year / Average numbers of shares in circulation |
| Diluted earnings per share (EPS-D) | = | Parent's share of net profit/loss for the year / Average numbers of diluted shares in circulation |
| Earnings per share excl. return on securities (EPS-adj) | = | Net profit for the year - return on securities after tax / Average number of shares in circulation |
| Pris/Earnings (P/E) | = | Share price / EPS |
| Price to book value (P/BV) | = | No of shares, 31 December x market price / Parent's share of equity |
| Cash flows per share (CFPS) | = | Cash flow from operating activities / Average number of diluted shares |
| Capital resources | = | Securities + Cash |

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Ratios have been prepared in accordance with the Danish Finance Society's online version of "Recommendations & Key Ratios" with the following exceptions:

- Invested capital is calculated inclusive of goodwill, see above
- Adjusted earnings per share (EPS-adj) shows the profit for the year exclusive of the return on securities
- Free cash flow has been calculated before tax as the amount of prepaid tax may otherwise affect the ratio randomly
- Ratios which include equity, are all calculated inclusive of minority interests as both the profit or loss and balance sheet figures include the minority interests

# Note 4 Segment information

| DKKm | Last Mile FK Distribution 2022 | Last Mile FK Distribution 2021 | Digital Services Total 2022 | Digital Services Total 2021 | BoligPortal 2022 | BoligPortal 2021 | Ofir 2022 | Ofir 2021 | Bekey 2022 | Bekey 2021 | Unallocated costs/ elimi.*) 2022 | Unallocated costs/ elimi.*) 2021 | Total 2022 | Total 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Segment revenue | 836.5 | 888.8 | 164.2 | 150.7 | 93.9 | 84.8 | 40.5 | 36.4 | 29.8 | 29.5 | 0.0 | 0.0 | 1,000.7 | 1,039.5 |
| Internal revenue | 0.0 | 0.0 | -5.4 | -5.9 | 0.0 | 0.0 | -0.5 | -0.4 | -4.9 | -5.5 | 0.0 | 0.0 | -5.4 | -5.9 |
| External revenue | 836.5 | 888.8 | 158.8 | 144.8 | 93.9 | 84.8 | 40.0 | 36.0 | 24.9 | 24.0 | 0.0 | 0.0 | 995.3 | 1,033.6 |
| Revenue recognition | | | | | | | | | | | | | | |
| Immediately | 836.5 | 888.8 | 55.3 | 51.0 | 0.0 | 0.0 | 40.0 | 36.0 | 15.3 | 15.0 | 0.0 | 0.0 | 891.8 | 939.8 |
| Over time | - | - | 103.5 | 93.8 | 93.9 | 84.8 | 0.0 | 0.0 | 9.6 | 9.0 | 0.0 | 0.0 | 103.5 | 93.8 |
| External revenue | 836.5 | 888.8 | 158.8 | 144.8 | 93.9 | 84.8 | 40.0 | 36.0 | 24.9 | 24.0 | 0.0 | 0.0 | 995.3 | 1,033.6 |
| Direct costs | 422.9 | 406.2 | 14.0 | 12.4 | 0.8 | 0.9 | 6.9 | 5.9 | 6.3 | 5.6 | -4.6 | -5.5 | 432.3 | 413.1 |
| Gross profit | 413.6 | 482.6 | 150.2 | 138.3 | 93.1 | 83.9 | 33.6 | 30.5 | 23.5 | 23.9 | -0.8 | -0.4 | 563.0 | 620.5 |
| Other external costs | 230.4 | 231.3 | 134.0 | 112.1 | 65.8 | 55.1 | 30.9 | 24.8 | 37.3 | 32.2 | -11.8 | -10.2 | 352.6 | 333.2 |
| EBITDA | 198.2 | 263.8 | 17.2 | 27.0 | 28.3 | 29.6 | 2.7 | 5.7 | -13.8 | -8.3 | 3.8 | 1.4 | 219.2 | 292.2 |
| Amortisation, depreciation and impairments losses etc. | 13.5 | 14.8 | 4.6 | 23.9 | 4.1 | 2.8 | 0.1 | 0.1 | 0.4 | 21.0 | 9.6 | 9.1 | 27.7 | 47.8 |
| EBIT | 184.7 | 249.0 | 12.6 | 3.1 | 24.2 | 26.8 | 2.6 | 5.6 | -14.2 | -29.3 | -5.8 | -7.7 | 191.5 | 244.4 |
| Share of profit/loss in associates | - | - | - | - | - | - | - | - | - | - | - | - | 7.4 | 4.2 |
| Return on securities | - | - | - | - | - | - | - | - | - | - | - | - | -194.2 | 103.2 |
| Net financials | - | - | - | - | - | - | - | - | - | - | - | - | -3.3 | -4.8 |
| Profit/loss before tax | - | - | - | - | - | - | - | - | - | - | - | - | 1.4 | 347.0 |
| Gross margin | 49.4% | 54.3% | 94.6% | 95.5% | 99.1% | 98.9% | 84.0% | 84.7% | 94.4% | 99.6% | - | - | 56.6% | 60.0% |
| EBITDA margin | 23.7% | 29.7% | 10.8% | 18.6% | 30.1% | 34.9% | 6.8% | 15.8% | -55.4% | -34.6% | - | - | 22.0% | 28.3% |
| EBIT margin | 22.1% | 28.0% | 7.9% | 2.1% | 25.8% | 31.6% | 6.5% | 15.6% | -57.0% | -122.1% | - | - | 19.2% | 23.6% |

* Internal revenue is eliminated in other operating expenses. Other items relate to unallocated expenses and to assets and liabilities.

### Geographical information

North Media A/S mainly operates in the Danish market, and 95.3% (2021: 96.5%) of the consolidated revenue is invoiced in DKK to Danish customers. No single customer accounts for more than 10% of the Group's total revenue.

### Other information

*FK Distribution's* revenue is based on packing and distribution services, amounting to DKK 806.4 million (2021: DKK 863.3 million) and online sales of DKK 30.1 million (2021: DKK 25.5 million).

*BoligPortal's* revenue consists of subscription-based in-come from the company's market-place and income from various subscription-based SaaS solutions, amounting to DKK 93.9 million (2021: DKK 84.8 million).

*Ofir's* revenue consists mainly of transaction-based job and banner ads, amounting to DKK 40.0 million (2021: DKK 36.0 million).

*Bekey's* revenue consists of sales of access systems (software access), including the sale of physical products closely associated with user access, amounting to DKK 24.9 million (2021: DKK 24.0 million).

# Note 5 Employees and staff costs

| Number | 2022 | 2021 |
|---|---|---|
| Average number of employees | 420 | 411 |
| Average number of deliverers | 770 | 825 |
| Total average number of employees | 1,190 | 1,236 |

The average number of distributors is converted to a full-time number of employees based on the estimated time consumption per. route.

| Total salaries and remuneration for the year, DKKm | 2022 | 2021 |
|---|---|---|
| Wages and salaries, including holiday pay | 354.9 | 352.3 |
| Defined contribution plans | 16.5 | 16.0 |
| Other social security costs | 4.0 | 3.9 |
| Remuneration of the Parent's Board of Directors | 2.4 | 3.4 |
| Share-based payment | 0.2 | 1.2 |
| Other staff costs | 27.7 | 20.6 |
| Total staff costs | 405.7 | 397.4 |

| Total staff costs are included in the following items of the statement of comprehensive income: | | |
|---|---|---|
| Direct staff costs | 179.7 | 176.4 |
| Staff costs | 226.0 | 221.0 |
| Total staff costs | 405.7 | 397.4 |

| Remuneration of the Board of Directors and Executive Board | Board of Directors of Parent Company | The Parent Executive Board | Total |
|---|---|---|---|
| **2022, DKKm** | | | |
| Wages, salaries and bonus | 2.4 | 9.2 | 11.6 |
| Pension (defined contribution plans) and usual staff benefits | 0.0 | 1.3 | 1.3 |
| Share-based payment | -0.2 | 0.2 | 0.0 |
| Severance pay | 0.0 | 1.2 | 1.2 |
| Remuneration of the Board of Directors and Executive Board | 2.2 | 11.9 | 14.1 |
| Number of members (average) | 5 | 3 | 8 |
| **2021, DKKm** | | | |
| Wages, salaries and bonus | 3.4 | 14.1 | 17.5 |
| Pension (defined contribution plans) and usual staff benefits | 0.0 | 1.5 | 1.5 |
| Share-based payment | 0.3 | 0.4 | 0.7 |
| Severance pay | 0.0 | 0.5 | 0.5 |
| Remuneration of the Board of Directors and Executive Board | 3.7 | 16.5 | 20.2 |
| Number of members (average) | 7 | 5 | 12 |

Reference is made to the section on corporate governance on page 42.

The Company's remuneration report providing information in Danish about the remuneration paid to each member of management appears on the Company's website at https://www.northmedia.dk/vederlagsrapport/.

# Note 6 Share-based payment

### Options granted for acquisition of shares in North Media

In 2022, 50,000 share options were granted to members of the Executive Board and selected employees. Furthermore, 120,000 options were cancelled upon employees' termination of service. The awards were made in reference to the 2018 share option programme.

A total of 279,500 of 289,500 share options were exercised in the 2022 financial year (2021: 191,500 share options exercised).

In August 2018, share options were granted to a group of 20 persons, consisting of the Company's Executive Board, three members of the Board of Directors and selected executives. Richard Bunck and Ulrik Holsted-Sandgreen did not receive any share options.

The 2018 share option programme comprised a total of 962,000 share options, of which 148,000 were granted to the Board of Directors and 318,000 to the Executive Board. In addition, another approximately 100,000 options were ear-marked for other executives who might later join the share option programme. The share options were granted in three tranches. At the end of 2022 the following is outstanding:

- Tranche 2 consists of 10,000 options that have been fully vested and must be exercised no later than four weeks after the company's publication of the financial statements for 2022.
- Tranche 3 consisting of 290,500 options vesting during the period to the publication of the financial statements for 2022. Tranche 3 options may be exercised during the period of one week after the date of termination of the vesting period and until four weeks after the date of the Company's publication of the financial statements for 2023.

