

2020

North Media A/S · Interim report 2nd quarter

BEKEY OPEN
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★ **NORTH MEDIA**_{A/S}

The Interim Report Q2-2020 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

Company reg. (CVR) no. 66 59 01 19

H1 2020 results

Performance improved in H1 2020

The results for the first half of 2020 were better than expected in spite of the negative impact of COVID-19. The improvement was driven by a dedicated effort to develop the core business and on cost efficiency.

The North Media Group generated overall revenue of DKK 510.3 million in the H1 2020 period, which was in line with last year's figure. FK Distribution recorded a 2.3% revenue decline, whereas both North Media Online and Bekey reported high double-digit revenue growth.

The Group's H1 2020 EBIT before special items amounted to DKK 121.9 million, for a DKK 53.2 million improvement year on year. All businesses reported earnings improvements, with FK Distribution as the largest contributor thanks to substantial cost cuts in connection with the transition from two to one weekly distribution round. North Media Online also reported a very positive performance, and the Bekey Homecare customer segment is now profitable.

Positive return on the Group's securities portfolio

The return on the Group's securities amounted to DKK 56.9 million, for a return of 14.6% in the H1 2020 period.

Capital resources strengthened further

The Group had capital resources of DKK 690 million at 30 June 2020, compared with DKK 485 million at 31 December 2019.

Dividend of DKK 4 per share

As stated in company announcement no. 20-2020 of 19 August 2020, the Board of Directors has resolved to let the company pay an dividend of DKK 4 per share.

Guidance for 2020 is updated

North Media Group now expect consolidated revenue in the range of DKK 1,005-1,045 million, and EBIT before special items of DKK 215-245 million for 2020. The consequences of and developments in the COVID-19 pandemic remain subject to an increased level of uncertainty.

Group financial highlights for H1 2020 (H1 2019) DKKm

Revenue	EBIT before special items*	EBIT
510.3	121.9	121.9
(510.8)	(68.7)	(72.8)

Better than expected

- Transition from two to one weekly distribution round in FK Distribution completed faster than anticipated.
- BoligPortal (North Media Online) reporting higher revenue from product sales and advertising targeting landlords and tenants throughout the first half of 2020, both in Denmark and in Sweden.
- The Bekey Homecare customer segment (home care services to local municipalities in Denmark and Norway) now profitable. Homecare currently accounts for about 80% of Bekey's revenue.

As expected

- As for North Media Online, BoligPortal has introduced digital showings of rental listings. The business is on track with new products directed at landlords and with platform and data improvements.
- Ofir, North Media Online's job portal, has recovered faster than anticipated following a COVID-19-driven decline in job listings, delivering an earnings improvement in line with expectations.

Not as expected

- Reduced weeklies circulation and direct mail volumes due to COVID-19 from mid-March onward had a negative impact on FK Distribution's revenue.
- COVID-19 has partly delayed Bekey's implementation of the Homecare system for certain local municipalities, and obtaining new permits to install SmartRelays in locked stairwells in Greater Copenhagen is taking longer than expected.

For definition of 'EBIT before special items', see note 3 of the 2019 Annual Report

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Q2 performance – business segments and Group results

FK Distribution

- Q2 revenue down 8% relative to the same period of last year. Weeklies circulation and direct mail volumes down 15% as the generally softening trend was aggravated by COVID-19.
- Test packaging of direct mail for Deutsche Post to households in the German city of Flensburg was completed as planned, and negotiations for a packaging agreement are ongoing.
- EBIT was impacted by the drop in volumes but still improved considerably, driven by continuing efficiency improvements, especially the transition from two to one weekly distribution round. EBIT improved to DKK 54 million.

Q2 2020 (Q2 2019) DKKm

Revenue	221
	(240)
EBIT before special items	54
	(44)

North Media Online

- North Media Online drove up revenue by 20%, lifting EBIT from DKK 1.3 million in Q2 2019 to DKK 7.0 million in Q2 2020.
- BoligPortal grew its revenue by 24% in Q2 2020 and more than doubled EBIT relative to the second quarter of 2019.
- Revenue growth of 2% in Ofir combined with lower costs reduced the EBIT loss to DKK 0.6 million.