During the exercise period, the options may only be exercised in the windows applicable at the exercise date pursuant to the internal rules laid down by the Company and in accordance with the rules of Nasdaq OMX Copenhagen and the Danish Capital Markets Act.

The exercise of share options is conditional upon the holder not retiring from their position with the Group prior to the time of exercise.

Each share option entitles the holder to acquire one existing share in North Media A/S denominated at DKK 5.00 at a price corresponding to the average closing price of the Company's shares in the period 17 August 2018 to 23 August 2018, both days included. Share options were awarded at an exercise price of DKK 101.92 per share, corresponding to the average price of the Company's shares in the period 3 December to 9 December 2021.

Share options are granted in accordance with the overall guidelines for incentive programmes that were adopted at the Annual General Meeting held by North Media A/S on 13 April 2018. The share option programme was established to ensure performance-oriented and value-adding commitment. Also, the aim of the programme is to develop long-term loyalty and to constitute a competitive remuneration to employees under this programme.

The options can only be settled in shares. North Media A/S has purchased a total of 1,629,000 treasury shares. These shares are reserved for settlement, wholly or in part, of the options granted.

The theoretical market value (as assessed using the Black-Scholes model) of the share options granted was DKK 8.1 million at the grant date. The costs are recognised over the life of the individual tranches. The following assumptions were in 2018 used to calculate the fair value of the options:

| Option | First exercise date | Last exercise date | Lives of options | Risk free interest | Expected volatility | NPV of dividend | Option value/each |
|---|---|---|---|---|---|---|---|
| Tranche 2 | feb-2022 | mar-2023 | 3.5 yrs | -0.40 % | 46.1 % | 5 DKK | 8.75 |
| Tranche 3 | feb-2023 | mar-2024 | 4.5 yrs | -0.27 % | 45.2 % | 7 DKK | 8.71 |

The expected volatility was calculated based on the historic volatility of the share price of North Media A/S's and a peer group's shares with a performance history corresponding to the term of the individual option. Expectations are that the options will be exercised after the first exercise opportunity.

At the balance sheet date, total options corresponding to 300,500 shares remain outstanding, equalling 1.50 % of the share capital.

In 2022, DKK 0.2 million (2021: DKK 1.2 million) was expensed under staff costs in respect of the share option programmes, originating from equity-settled share option plans in North Media A/S.

# Note 6 Share-based payment (continued)

Options forfeited at the termination of an employee's employment may be granted to other employees on the same terms and conditions.

In 2022 50,000 share options were awarded to the Company's Executive Board and selected executives (2021: 7,500 share options to a newly-elected board member) while 120,000 share options were cancelled due to the termination of employment (2021: 72,000 share options). The tables below show developments in out-standing share options and distribution per tranche.

**Developments in outstanding share options can be specified as follows:**

| Number | Number of share options 2022 | 2021 |
|---|---|---|
| Outstanding share options, 1 January | 650,000 | 906,000 |
| Exercised during financial year | -279,500 | -191,500 |
| Expired during financial year | 0 | 0 |
| Cancelled due to termination of employment | -120,000 | -72,000 |
| Options granted, 2018-programme | 50,000 | 7,500 |
| Outstanding share options, 31 December | 300,500 | 650,000 |
| Number of share options which can be exercised at the balance sheet date | 10,000 | 8,500 |

| Board of Directors, the Executive Board's and other staff's share of issued options: | Time of earliest exercise | Number of options granted | Number of employees who have been granted options | Number granted/exercised 2022 | Moved employee group | Number expired in 2021 | Unexercised options at 31.12.2022 | Exercise price |
|---|---|---|---|---|---|---|---|---|
| **Board of Directors** | | | | | | | | |
| Granted 2018, tranche 2 | 2022 | 42,000 | 4 | -42,000 | 0 | 0 | 0 | 36.30 |
| Granted 2018, tranche 3 | 2023 | 75,000 | 2 | 0 | 0 | -45,000 | 30,000 | 36.30 |
| Granted 2018, tranche 3 | 2023 | 7,500 | 1 | 0 | 0 | 0 | 7,500 | 101.92 |
| **Executive Board** | | | | | | | | |
| Granted 2018, tranche 2 | 2022 | 104,000 | 5 | -104,000 | 0 | 0 | 0 | 36.30 |
| Granted 2018, tranche 3 | 2023 | 105,000 | 3 | 30,000 | -25,000 | -25,000 | 85,000 | 36.30 |
| **Other managerial staff** | | | | | | | | |
| Granted 2018, tranche 1 | 2021 | 8,500 | - | -8,500 | 0 | 0 | 0 | 36.30 |
| Granted 2018, tranche 2 | 2022 | 45,000 | 3 | -35,000 | 0 | 0 | 10,000 | 36.30 |
| Granted 2018, tranche 3 | 2023 | 60,000 | 4 | 20,000 | 25,000 | -25,000 | 80,000 | 36.30 |
| **Other staff** | | | | | | | | |
| Granted 2018, tranche 2 | 2022 | 95,000 | 7 | -90,000 | 0 | -5,000 | 0 | 36.30 |
| Granted 2018, tranche 3 | 2023 | 108,000 | 6 | 0 | 0 | -20,000 | 88,000 | 36.30 |

The fair value of the unexercised share option programme was DKK 6,1m at 31 December 2022, calculated based on the year-end price. (2021: DKK 46,1 m).
The average share price of the 279,500 share options exercised was DKK 84.44.

## Note 7 Fees to the auditors appointed by the General Meeting

| DKKm | 2022 | 2021 |
|---|---|---|
| **PwC** | | |
| Statutory audit services | 1.7 | 1.8 |
| Other assurance engagements | 0.1 | 0.1 |
| Tax services | 0.1 | 0.3 |
| Other services | 1.0 | 0.5 |
| Total fees to the auditors appointed by the General Meeting | 2.9 | 2.7 |

Fees for other assurance engagements provided for the Group by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 1.1m in 2022 (2021: DKK 0,8 m), which is included in the above numbers. The assistance consists primarily of other assurance statements as well as other services in general.

## Note 8 Amortisation, depreciation and impairment

| DKKm | 2022 | 2021 |
|---|---|---|
| Amortisation intangible assets, ct. note 14 | 3.2 | 2.1 |
| Depreciation property, plant and equipment, ct. note 14 | 24.5 | 25.6 |
| Impairment intangible assets, ct. note 14 | 0.0 | 11.3 |
| Impairments property, plant and equipment, ct. note 14 | 0.0 | 8.8 |
| Total amortisation and depreciation | 27.7 | 47.8 |

## Note 9 Return on securities

| DKKm | 2022 | 2021 |
|---|---|---|
| Dividend | 5.9 | 2.9 |
| Net capital gains/losses on shares | -200.1 | 100.3 |
| Total return on securities | -194.2 | 103.2 |

## Note 10 Net financials

| DKKm | 2022 | 2021 |
|---|---|---|
| Interest income etc. | 1.2 | 0.1 |
| Exchange gains | 0.0 | 0.4 |
| Fair value adjustment of other investments | 0.2 | 0.0 |
| Total financial income | 1.4 | 0.5 |
| | | |
| Interest expenses etc. | 4.5 | 4.7 |
| Exchange losses | 0.2 | 0.0 |
| Fair value adjustment of other investments | 0.0 | 0.6 |
| Total financial expenses | 4.7 | 5.3 |

Interest income primarily covers interest on bank deposits.
Interest expenses consist primarily of interest on the Group's mortgage loans, as well as negative interest on bank deposits.

# Note 11 Income tax

| DKKm | 2022 | 2021 |
|---|---|---|
| **Tax on profit/loss for the year** | | |
| Current tax charges | 15.2 | 74.6 |
| Changes in the deferred tax | -16.1 | -1.2 |
| Adjustment of tax concerning prior years | 0.2 | 0.0 |
| Total tax on profit/loss for the year | -0.7 | 73.4 |
| **Tax on profit/loss for the year** | | |
| Computed tax on the profit/loss before tax 22.0% (2021: 22.0%) | 0.3 | 76.3 |
| **Tax effect of:** | | |
| Used tax loss carry-forward not previously been capitalized | 0.0 | -0.9 |
| Non-deductible expenses | 0.4 | 0.1 |
| Share-based payment | 0.0 | -1.2 |
| Share of profit/loss after tax of associates | -1.6 | -0.9 |
| Adjustment of tax concerning prior years | 0.2 | 0.0 |
| Total tax on profit/loss for the year | -0.7 | 73.4 |
| Effective tax rate | -50.0% | 21.2% |

North Media A/S is jointly taxed with Baunegård ApS. Baunegård ApS is the administration company which attends to payment of income tax, including tax prepayment. Income tax payable is settled with the administration company.

Realised and unrealised gains and losses on securities are recognised in the taxable income for the year and are taxed on the same terms as apply to ordinary operating profit. Losses on securities can be offset against ordinary operating profit or vice versa within the same or in future income years.

# Note 12 Earnings per share

| DKKm | 2022 | 2021 |
|---|---|---|
| Net profit for the year - total | 2.1 | 273.6 |
| The North Media Group's share of net profit for the year | 2.1 | 273.6 |
| Net profit excluding return on securities | 153.6 | 193.1 |
| Average number of shares (in millions) | 20.1 | 20.1 |
| Average number of treasury shares (in millions) | 1.7 | 1.9 |
| Average number of shares in circulation (in millions) | 18.4 | 18.2 |
| Average dilution effect of outstanding share options | 0.1 | 0.4 |
| Average number of diluted shares in circulation (in millions) | 18.5 | 18.6 |
| Earnings per share (EPS) - total | 0.1 | 15.0 |
| Diluted earnings per share (EPS-D) - total | 0.1 | 14.7 |
| Earnings per share excluding return on securities (EPS-adj) | 8.3 | 10.6 |

293,000 outstanding share options were in-the-money on average in 2022. The calculation of diluted earnings per share included 0.1 million share options (2021: 0.4 million share options).