Revenue	26
	(22)
EBIT before special items	7
	(1)

Bekey

- Bekey drove up revenue by 34%, lifting EBIT from a DKK 3.6 million loss in Q2 2019 to a DKK 1.9 million loss in Q2 2020.
- Start-up of a property manager pilot project intended to develop an understanding of the need, benefits and user value of the Bekey solution in the Stairwell project.
- Stairwell project had a negative DKK 2 million impact on EBIT in Q2 2020. In addition, DKK 2 million capitalised in relation to the Stairwell project.

Revenue	6
	(5)
EBIT before special items	-2
	(-4)

Return on securities

- The securities portfolio produced a return of DKK 101.7 million (Q2 2019: DKK 19.0 million) in the second quarter.

Net profit for the period

- Net profit for the Q2 2020 period was DKK 125.9 million (Q2 2019: DKK 44.9 million).

Earnings per share

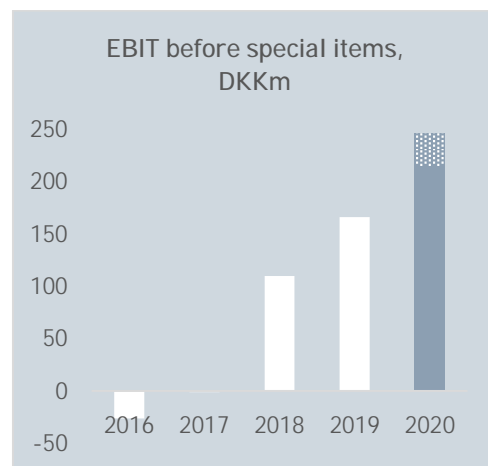
- Earnings per share (diluted) for Q2 2020 was DKK 6.9 (Q2 2019: DKK 2.4).

Other matters

- Based on an interim balance sheet at 30 June 2020 with an unqualified review report and no emphasis of matter by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, the Board of Directors has resolved to pay an extraordinary dividend of DKK 4.00 per share, equal to a total dividend pay-out of DKK 72 million (not including the holding of treasury shares). The last day of trading in the company's shares cum dividend will be 20 August 2020. Distribution will take place on 25 August 2020.
The Danish Competition Council ruled on 30 June 2020 that FK Distribution had violated Danish competition legislation by tying the sale of physically distributed advertising circulars to the digital distribution of circulars. FK Distribution has appealed the decision to the Competition Appeals Board, believing this to be a matter of principal interest to FK Distribution and other Danish advertising distributors' ability to compete effectively against global online giants, for the benefit of customers and, ultimately, consumers. The decision has no impact on FK Distribution's distribution of print circulars and only affects FK's digital distribution of offers. The digital activities are growing, but they continue to make up a very small proportion of the overall revenue.
- North Media Aviser has been divested and is currently recognised as discontinued operations.

North Media Group updates full-year guidance for 2020

EBIT before special items is now expected to be DKK 215-245 million in 2020 against DKK 166 million in 2019. The most recently announced expectation (company announcement no. 18-20 at 26. June 2020) was an EBIT of DKK 200-230 million. Accordingly, the company expects a fourth consecutive year of earnings improvement in 2020.



Revenue and EBIT restated solely to reflect discontinued operations for 2019 and 2020

2020 guidance – group financial highlights, DKKm

Revenue
1,005–1,045

Outlook 2020 at 26. June 2020: 990–1,040
Actual 2019 revenue: 1,045.6

EBIT before special items
215–245

Outlook 2020 at 26. June 2020: 200–230
Actual 2019 EBIT: 165.9

FK Distribution

- FK Distribution expects revenue to drop by about 4% relative to 2019.
- Strong earnings improvement by going from two to one weekly distribution round.
- Resources still being allocated for developing online retail advertising solutions, such as the dayli.dk rewards and benefits platform.
- Outlook for 2020 provided in:
 - Q2 interim report: Revenue: DKK 880–910m EBIT*: DKK 210–235m
 - Annual Report 2019: Revenue: DKK 870–910m EBIT*: DKK 175–190m
- Actual 2019 Revenue: DKKm 934.8 EBIT*: DKKm 172.4

North Media Online

- Strong revenue growth in BoligPortal and minor revenue improvement in Ofir. Strong earnings improvements in both BoligPortal and Ofir.
- Outlook for 2020 provided in:
 - Q2 interim report: Revenue: DKK 98–102m EBIT*: DKK 19–22m
 - Annual Report 2019: Revenue: DKK 93–97m EBIT*: DKK 10–14m
- Actual 2019 Revenue: DKKm 86.2 EBIT*: DKKm 6.8