# Note 13 Recommended dividend per share

The Board of Directors recommends to the Annual General Meeting to be held on 24 March 2023 that a dividend of DKK 4.00 per of DKK 5 nominal value be paid for the financial year 2022. This is equivalent to a total distributed amount of DKK 80.2m (2021: DKK 5.0 per share and DKK 100.3m).

# Note 14 Intangible assets and property, plant and equipment

### Assets with an indefinite life

Assets with an indefinite life are not amortised but are instead subject to an annual impairment test. Goodwill is by definition an asset with an indefinite life.

Other intangible assets comprise distribution rights and trademarks acquired in connection with acquisitions. For some of these assets, the Group cannot foresee a limit to the period over which the assets may be expected to generate future economic benefits for the Group. In these cases, the lives of the assets are therefore deemed indefinite, for which reason they are not amortised. Other intangible assets the lives of which are deemed limited are subjected to amortisation.

The Group's total goodwill of DKK 40.0 million includes DKK 19.6 million attributable to FK Distribution and DKK 20.4 million attributable to BoligPortal incl. Boligmanager. Indefinite life intangible assets, aside from goodwill, total DKK 2.9 million and relate to FK Distribution.

### Impairment test

When preparing the financial statements, goodwill and intangible assets were tested for impairment for the following "Cash Generating Units" (CGU) holding intangible assets:

- FK Distribution
- BoligPortal

The recoverable amount for the individual cash-generating units to which goodwill and other intangible assets have been allocated is stated based on computations of the units' value in use. There has been no indication of impairment in this.

#### FK Distribution

For FK Distribution, the impairment test shows a value in use considerably exceeding the value of its non-current assets and working capital, as a result of which there has been no reason to write down intangible assets related to this CGU.

FK Distribution's EBITDA in 2022 amounts to DKK 198 million. Guidance for 2023 is evident from the guidance page. In the context of the value of goodwill and intangible assets only totalling DKK 22.5 million, no impairment risk is deemed to exist as long as FK Distribution can continue to operate its core business.

The main prerequisite for FK Distribution remaining profitable is that consumers will continue to demand information and offers in print for some time to come.

In the long term it is also expected that FK Distribution will develop new online activities to compensate in whole or in part for a generally declining printed matter market. The investment requirement has been low in 2022, and it is expected to remain low in 2023 and onwards. Should the foundation of FK Distribution's business cease to exist, intangible assets in the total amount of DKK 22.5 million would have to be written down.

The impairment model for FK Distribution builds on the 2023 budget, which is projected four years based on estimates of future developments in this CGU. For the subsequent terminal period, a negative growth factor of 4% was applied for FK Distribution in 2022 (2021: negative at 4%). This decline was slightly smaller than the market decline expected, the reason being that the Group's products are expected to fare better than the general print ad market.

#### BoligPortal

BoligPortal is Denmark's largest rental housing portal and has had positive earnings throughout the years. Historically BoligPortal has succeeded in developing new products that the market demands.

Earnings of BoligPortal are expected to continue to develop positively, and there has been no indication of impairment of goodwill or other intangible assets related to this site. Reduced earnings, even of 20%, would not affect the indication of impairment.
The most important prerequisite is that BoligPortal, as the market leader, will be able to continue the development of new products and thereby be able to maintain satisfactory earnings.

The impairment model for BoligPortal builds on the 2023 budget, which is projected four years based on estimates of future developments in this CGU. BoligPortal is expected to continue to see profit improvements during the budget period of close to 10% annually and a growth factor of 2% has been applied in the terminal period (2021: 2%). A large number of new product developments are expected to continue to drive profit performance during the budget period.

### Assumptions underlying impairment models

The tax rate used in the model is 22.0%. (2021: 22.0%).

The impairment test was performed for each CGU by comparing the carrying amount of intangible assets and property, plant and equipment and net working capital with the discounted values of future cash flows. As part of the impairment test, different discount rates were used, see below.

| Discount rate | FK Distribution | BoligPortal |
|---|---|---|
| 2022 after tax | 10.0% | 12.6% |
| 2022 before tax | 12.9% | 16.2% |
| 2021 after tax | 8.0% | 10.5% |
| 2021 before tax | 10.2% | 13.5% |

The discount rate is composed of a debt element and an equity element. For BoligPortal and Bekey, however, the discount rate consist entirely of an equity element, as debt financing for these CGU's is generally considered to be difficult to obtain. The equity element has been determined on the basis of a risk-free interest rate plus a market risk premium weighted by an expected equity element. Similarly, the debt element is based on the interest rate on loan capital weighted by an expected debt element.

# Note 14 Intangible assets and property, plant and equipment (continued)

| DKKm | Goodwill | Other intangible assets | Software | Intangible assets total | Land and buildings | Investment property | Plant and machinery | Fixtures and fittings | PPE total |
|---|---|---|---|---|---|---|---|---|---|
| Cost at 1 January 2021 | 55.2 | 33.5 | 74.3 | 163.0 | 385.1 | 74.2 | 226.7 | 93.4 | 779.4 |
| Additions for the year | 0.0 | 0.0 | 6.7 | 6.7 | 6.8 | 0.0 | 8.6 | 3.4 | 18.8 |
| Disposals for the year | 0.0 | 0.0 | 17.4 | 17.4 | 0.5 | 0.0 | 25.4 | 57.2 | 83.1 |
| Cost at 31 December 2021 | 55.2 | 33.5 | 63.6 | 152.3 | 391.4 | 74.2 | 209.9 | 39.6 | 715.1 |
| Amortisations, depreciation and impairment losses at 1 January 2021 | 16.1 | 23.4 | 67.4 | 106.9 | 148.4 | 56.8 | 187.1 | 81.4 | 473.7 |
| Amortisations and depreciation for the year | 0.0 | 1.2 | 0.9 | 2.1 | 9.9 | 0.5 | 10.3 | 4.9 | 25.6 |
| Impairment loss for the year | 0.0 | 0.0 | 11.3 | 11.3 | 0.0 | 0.0 | 8.8 | 0.0 | 8.8 |
| Disposals for the year | 0.0 | 0.0 | 17.4 | 17.4 | 0.5 | 0.0 | 25.4 | 56.7 | 82.6 |
| Amortisations, depreciation and impairment losses at 31 December 2021 | 16.1 | 24.6 | 62.2 | 102.9 | 157.8 | 57.3 | 180.8 | 29.6 | 425.5 |
| Carrying amount at 31 December 2021 | 39.1 | 8.9 | 1.4 | 49.4 | 233.6 | 16.9 | 29.1 | 10.0 | 289.6 |
| Cost at 1 January 2022 | 55.2 | 33.5 | 63.6 | 152.3 | 391.4 | 74.2 | 209.9 | 39.6 | 715.1 |
| Additions for the year | 0.9 | 0.0 | 4.6 | 5.5 | 12.6 | 0.4 | 4.7 | 4.4 | 22.1 |
| Disposals for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.2 | 2.2 |
| Cost at 31 December 2022 | 56.1 | 33.5 | 68.2 | 157.8 | 404.0 | 74.6 | 214.6 | 41.8 | 735.0 |
| Depreciation and impairment losses at 1 January 2022 | 16.1 | 24.6 | 62.2 | 102.9 | 157.8 | 57.3 | 180.8 | 29.6 | 425.5 |
| Amortisations and depreciation for the year | 0.0 | 1.2 | 2.0 | 3.2 | 10.4 | 0.5 | 8.8 | 4.8 | 24.5 |
| Disposals for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.9 | 1.9 |
| Amortisations, depreciation and impairment losses at 31 December 2022 | 16.1 | 25.8 | 64.2 | 106.1 | 168.2 | 57.8 | 189.6 | 32.5 | 448.1 |
| Carrying amount at 31 December 2022 | 40.0 | 7.7 | 4.0 | 51.7 | 235.8 | 16.8 | 25.0 | 9.3 | 286.9 |
| Depreciated over (years) | - | 10 år | 3 år | | 20-50 år | 35 år | 5-10 år | 3-5 år | |

## Note 14 Intangible assets and property, plant and equipment (continued)

In 2022, other intangible assets included DKK 2.9 million worth of assets, which are considered to have indefinite lives, for which reason they were not amortised (2021: DKK 2.9 million).

Land and buildings and fixtures and fittings include lease assets for a total of DKK 5.3 million at 31 December 2022 (2021: DKK 6.8 million). See notes 25 og 27.

### Investment property

The Group's former printing facility in Helsingør is classified as an investment property. The property is recognised and measured at cost less accumulated depreciation and impairment losses. Fair value of the property has been calculated at DKK 20-24 million depending on expectations for the future net return. The value is calculated based on a return-based cash flow model, by applying a required rate of return of 6,25% that reflects current market required rates of return for similar properties (Level 3). An external valuation expert has not been engaged to determine the fair value. When determining the market value, account has been taken of the fact that extensive renovation costs have been put into operation in recent years, just as depreciation is included in the figures below.

| DKKm | 2022 | 2021 |
|---|---|---|
| Rental income | 1.9 | 1.9 |
| Direct operating expenses of rented areas | -1.4 | -1.2 |
| Direct operating expenses of non-rented areas | 0.0 | 0.0 |
| Renovation costs | -0.3 | -0.2 |
| Profit/loss before interest and tax | 0.2 | 0.5 |

## Note 15 Investments in associates

| DKKm | Registered office | Equity interest 2022 | Equity interest 2021 |
|---|---|---|---|
| **Associates** | | | |
| Karman Connect A/S (earlier: Lead Supply A/S) | Aarhus | 50.0% | 50.0% |

| Investments in associates | 2022 | 2021 |
|---|---|---|
| Net asset value at 1 January | 8.1 | 6.1 |
| Share of profit/loss before tax | 9.5 | 5.4 |
| Share of tax | -2.1 | -1.2 |
| Dividend received | -1.0 | -2.2 |
| Net asset value at 31 December | 14.5 | 8.1 |

| DKKm | 2022 | 2021 |
|---|---|---|
| Share of profit/loss before tax | 9.5 | 5.4 |
| Share of tax | -2.1 | -1.2 |
| Total share of profit/loss in associates | 7.4 | 4.2 |

# Note 15 Investments in associates (continued)

**Highlights for individual, material associates**

| DKKm | 2022 Total | 2021 Total |
|---|---|---|
| Karman Connect, Equity interest | 50.0% | 50.0% |
| Revenue | 78.3 | 63.2 |
| Net profit for the year | 14.8 | 8.4 |
| Comprehensive income | 14.8 | 8.4 |
| The Group's share of comprehensive income | 7.4 | 4.2 |
| **Balance sheet** | | |
| Non-current assets | 0.5 | 1.8 |
| Current assets | 31.1 | 16.3 |
| Non-current liabilities | -0.5 | 0.0 |
| Current liabilities | -9.3 | -9.1 |
| Net assets (equity) | 21.8 | 9.0 |
| The Group's share of equity in associates (book value) | 14.5 | 8.1 |
| **Transactions with associates** | | |
| Dividend received from associates | 1.0 | 2.2 |
| Contingent liabilities | 1.9 | 2.6 |

Associates are not subject to limitations with respect to distribution of cash dividends aside from the general requirements for propriety of dividends under Danish company law.

# Note 16 Inventories

| DKKm | 2022 | 2021 |
|---|---|---|
| Manufactured goods and goods for resale | 6.0 | 5.8 |
| Write-down of finished goods | -0.2 | -0.2 |
| Total inventories | 5.8 | 5.6 |

DKK 1.2 million worth of finished goods exist that are expected to be sold more than 12 months after the balance sheet date (2021: DKK 1.2m). DKK 6.3 million in cost of sales has been recognised in direct costs (2021: DKK 5.5m).

# Note 17 Trade receivables

| DKKm | 2022 | 2021 |
|---|---|---|
| Trade receivables | 55.7 | 57.7 |
| Write-downs | -0.5 | -0.2 |
| Trade receivables, net | 55.2 | 57.5 |

Bad debts has historically been insignificant.

# Note 18 Deferred tax

| DKKm | 2022 | 2021 |
|---|---|---|
| Deferred tax at 1 january, liabilities / liabilities | -0.1 | 11.4 |
| Deferred tax included in net profit for the year | -16.1 | -1.2 |
| Deferred tax share options not included in P&L | 4.9 | -10.3 |
| Deferred tax, purchase subsidiary | 0.9 | 0.0 |
| Deferred tax at 31 December, (- = assets / + = liabilities) | -10.4 | -0.1 |

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| DKKm | Assets | Liabilities | Total | Assets | Liabilities | Total |
| Intangible assets | 0.0 | 5.9 | -5.9 | 0.0 | 5.7 | -5.7 |
| Property, plant and equipment | 3.4 | 0.0 | 3.4 | 0.0 | 2.3 | -2.3 |
| Current assets | 0.1 | 0.0 | 0.1 | 0.8 | 1.9 | -1.1 |
| Share options | 1.3 | 0.0 | 1.3 | 9.2 | 0.0 | 9.2 |
| Tax losses carried forward | 11.5 | 0.0 | 11.5 | 0.0 | 0.0 | 0.0 |
| Total | 16.3 | 5.9 | 10.4 | 10.0 | 9.9 | 0.1 |
| Set-off of deferred tax assets and deferred tax liabilities within the same legal tax units and jurisdictions | -5,9 | -5,9 | 0.0 | -9.9 | -9.9 | 0.0 |
| Deferred tax assets / liabilities at 31 December | 10.4 | 0.0 | 10.4 | 0.1 | 0.0 | 0.1 |

The North Media Group is subject to the Danish rules on compulsory joint taxation with its parent company Baunegård ApS. While the North Media Group itself had positive taxable income for 2022, the overall income subject to joint taxation was negative and must be shared by the North Media Group and the parent company Baunegård ApS. North Media's share of the tax loss carried forward has a tax value of DKK 11.5m, which amount has been capitalised as a tax asset. The joint taxation group are expected generate profits over the next one to three years that will as a minimum offset the overall tax asset of the joint taxation group.

Considering the historical earnings, the outlook for 2023 as expressed in the guidance and the fact that equities have historically generated positive returns, it is likely that the tax asset will be utilised within the foreseeable future.

# Note 19 Equity

| Share capital | Number in thousands 2022 | 2021 | Nominal value DKK'000 2022 | 2021 |
|---|---|---|---|---|
| Number of shares at 1 January | 20,055 | 20,055 | 100,275 | 100,275 |
| Number of shares at 31 December | 20,055 | 20,055 | 100,275 | 100,275 |

he share capital consists of 20,055,000 shares of DKK 5.00 nominal value each, fully paid up. No shares carry special rights.

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| **Treasury shares** | **Number in thousands** | **Nominal value DKK'000** | **% of share capital** | **Number in thousands** | **Nominal value DKK'000** | **% of share capital** |
| At 1 January | 1,909 | 9,545 | 9.52% | 2,100 | 10,500 | 10.47% |
| Sale | -280 | -1,400 | -1.40% | -191 | -955 | -0.95% |
| At 31 December | 1,629 | 8,145 | 8.12% | 1,909 | 9,545 | 9.52% |

North Media A/S is authorised by the company in general meeting to acquire a maximum nominal amount of DKK 15,041,000 of share capital. This authorisation runs until 27 March 2025.

In the 2022 financial year, North Media A/S sold 279,500 treasury shares for the amount of DKK 10,1 million as part of the exercise of the share option program described in note 6. (2021: sold 191,500 treasury shares for the amount of DKK 7,0 million as part of the exercise of the share option program).

The portfolio of treasury shares was acquired with a view to funding current and possible future share options outstanding relating to the Group's share option programme, see details in Note 6.

### Reserve currency translation adjustments

The reserve is dissolved in 2022 as the foreign activities have finally been closed down.

## Note 20 Debt to financial institutions etc.

| DKKm | 2022 | 2021 |
|---|---|---|
| Mortage debt, fixed rate | 113.4 | 118.1 |
| Carrying amount | 113.4 | 118.1 |
| Debt to financial institutions is included under the following items in the balance sheet | | |
| Non-current liabilities | 108.6 | 113.3 |
| Current liabilities | 4.8 | 4.8 |
| Carrying amount | 113.4 | 118.1 |
| Nominal value | 113.4 | 118.1 |
| Fair value | 91.6 | 119.2 |

## Note 21 Contract liabilities

Contractual obligations are recognised as income upon delivery of the subject-matter of the contract for which prepayment has been received. This usually take place in the following quarter.

## Note 22 Other payables

| DKKm | 2022 | 2021 |
|---|---|---|
| A tax (PAYE) etc payable to public authorities | 0.4 | 0.3 |
| VAT liability | 11.1 | 14.8 |
| Holiday pay obligation | 11.6 | 13.3 |
| Other debt | 25.8 | 37.3 |
| Total other payables | 48.9 | 65.7 |

In 2022, there have been no special payments of other payables. In 2021 other payables decreased by approximately DKK 30m due to the COVID-19-related extension of payment deadlines. In addition, an amount of DKK 18.2 million relating to frozen holiday pay was paid to the Labour Market Holiday Fund.

## Note 23 Adjustments for non-cash items

| DKKm | 2022 | 2021 |
|---|---|---|
| Share of profit/loss in associates | -7.4 | -4.2 |
| Tax on profit/loss for the year | -0.7 | 73.4 |
| Amortisation and depreciation of assets | 27.7 | 27.7 |
| Share-based payment | 0.2 | 1.2 |
| Impairments Intangible and tangible assets | 0.0 | 20.1 |
| Net financials | 3.5 | 4.7 |
| Value adjustments, securities | 194.2 | -103.2 |
| Total adjustments for non-cash items | 217.5 | 19.7 |

## Note 24 Changes in working capital

| DKKm | 2022 | 2021 |
|---|---|---|
| Changes in receivables etc | 2.9 | -1.8 |
| Changes in current liabilities | -29.1 | -41.0 |
| Changes in working capital | -26.2 | -42.8 |

## Note 25 Investments in intangible assets and property, plant and equipment

| DKKm | 2022 | 2021 |
|---|---|---|
| Investment in software | -0.6 | -6.7 |
| Investment in land and buildings | -13.0 | -6.8 |
| Investment in plant and machinery | -4.7 | -8.6 |
| Investment in fixtures and fittings | -4.4 | -3.4 |
| Total investments | -22.7 | -25.5 |
| | | |
| Investments with a cash effect hereof | -20.2 | -24.7 |
| IFRS 16 investments hereof (no cash effect) | -2.5 | -0.8 |

Investments for the year included DKK 7.4m relating to solar panels and DKK 3.9m for an associated battery. The 2021 figure included DKK 7.2 million relating to Bekey's stairwells project, which amount was recognised in 2022. The amount also included additions of DKK 0.8m regarding leased vehicles.

The North Media Group makes extensive use of IT and other recent technology as core elements of its individual business areas. Developing and testing physical and digital methods so as to constantly develop businesses and enhance efficiency form an integral part of our day-to-day operations. The Group's development costs charged to the income statement in 2022 amounted to approximately DKK 10m (2021: approximately DKK 10m).