BEKEY

- Growth in Homecare segment in both Denmark and Norway driving revenue growth from 2019 to 2020.
- Outlook for 2020 provided in:
 - Q2 interim report: Revenue: DKK 25–30m EBIT*: DKK -8m to -6m
 - Annual Report 2019: Revenue: DKK 25–30m EBIT*: DKK -10m to -7m
- Actual 2019 Revenue: DKKm 24.5 EBIT*: DKKm -10.4

* EBIT before special items

Group financial highlights (DKKm)

Income statement	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Revenue	253.6	266.6	510.3	510.7	1,045.6
Gross profit	150.9	132.9	305.2	249.1	522.7
EBITDA before special items	65.0	47.4	137.9	82.4	193.2
Amortisation and depreciation	8.9	6.8	16.0	13.7	27.3
EBIT before special items	56.1	40.6	121.9	68.7	165.9
Special items, net	0.0	0.0	0.0	4.1	4.1
Operating profit (EBIT)	56.1	40.6	121.9	72.8	170.0
Return on securities	101.7	19.0	56.9	76.7	122.1
Financials, net	-1.5	-1.5	-3.0	-1.0	-11.6
Profit/loss before tax (EBT)	155.8	58.0	175.3	148.4	275.6
Tax for the period	36.3	12.8	40.7	32.8	64.1
Net profit, continued operations	119.5	45.2	134.6	115.6	211.5
Net profit, discontinued operations	6.4	-0.3	3.5	-3.4	-6.2
Net profit for the period	125.9	44.9	138.1	112.2	205.3
Comprehensive income	126.1	44.9	138.3	112.2	205.1
Balance sheet, end period					
Total assets	-	-	1,135.1	901.9	967.8
Shareholders' equity incl. minorities	-	-	781.4	577.1	671.2
Net interest-bearing cash position	-	-	553.3	247.1	341.6
Properties	-	-	252.8	261.1	257.1
Mortgage Debt	-	-	-125.2	-128.8	-127.5
Capital resources	-	-	689.9	392.9	484.7
Net working capital (NWC)	-	-	-88.2	-31.5	-41.3
Invested capital	-	-	228.1	330.0	329.6
Investments in property, plant and equipment	-	-	8.4	6.5	35.2
Free cash flow before special items	-	-	175.7	68.7	179.5

Cash flow statement	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Cash flows from operating activities	115.4	31.1	182.0	72.5	125.9
Cash flows from investing activities	-5.6	-28.1	-10.3	-25.0	-31.3
Cash flows from financing activities	-1.8	-58.3	-33.3	-78.7	-83.0
Total cash flows, continued activities	108.0	-55.3	138.4	-31.2	11.6
Other information					
Average number of employees	-	-	440	453	461
Number of shares end of period, in thousand in denominations of DKK 5	-	-	20,055	20,055	20,055
Treasury shares	-	-	2,100	1,600	1,600
Share price end of period, DKK	-	-	55.8	35.1	44.5
Ratios					
Gross margin	59.5%	49.8%	59.8%	48.8%	50.0%
Profit margin (EBIT before special items)	22.1%	15.2%	23.9%	13.5%	15.9%
Equity ratio	-	-	68.8%	64.0%	69.4%
Return on equity (ROE)	-	-	19.0%	20.1%	33.9%
Return on capital employed before special items (ROIC)	-	-	43.7%	20.4%	49.4%
Earnings per share (EPS)	7.0	2.4	7.6	6.0	11.0
Diluted earnings per share (EPS-D)	6.9	2.4	7.5	6.0	11.0
Price/Earnings (P/E)	-	-	7.3	5.9	4.0
Price/Book Value (P/BV)	-	-	1.4	1.2	1.3
Cash flow per share (CFPS)	6.4	1.8	10.1	3.9	6.8

The financial ratios have been calculated in accordance with the 'Recommendations & Ratios' issued by CFA Society Denmark, with the following exceptions:

- Free cash flow is calculated before special items and tax
- The consolidated highlights are shown for continued operations unless otherwise stated

Financial highlights and specifications

Substantial earnings improvement in North Media Online

North Media Online sustained its positive performance in H1 2020. Loss-making operations in the business area have been divested or closed down in recent years, and the focus has been on developing and increasing the efficiency of BoligPortal and Ofir.