## Note 26 Development in interest-bearing debt

| DKKm | 2022 | 2021 |
|---|---|---|
| Of this long-term debt | 110.5 | 116.6 |
| Of this short-term debt | 8.2 | 8.2 |
| Interest bearing debt at 31 December | 118.7 | 124.8 |

| Interest-bearing debt 2022, DKKm | Beginning of year | Cash flow | non-cash* | End of year |
|---|---|---|---|---|
| Financial institutions | 118.1 | -4.7 | - | 113.4 |
| Lease debt | 6.7 | -3.7 | 2.3 | 5.3 |
| Total financial liabilities | 124.8 | -8.4 | 2.3 | 118.7 |
| **Interest-bearing debt 2021, DKKm** | | | | |
| Financial institutions | 122.8 | -4.7 | - | 118.1 |
| Lease debt | 9.9 | -3.3 | 0.1 | 6.7 |
| Total financial liabilities | 132.7 | -8.0 | 0.1 | 124.8 |

*Additions and disposals of leasing assets are included here

# Note 27 Leases

The Group recognizes leases in the balance sheet in accordance with IFRS 16.

The service component of the lease is not capitalised. The discounted value of lease liabilities is calculated on the basis of an incremental borrowing rate of 2%.

The value of the assets is calculated as follows:

The Group has a number of short-term leases (< 12 months), mainly depot facility leases. The exception in IFRS 16 of leaving out short-term leases has been applied for these leases. Instead, these leases are recognised in the income statement over the lease term. During the year, DKK 3.5 million has been recognised in the income statement (2021: DKK 2.0 million), and remaining lease payments amount to DKK 1.3 million.

| DKKm | 2022 | 2021 |
|---|---|---|
| Rental agreements are recognised in 'Land and buildings, Note 14 | 2.1 | 4.0 |
| Leased cars are recognised in 'Fixtures and fittings', Note 14 | 3.2 | 2.8 |
| | 5.3 | 6.8 |

# Note 28 Material accounting estimates and judgements

No material accounting estimates and judgments were made in preparing the North Media A/S consolidated financial statements for 2022.

Goodwill and other intangible assets are tested for impairment on an annual basis, but considering the high level of earnings in the relevant CGUs and the relatively low value of the intangible assets, management does not believe there is a risk of significant possible estimation errors that could impact the value of intangible assets. Further comments to this effect are provided in note 14.

## Note 29 Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which Baunegård ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable for income taxes and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The total known joint taxation liability is evident from the financial statements of Baunegård ApS.

At the end of 2022, North Media A/S committed to invest EUR 2m in an infrastructure fund under Copenhagen Infrastructure Partners. The fund will be investing in off-shore/onshore wind, solar energy, energy storage technology, among other things. To date, the fund has called EUR 0.61m, which amount has been recognised in other securities and investments. The remaining amount, EUR 1.39m, will be called as and when the underlying fund identifies and acquires an interest in relevant projects.

In a decision announced on 30 June 2020, the Competition and Consumer Authority ruled that Forbruger-Kontakt A/S had violated the prohibition against abusing a dominant position by applying tying conditions in its contracts with customers in the period 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.

## Note 30 Security for loans

| DKKm | 2022 | 2021 |
|---|---|---|
| Carrying amount for mortgaged properties provided as security for the Group's mortgage debt | 231.2 | 227.2 |

## Note 31 Related parties

As a principal shareholder in North Media A/S's Parent, Baunegård ApS, Richard Bunck is subject to the disclosure requirements for related parties. During the current and previous financial year, there were no transactions with Richard Bunck except for his remuneration as a Board member.

Baunegård ApS is wholly owned and controlled by Richard Bunck. This company is an administration company in the joint taxation arrangement with North Media A/S and manages payment/receipt of Danish income tax on behalf of the North Media Group's Danish companies. Baunegård ApS (registered in the Municipality of Fredensborg) prepares the consolidated financial statements, in which North Media A/S and its subsidiaries are included.

Member of the Board Ulrik Holsted-Sandgreen is attorney-at-law and partner of the law firm of Horten, which provides professional advisory services to the Company. Therefore, Ulrik Holsted-Sandgreen may not be considered independent. In 2022, Horten invoiced the Group total fees of DKK 3.3 mil-lion (2021: DKK 5.6 million).

In the year under review, no transactions were made with the Board of Directors, Executive Board, managerial staff, significant shareholders or other related parties, except for salaries, remuneration and exercised share options as set out in Notes 5 and 6.

North Media has transactions with associates and subsidiaries in the form of ordinary business activities such as buying and selling services and internal rental agreements.

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

| DKKm | 2022 | 2021 |
|---|---|---|
| **Transactions with Baunegård ApS and Richard Bunck** | | |
| Remuneration, Board member, paid to Richard Bunck | 0.4 | 0.4 |
| Corporate tax, current financial year, paid to Baunegård ApS | 4.5 | 81.0 |
| Corporate tax, previous year paid to Baunegård ApS | 0.0 | 8.0 |
| Corporate tax, previous year received from Baunegård ApS | 5.9 | 0.0 |
| Dividend to Baunegård ApS | 55.9 | 55.9 |
| **Transactions with associates** | | |
| Sale to Karman Connect A/S | 0.3 | 0.2 |
| Purchase from Karman Connect A/S | 0.4 | 0.0 |

# Note 32 Financial risks

The Group's handling of liquidity risks and risk management is described in detail in a separate section in the management commentary. Supplementary information for under-standing the Group's financial risks is given below.

### Liquidity risk

The Group's capital resources consist of cash funds in the total amount of DKK 186.8 million (2021: DKK 129.7 million). In addition, the Group has readily negotiable securities of DKK 577.5 million (2021: DKK 753.1 million).

### Interest-rate risk

It is group policy to hedge the interest rate risk of the Group's loans when the Group believes that the interest payments can be secured at a satisfactory level compared with the related costs. The Group's mortgage loans are stated as follows:

| DKKm | 2022 | 2021 |
|---|---|---|
| 0,5%, 20-year annuity loan maturing on 31 December 2039, cash loan | 54.9 | 57.9 |
| 1,5%, 30-year annuity loan maturing on 30 September 2048, cash loan | 58.5 | 60.2 |
| Total mortgage debt | 113.4 | 118.1 |

Fluctuations in the interest rate level affects the Group's bank deposits and the fair value of the mortgage debt.

Cash debt on the mortgage loan is recognised in the balance sheet at the cash debt outstanding, for which reason fluctuations in fair value are not recognised in the financial statements. A 1% increase per year in the interest-rate level would reduce the fair value of the debt by DKK 7.9 million. Conversely, a decline in the interest rate level by 1% would only increase the fair value of the debt by DKK 8.6 million (for 2021 an increase in the interest-rate level by 1% would reduce the fair value of the debt by DKK 9,5m, whereas a decline would have increased the fair value of the debt by DKK 3.5 million).

The calculation of the Group's interest rate sensitivity is based on the following assumptions:

- The sensitivity rates specified for the fixed rate debt have been calculated on the basis of recognised financial assets and liabilities at 31 December 2022.
- It is assumed that the loans will be settled ordinarily as a 20-year and 30-year annuity loan, respectively, based on a cash borrowing rate of 0.74 to 1.92 %.

### The Group's financial liabilities are due as follows:

| 2022, DKKm | Carrying amount | Contrac-tual cash flow | Within 3 months | Within 3-12 months | 2-5 years | After 5 years |
|---|---|---|---|---|---|---|
| **Financial liabilities** | | | | | | |
| Financial institutions | 113.4 | 140.2 | 1.7 | 5.2 | 27.6 | 105.7 |
| Lease debt | 5.3 | 5.3 | 0.8 | 2.6 | 1.9 | 0.0 |
| Trade payables | 30.9 | 30.9 | 30.9 | 0.0 | 0.0 | 0.0 |
| Other payables | 25.8 | 25.8 | 20.0 | 5.8 | 0.0 | 0.0 |
| Liabilities at 31 December 2022 | 175.4 | 202.2 | 53.4 | 13.6 | 29.5 | 105.7 |
| 2021, DKKm | | | | | | |
| **Financial liabilities** | | | | | | |
| Financial institutions | 118.1 | 147.1 | 1.7 | 5.2 | 27.7 | 112.5 |
| Lease debt | 6.7 | 6.7 | 0.8 | 2.6 | 3.3 | 0.0 |
| Trade payables | 44.7 | 44.7 | 44.7 | 0.0 | 0.0 | 0.0 |
| Other payables | 37.3 | 37.3 | 30.6 | 6.7 | 0.0 | 0.0 |
| Liabilities at 31 December 2021 | 206.8 | 235.8 | 77.8 | 14.5 | 31.0 | 112.5 |

# Note 32 Financial risk (continued)

The Group's cash and cash equivalents are mainly placed in the Group's cash pool account, on which negative interest is currently charged. The interest rate risk of deposits is considered immaterial.

As to the Group's financial assets and liabilities, the carrying amount may be allocated on the following contractual dates of interest-rate adjustment or expiry, depending on which date comes first, and how large a portion of the interest carrying assets and liabilities carries fixed or floating interest.

| Financial assets and liabilities end 2022 DKKm | Within 1 year | Between 2 - 5 years | After 5 years | Total | Average duration |
|---|---|---|---|---|---|
| Bank deposits | 186.8 | 0.0 | 0.0 | 186.8 | 1 |
| Mortgage debt, fixed rate | -4.8 | -19.9 | -88.7 | -113.4 | 4 |
| Lease debt | -3.4 | -1.9 | 0.0 | -5.3 | - |
| 31 December 2022 | 178.6 | -21.8 | -88.7 | 68.1 | - |

| Financial assets and liabilities end, 2021, DKKm | | | | | |
|---|---|---|---|---|---|
| Bank deposits | 129.7 | 0.0 | 0.0 | 129.7 | 1 |
| Mortgage debt, fixed rate | -4.8 | -19.6 | -93.7 | -118.1 | 4 |
| Lease debt | -3.4 | -3.3 | 0.0 | -6.7 | - |
| 31 December 2021 | 121.5 | -22.9 | -93.7 | 4.9 | - |

### Security risk (shares)

A major portion of the Group's capital resources is placed in 16 different Danish and foreign shares and share-based investment funds, see description in the Financial review on page 38. A 10% change in the share price of the securities would influence pre-tax profit or loss for the year and equity by DKK 57.8 million (2021: DKK 75.3 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2022 would isolated influence pre-tax profit or loss for the year and equity by DKK 23.0 million (2021: DKK 35.0 million). Please refer to page 38 in the Financial review for a more detailed description of returns and value at risk.

### Currency risks

App. 95% of the Group's activities are in Denmark and invoiced in Danish kroner. There are minor activities in the UK, Sweden and Germany.

No significant direct trading takes place between business entities in different countries, and North Media is only insignificantly exposed to currency risks with respect to cash flows from financial transactions and dividend flows with the exception of share price/securities exposure, see above. An insignificant translation risk exists with respect to consolidating and translating foreign subsidiaries' financial statements to Danish kroner, and in connection with the Group's net investments in these companies. The maximum aggregate currency risk of the direct trading between business entities is estimated to be DKK 1.0 million a year and is therefore not hedged.

The Group has no noteworthy currency risks with respect to receivables and debt denominated in foreign currencies at 31 December 2022 and 2021.

### Credit risks

The Group is to some extent exposed to credit risks vis-à-vis receivables and deposits with banks. The maximum credit risk equals the carrying amount.

No noteworthy credit risks are considered to be associated with cash and cash equivalents as the counterparties are banks designated by the Danish Financial Supervisory Authority as systemically important financial institutions.

Outstanding receivables are regularly followed up on in accordance with the Group's receivables policy. The write-down for expected loss on trade receivables is recognised directly in profit or loss at the same time as the receivable based on a simplified expected credit loss model. The Group's operations have historically had insignificant bad debts, so write-downs are made based on individual provisions if warranted by external factors, such as bankruptcy or suspension of payment. The average loss rate of the past five years is 0.02%, and credit insurance is taken out for all major receivables.

The Group has no significant risks relating to a single customer or business partner. In accordance with the Group's credit risk assumption policy, all major customers and other business partners are subject to continuous credit assessment. At 31 December 2022, total receivables of DKK 45.4million were credit-insured with a maximum credit risk of DKK 8.6m (2021: receivables of DKK 47,6m. were credit-insured with a maximum credit risk of DKK 8,9m).

### Capital management

Please refer to the section on capital resources in the management commentary, capital structure and dividend policy, page 39.

# Note 33 Carrying amount, financial assets and liabilities

| DKKm | 2022 Carrying amount | 2022 Fair value | 2021 Carrying amount | 2021 Fair value |
|---|---|---|---|---|
| Trade receivables* | 55.2 | 55.2 | 57.5 | 57.5 |
| Other receivables** | 2.6 | 2.6 | 2.7 | 2.7 |
| Cash at bank and in hand | 186.8 | 186.8 | 129.7 | 129.7 |
| Financial assets, measured at amortised cost | 244.6 | 244.6 | 189.9 | 189.9 |
| Other securities and investments | 4.2 | 4.2 | 2.2 | 2.2 |
| Securities | 577.5 | 577.5 | 753.1 | 753.1 |
| Financial assets, measured at fair value | 581.7 | 581.7 | 755.3 | 755.3 |
| Financial institutions | 113.4 | 91.6 | 118.1 | 119.2 |
| Lease debt | 5.3 | 5.3 | 6.7 | 6.7 |
| Trade payables | 30.9 | 30.9 | 44.7 | 44.7 |
| Financial liabilities, measured at amortised cost | 149.6 | 127.8 | 169.5 | 170.6 |

*) Depreciation method: Lifetime expected credit-loss (simplified method)
**) Depreciation method: 12 month expected credit-loss

The fair value of listed securities has been calculated at the market price at 31 December 2022 and 31 December 2021, respectively, for the individual securities (Level 1).

The fair value for credit institutions has been calculated based on the market price at 31 December 2022 and 31 December 2021, respectively, based on the loans' underlying bonds (Level 1), adjusted for North Media's credit risk. Because of North Media's financial position, the credit risk is deemed insignificant.

For other assets and liabilities, carrying amount is considered to equal fair value.

# Note 34 Purchase of subsidiary

In connection with BoligPortal acquiring 51% of the voting shares in Boligmanager ApS effective on 1 February 2022 and concluding a put/call option for the remaining 49%, North Media A/S has made a calculation of identifiable assets, liabilities and contingent liabilities at fair value. There was no significant activity in the company in January 2022.

Boligmanager has developed and launched a digital housing and property management system. The system enables landlords to manage, among other things, contracts, deposits, billings and payments, arrears, utility accounts, VAT, communication with tenants and bookkeeping at tenant/property level. This is a full-scale digital solution, and bookkeeping entries are integrated with e-economic and other online accounting software. The SaaS products are available as monthly subscriptions. The acquisition strengthens BoligPortal's product offering to property owners.

| DKKm | Fair value at time of acquisition |
|---|---|
| Software | 4.0 |
| Cash | 8.0 |
| Deferred tax | -0.9 |
| Acquired ned assets | 11.1 |
| Goodwill | 0.9 |
| Acquisition cost | 12.0 |
| Of which contributed cash | -8.0 |
| Net cash acquisition price | 4.0 |

DKK 8m was contributed to equity as part of the transaction. The capital contribution will be used to grow and scale Boligmanager's operations. Accordingly, the cash acquisition price amounted to DKK 4.0m. The identifiable assets (other than the cash contribution) were allocated to software, which was the company's only asset.

Boligmanager is recognised in both the consolidated and the subsidiary financial statements at a 100% ownership interest. Pursuant to the shareholders' agreement including the related contingent residual consideration,

Boligmanager's founders are entitled only to the contingent consideration relating to the remaining 49% of the shares. As part of the

# Note 34 Purchase of subsidiary (continued)

acquisition, an agreement has been made with Boligmanager's founders on their future employment until the end of 2026.

The related contingent consideration is not considered as part of the purchase price, but as remuneration for future employment, and the amount will be recognised as earned. The amount is expected to equal 1.5x Boligmanager's revenue in the 2026 financial year, depending on its revenue and EBIT margin performance.

An amount of DKK 1.2m was recognised under other debt in respect of the contingent consideration. The amount is inherently subject to uncertainty, because the estimate is subject to anticipated revenue for 2026, an anticipated profit in Boligmanager as well to the two minority shareholders remaining employed with the company.

All liabilities relating to the acquisition of Boligmanager will be settled by the end of 2026. Overall, the acquisition of Boligmanager has reduced BoligPortal's 2022 EBIT by DKK 5.5m, of which DKK 1.2m consists of amortisation of the identified software and DKK 1.2m was the outstanding consideration for the remaining 49% of the shares. The rest of the amount represents the operating loss in Boligmanager. Boligmanager reported insignificant revenue for 2022.

## Note 35 Classified income statement

The Group presents the income statement according to the same policies as are applied in the internal reporting. The difference relative to a classified income statement is explaned below:

| | 2022 | 2021 |
|---|---|---|
| **Income statement Items** | | |
| Direct costs | -252.7 | -236.7 |
| Direct staff costs | -179.7 | -176.4 |
| Staff costs | -226.0 | -221.0 |
| Other external costs | -126.5 | -112.2 |
| Other operating income | 8.8 | 4.9 |
| Total | -776.1 | -741.4 |
| **These items are classified by nature:** | | |
| Other operating income | 8.8 | 4.9 |
| Cost of raw materials and consumables | -26.2 | -20.4 |
| Other external costs | -353.0 | -328.5 |
| Staff cost, ct note 5 and 6 | -405.7 | -397.4 |
| Total | -776.1 | -741.4 |

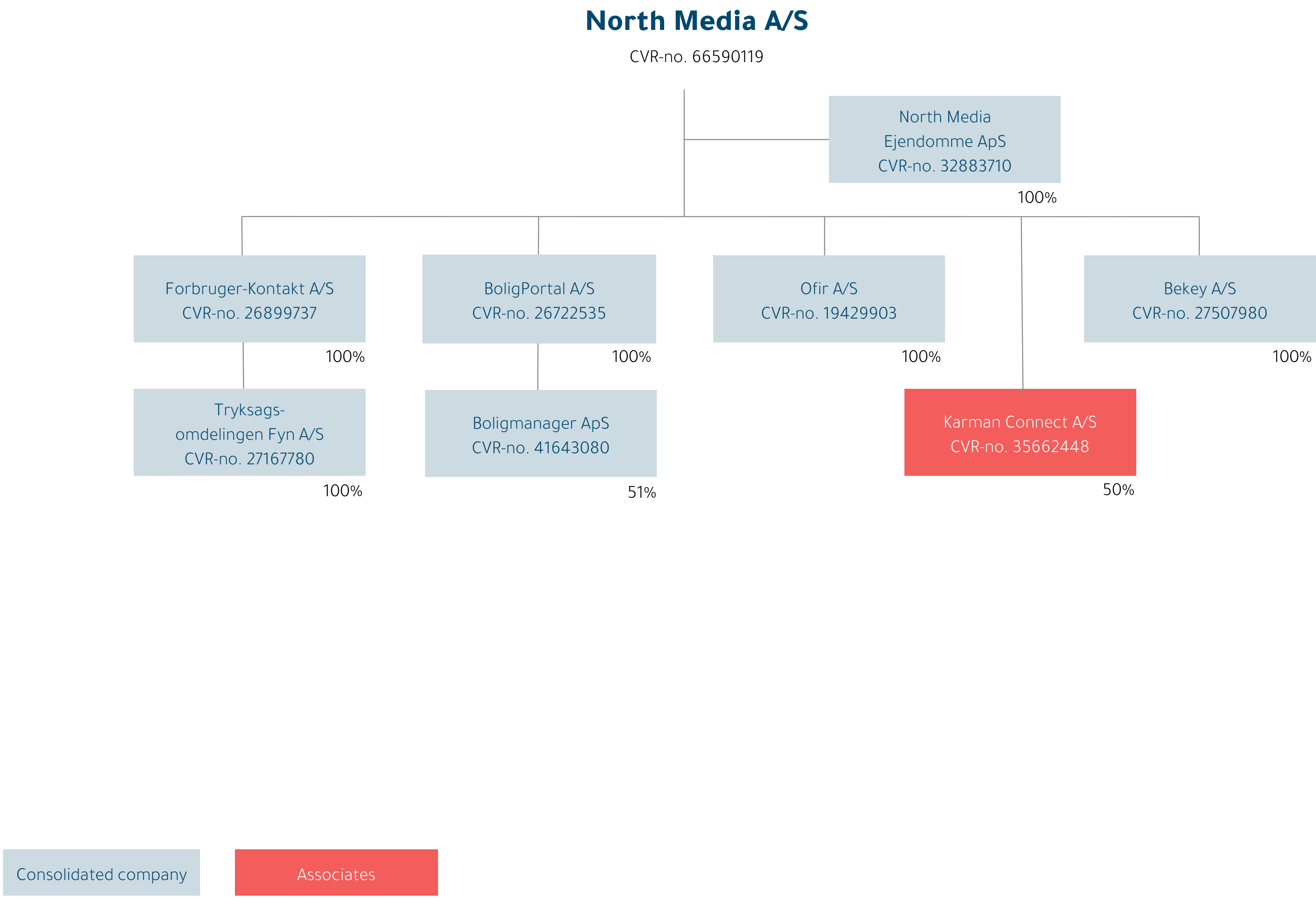
## Note 36 Subsequent events

No other events had occurred at the release of this Annual Report on 8 February 2023 which will affect users' interpretation of the Annual Report.

## Note 37 Authorisation of the consolidated financial statements

At the Board meeting on 8 February 2023, the Board of Directors authorised this Annual Report for publication. The Annual Report will be submitted for approval at the Annual General Meeting on 24 March 2023.

# Note 38 Group chart at 31 December 2022



# Parent financial statements

Financial statement 1 January - 31 December 2022



# Parent income statement

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Revenue | | 23.0 | 20.8 |
| Staff costs | 42 | 26.0 | 24.2 |
| Other external expenses | 41 | 10.3 | 12.3 |
| Amortisation and depreciation | | 0.1 | 0.1 |
| EBIT | | -13.4 | -15.8 |
| Share of profits/losses in subsidiaries | 43 | 158.2 | 202.5 |
| Share of profits/losses in associates | 43 | 4.9 | 4.2 |
| Financial income | 44 | 7.0 | 103.2 |
| Financial expenses | 44 | 202.0 | 1.9 |
| Profit/loss before tax | | -45.3 | 292.2 |
| Tax for the year | 45 | -45.6 | 17.6 |
| Net profit/loss for the year | | 0.3 | 274.5 |

# Parent balance sheet at 31 December

## Assets

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Operating equipment, fixtures and fittings | | 0.8 | 0.9 |
| Property, plant and equipment | 46 | 0.8 | 0.9 |
| Investment in subsidiaries | 47 | 408.2 | 433.0 |
| Investment in associates | 48 | 12.0 | 8.1 |
| Other securities and investments | 49 | 4.2 | 2.2 |
| Deferred tax asset | 50 | 12.2 | 10.1 |
| Other receivables | 51 | 3.8 | 3.8 |
| Fixed asset investments | | 440.5 | 457.2 |
| Total non-current assets | | 441.3 | 458.1 |
| Receivables from subsidiaries | | 58.9 | 62.1 |
| Income tax receivable | 53 | 0.0 | 6.3 |
| Other receivables | | 0.0 | 0.0 |
| Prepayments | | 0.7 | 0.3 |
| Total receivables | | 59.6 | 68.7 |
| Securities | 52 | 577.5 | 753.0 |
| Cash | | 164.7 | 137.3 |
| Total current assets | | 801.7 | 959.0 |
| Total assets | | 1,243.0 | 1,417.1 |

## Equity and liabilities

| DKKm | Note | 2022 | 2021 |
|---|---|---|---|
| Share capital | 54 | 100.3 | 100.3 |
| Retained earnings | 55 | 770.4 | 836.7 |
| Proposed dividend | 55 | 80.2 | 100.3 |
| Shareholders' equity | | 950.9 | 1,037.3 |
| Trade payables | | 1.2 | 1.7 |
| Payables to subsidiaries | | 274.8 | 364.4 |
| Income tax payable | 53 | 10.3 | 0.0 |
| Other payables | | 5.7 | 13.7 |
| Total current liabilities | | 292.0 | 379.9 |
| Total liabilities | | 292.0 | 379.9 |
| Total equity and liabilities | | 1,243.0 | 1,417.2 |
| Available for distribution | 55 | | |
| Rental obligations | 56 | | |
| Contingent liabilities | 57 | | |
| Related parties | 58 | | |
| Subsequent events | 59 | | |

# Parent statement of changes in equity

| DKKm | Share capital | Retained earnings | Proposed dividend | Total |
|---|---|---|---|---|
| Equity at 1 January 2021 | 100.3 | 634.9 | 100.3 | 835.4 |
| Changes in equity in 2021 | | | | |
| Foreign currency translation adjustments, foreign subsidiaries and associates | 0.0 | -0.3 | 0.0 | -0.3 |
| Net profit/loss for the year | 0.0 | 174.3 | 100.3 | 274.5 |
| Dividend paid | 0.0 | 0.0 | -100.3 | -100.3 |
| Dividend on treasury shares | 0.0 | 9.5 | 0.0 | 9.5 |
| Sales of treasury shares | 0.0 | 7.0 | 0.0 | 7.0 |
| Tax on options | 0.0 | 10.3 | 0.0 | 10.3 |
| Share-based payment | 0.0 | 1.2 | 0.0 | 1.2 |
| Total changes in equity in 2021 | 0.0 | 201.9 | 0.0 | 201.9 |
| Equity at 31 December 2021/1 January 2022 | 100.3 | 836.8 | 100.3 | 1,037.3 |
| Changes in equity in 2022 | | | | |
| Net profit/loss for the year | 0.0 | -79.9 | 80.2 | 0.3 |
| Dividend paid | 0.0 | 0.0 | -100.3 | -100.3 |
| Dividend on treasury shares | 0.0 | 8.2 | 0.0 | 8.2 |
| Sales of treasury shares | 0.0 | 10.1 | 0.0 | 10.1 |
| Tax on options | 0.0 | -4.9 | 0.0 | -4.9 |
| Share-based payment | 0.0 | 0.2 | 0.0 | 0.2 |
| Total changes in equity in 2022 | 0.0 | -66.3 | -20.1 | -86.4 |
| Equity at 31 December 2022 | 100.3 | 770.4 | 80.2 | 950.9 |

# Notes to the parent financial statement

## Note 39 Basis of accounting

The parent financial statements have been pre-pared in accordance with the provisions of the Danish Financial Statements Act for reporting class D enterprises.

The Annual Report is presented in Danish kroner.

The company merged with the subsidiary North Media Online A/S CVR No 12 32 06 47 effective on 1 January 2022 with North Media A/S as the continuing company. Comparative figures for 2021 have been restated.

Accounting policies are unchanged compared with 2021.

No cash flow statement has been prepared for the Parent, see section 86(4) of the Danish Financial Statements Act.

## Note 40 Accounting policies

The Parent's recognition and measurement criteria are identical to the Group's accounting policies except in the following are:

### Income statement

#### Revenue

Revenue of the Parent is composed of inter-company management fees.

#### Profits or losses from investments in subsidiaries

The Parent's profit or loss includes the pro-portion-ate share of the net profits or losses of the individual group enterprises after full elimination of intra-group gains or losses and net of amortisation of goodwill.

### Balance sheet

#### Investments

Investments in group enterprises are measured according to the equity method in the balance sheet at the proportionate share of net asset value plus goodwill regarding such group enterprises.

In the parent financial statements, goodwill is amortised based on the principles below. Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised over its estimated economic life which is determined based on Management's experience of the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is not more than ten years and longest for strategically acquired companies with a strong market position and a long-term earnings profile. Amortisation of goodwill is recognised in the in-come statement under investments in subsidiaries.

The value of group enterprises inclusive of goodwill is tested for impairment in the event of any indication of impairment. The value of group enterprises is written down to the higher of value in use and net selling price of the individual group enterprise.

Subsidiaries with a negative net asset value are measured at DKK 0 and any amount due from these companies is written down by the Parent's share of the negative net asset value to the extent that it is found to be uncollectible. Should the negative net asset value exceed the amount due, the remaining amount will be recognised under provisions to the extent that the Parent has a legal or constructive obligation to cover the liabilities of the company concerned and a loss is expected to follow from this.

### Dividend

Dividend expected to be paid for the year is presented as a separate item under equity.

## Note 41 Fee to the auditors appointed by the Company in General Meeting

| DKKm | 2022 | 2021 |
|---|---|---|
| **PwC** | | |
| Statutory audit services | 0.5 | 0.5 |
| Tax services | 0.2 | 0.2 |
| Other services | 0.3 | 0.3 |
| Total fee to the auditors appointed by the Company in General Meeting | 1.0 | 1.0 |

Fees for other assurance engagements provided for the Company by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.5m in 2022 (2021: DKK 0.5m), which is included in the above numbers. The assistance consists primarily of other assurance statements as well as other services in general.

## Note 42 Employees and staff costs

| | 2022 | 2021 |
|---|---|---|
| Average number of employees | 14 | 10 |

| DKKm | 2022 | 2021 |
|---|---|---|
| **Total amount of wages, salaries and remuneration for the year:** | | |
| Wages and salaries including holiday pay | 16.6 | 17.3 |
| Defined contribution plans | 1.3 | 0.9 |
| Other social security costs | 0.0 | 0.1 |
| Fee to the Board of Directors | 2.4 | 3.4 |
| Other staff costs | 5.8 | 2.6 |
| Total staff costs | 26.0 | 24.2 |

Reference is made to Note 6 to the consolidated financial statements for a description of share-based payment.

## Note 42 Employees and staff costs (continued)

**Remuneration of the Board of Directors and the Executive Board**

| 2022, DKKm | Board of Directors | Executive Board | Total |
|---|---|---|---|
| Wages and salaries | 2,4 | 9,2 | 11,6 |
| Defined contribution plans | 0,0 | 1,3 | 1,3 |
| Share-based payment | -0,2 | 0,2 | 0,0 |
| Severance pay | 0,0 | 1,2 | 1,2 |
| Total remuneration | 2,2 | 11,9 | 14,1 |
| Number of members | 5 | 3 | 8 |

| 2021, DKKm | Board of Directors | Executive Board | Total |
|---|---|---|---|
| Wages and salaries | 3,4 | 14,1 | 17,5 |
| Defined contribution plans | 0,0 | 1,5 | 1,5 |
| Share-based payment | 0,3 | 0,4 | 0,7 |
| Severance pay | 0,0 | 0,5 | 0,5 |
| Total remuneration | 3,7 | 16,5 | 20,2 |
| Number of members | 7 | 5 | 12 |

# Note 43 Share of profits/losses in associates and subsidiaries

| DKKm | 2022 | 2021 |
|---|---|---|
| **Subsidiaries** | | |
| Share of profits/losses before tax | 203.6 | 257.4 |
| Share of tax | -45.4 | -54.9 |
| Total share of profits/losses in subsidiaries | 158.2 | 202.5 |
| **Associates** | | |
| Share of profits/losses before tax | 9.5 | 5.4 |
| Share of tax | -2.1 | -1.2 |
| Amortisation goodwill | -2.5 | 0.0 |
| Total share of profits/losses in associates | 4.9 | 4.2 |

# Note 44 Financial income and expenses

| DKKm | 2022 | 2021 |
|---|---|---|
| Financial income | | |
| Dividend | 5.9 | 2.9 |
| Net capital gains on shares | 0.0 | 100.3 |
| Other financial income | 1.1 | 0.0 |
| Total financial income | 7.0 | 103.2 |
| Financial expenses | | |
| Net capital loss on shares | 200.1 | 0.0 |
| Other financial expenses | 1.9 | 1.9 |
| Total financial expenses | 202.0 | 1.9 |

# Note 45 Income tax

| DKKm | 2022 | 2021 |
|---|---|---|
| Income tax for the year is composed as follows: | | |
| Current tax charges, incl. financing charges | -38.8 | 16.5 |
| Adjustment relating to prior years | 0.2 | 0.0 |
| Changes in the deferred tax charge | -7.0 | 1.1 |
| Total tax on profit/loss for the year, income | -45.6 | 17.6 |

# Note 46 Property, plant and equipment

| DKKm | 2022 | 2021 |
|---|---|---|
| Cost at 1 January | 2.3 | 2.1 |
| Additions for the year | 0.0 | 0.2 |
| Cost at 31 December | 2.3 | 2.3 |
| Depreciation and impairment losses at 1 January | 1.4 | 1.3 |
| Depreciation for the year | 0.1 | 0.1 |
| Depreciation and impairment losses at 31 December | 1.5 | 1.4 |
| Carrying amount at 31 December | 0.8 | 0.9 |
| Depreciated over (years) | 3-5 | 3-5 |

# Note 47 Investments in subsidiaries

| DKKm | 2022 | 2021 |
|---|---|---|
| Cost at 1 January | 412.2 | 411.1 |
| Additions for the year | 20.0 | 17.6 |
| Disposals for the year, cf. merger 2022 | 0.0 | -16.5 |
| Cost at 31 December | 432.2 | 412.2 |
| Net write-down according to the equity method at 1 January | 20.8 | 7.6 |
| Translation adjustments | 0.0 | -0.3 |
| Share of profit/loss for the year | 158.2 | 202.5 |
| Dividend received | -203.0 | -204.0 |
| Disposals for the year, cf. merger 2022 | 0.0 | 15.0 |
| Net write-down according to the equity method at 31 December | -24.0 | 20.8 |
| Carrying amount at 31 December | 408.2 | 433.0 |
| Of which, goodwill | 0.0 | 0.0 |

| DKKm | Registered office | 2022 | 2021 |
|---|---|---|---|
| Forbruger-Kontakt A/S | Taastrup | 100.0% | 100.0% |
| Ofir A/S | Søborg | 100.0% | 100.0% |
| BoligPortal A/S | Aarhus | 100.0% | 100.0% |
| Bekey A/S | Søborg | 100.0% | 100.0% |
| North Media Ejendomme ApS | Søborg | 100.0% | 100.0% |

Reference is made to Note 38 for the Group chart

# Note 48 Investments in associates

| DKKm. | 2022 | 2021 |
|---|---|---|
| Cost at 1 January | 10.4 | 10.4 |
| Cost at 31 December | 10.4 | 10.4 |
| Net write-down at 1 January | -2.3 | -4.3 |
| Amortisation goodwill | -2.5 | 0.0 |
| Share of profit/loss for the year | 7.4 | 4.2 |
| Dividend received | -1.0 | -2.2 |
| Net write-down at 31 December | 1.7 | -2.3 |
| Carrying amount at 31 December | 12.0 | 8.1 |
| Of which, goodwill | 0.0 | 2.5 |

| DKKm | Registered office | 2022 | 2021 |
|---|---|---|---|
| Karman Connect A/S | Aarhus | 50.0% | 50.0% |

Reference is made to Note 38 for the Group chart

# Note 49 Other securities and investments

| DKKm | 2022 | 2021 |
|---|---|---|
| Cost at 1 January | 1.9 | 1.9 |
| Cost at 31 December | 1.9 | 1.9 |
| Net write-down at 1 January | 0.3 | 0.0 |
| Interest attribution | 1.9 | 0.8 |
| Share of profit/loss for the year | 0.2 | -0.5 |
| Net write-down at 31 December | 2.3 | 0.3 |
| Carrying amount at 31 December | 4.2 | 2.2 |

# Note 50 Deferred tax

| DKKm | 2022 | 2021 |
|---|---|---|
| Deferred tax at 1 January | -10.1 | -0.9 |
| Deferred tax for the year included in net profit/loss for the year | -7.0 | 1.1 |
| Deferred tax of share-based options | 4.9 | -10.3 |
| Deferred tax at 31 December, net | -12.2 | -10.1 |

| Specification of deferred tax: | Assets | Liabilities | Total 2022 |
|---|---|---|---|
| Property, plant and equipment | 0.2 | 0.0 | 0.2 |
| Share-based options | 1.3 | 0.0 | 1.3 |
| Current liabilities | 10.7 | 0.0 | 10.7 |
| | 12.2 | 0.0 | 12.2 |

| | Assets | Liabilities | Total 2021 |
|---|---|---|---|
| Property, plant and equipment | 0.2 | 0.0 | 0.2 |
| Share-based options | 9.1 | 0.0 | 9.1 |
| Current liabilities | 0.8 | 0.0 | 0.8 |
| | 10.1 | 0.0 | 10.1 |

# Note 51 Other receivables

| DKKm | 2022 | 2021 |
|---|---|---|
| Other receivables, 1 January | 3.8 | 3.8 |
| Additions for the year | 0.0 | 0.0 |
| Other receivables, 31 December | 3.8 | 3.8 |

# Note 52 Securities

| | Adjustment of fair value, profit/loss | Fair value at 31 December |
|---|---|---|
| Listed securities, DKKm | 200.1 | 577.5 |

# Note 53 Income tax payable

| DKKm | 2022 | 2021 |
|---|---|---|
| Income tax payable at 1 January | -6.3 | 9.0 |
| Current tax for the year | -38.8 | 17.1 |
| Adjustments for prior years | 0.2 | 0.0 |
| Tax payable under the joint taxation arrangement | 53.8 | 57.5 |
| Income tax paid for the year | 1.5 | -89.9 |
| Income tax payable at 31 December | 10.3 | -6.3 |

# Note 54 Share capital

Reference is made to Note 19 to the consolidated financial statements for a description of the share capital.

# Note 55 Attributable, net profit/loss

| DKKm | 2022 | 2021 |
|---|---|---|
| Attributable, net profit/loss | -79.9 | 174.2 |
| Proposed dividend | 80.2 | 100.3 |
| Net profit/loss for the year | 0.3 | 274.5 |

## Note 56 Rental obligations

| DKKm | 2022 | 2021 |
|---|---|---|
| Future total expenses related to rental obligations | | |
| Due within 1 year | 0.7 | 0.6 |
| Due within 1 and 5 years | 0.0 | 0.0 |
| I alt | 0.7 | 0.6 |
| With respect to rental obligations, the following amounts have been recognised in the income statement: | 0.7 | 1.0 |

## Note 57 Contingent liabilities

The Group participates in a Danish joint taxation arrangement in which Baunegård ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable for income taxes and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The total known joint taxation liability is evident from the financial statements of Baunegård ApS..

Reference is made to Note 29 to the consolidated financial statements for a description of the investment in Copenhagen Infrastructure Partners.

In a decision of 30 June 2020, the Competition and Consumer Authority decided that FK Distribution (a subsidiary of North Media) 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. For more information, see the description in note 29 to the consolidated financial statements. On 15 November 2022, legal proceedings have been commenced against North Media A/S and individual current and former members of the company's Executive Board and Board of Directors for their involvement in FK Distribution's alleged violation of the prohibition against abuse of a dominant position. A potential case involving North Media A/S cannot be decided until the case against FK Distribution has been finally resolved.

## Note 58 Related parties

Reference is made to Note 31 to the consolidated financial statements for a description of related party transactions.

## Note 59 Subsequent events

Reference is made to Note 36 to the consolidated financial statements for a description of subsequent events.

# Group addresses

## Parent

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## Subsidiaries

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**Ofir A/S**
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**North Media**
**Ejendomme ApS**
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**Tryksagsomdel. Fyn A/S**
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## Associates

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