Revenue (DKKm)	H1-20	H1-19	H1-18
BoligPortal	40.6	33.6	30.4
Ofir	9.2	8.8	9.0
Other	0.0	0.0	0.4
Total revenue	49.8	42.4	39.8

EBIT before special items, DKKm	H1-20	H1-19	H1-18
BoligPortal	14.1	6.9	3.7
Ofir	-1.9	-3.3	-6.2
Other	-0.9	-1.1	-1.4
Total EBIT	11.3	2.5	-3.9

North Media Online grew its revenue by 25% to DKK 49.8 million from H1 2018 to H1 2020. During the same period, EBIT improved considerably from a DKK 3.9 million loss to an DKK 11.3 million profit.

BoligPortal is the largest business operation in North Media Online, accounting for 81% of revenue. Over the past two years, BoligPortal's revenue has grown by 34% and the EBIT margin has improved from 12% to 35%.

Ofir's main focus is to deliver a profit. Accordingly, this business area has focused on discontinuing products and services that could not be made profitable, reduce costs and continue to develop its core services of job postings and providing job candidates through the Ofir

jobs universe, which offers Denmark's largest selection of media for posting jobs, including job portals and social media.

Over the past two years, Ofir has reduced its EBIT loss considerably to a DKK 1.9 million loss in H1 2020. Ofir is still expected to deliver a profit in 2021.

Divestment of North Media Aviser

Jysk Fynske Medier acquired North Media Aviser A/S effective from 1 May 2020 (see company announcement no. 16-2020). Following the divestment, the North Media Group no longer publish newspapers.

EBIT and gains from the sale of North Media Aviser are recognised in the income statement as discontinued operations at DKK 6.4 million for the second quarter and at DKK 3.5 million for the H1 period.

The North Media Group has not received any support from the Danish government's COVID-19 relief packages. In addition, the Group intends to repay support amounting to approximate DKK 3.8 million received in connection with the government's COVID-19 compensation scheme in cover of North Media's loss of advertising revenue during the period until divestment.

Solid capital resources

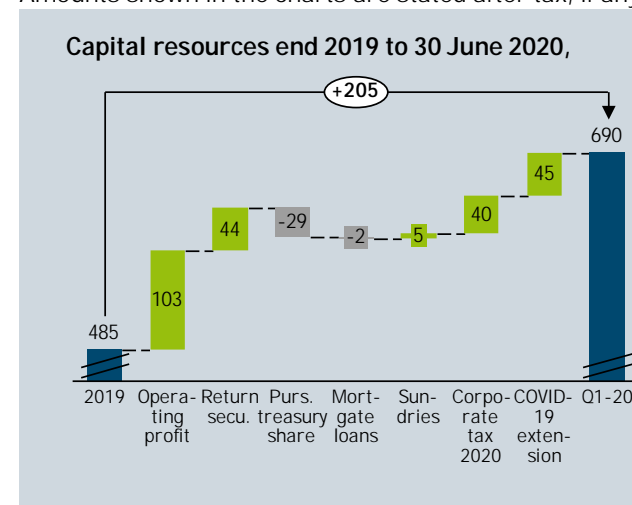
The Group had capital resources of DKK 690 million at 30 June 2020 (DKK 231 million in cash and DKK 459 million in securities).

The capital resources increased by DKK 205 million during the six months to 30 June 2020. Of this amount, approximately DKK 45 million was due to COVID-19-related extensions of deadlines for paying in VAT which have been extended and must be paid in September and

October 2020, and that the payment of employee income taxes for the months of April, May and June has been postponed to 2021. This is the main reason for the approximately DKK 36 million increase in other payables as per balance sheet, relative to 31 December 2019.

The company expects to pay corporate income tax of approximately DKK 40 million for the six months to 30 June 2020 in November 2020.

Amounts shown in the charts are stated after tax, if any.



For several years, the Group has had a substantial part of its capital resources placed in securities.

During the period from 1 January 2016 to 30 June 2020, the Group bought shares for a net amount of approximately DKK 51 million. Including capital appreciation of approximately DKK 212 million, these transactions have lifted the value of the securities portfolio from DKK 196 million at 1 January 2016 to DKK 459 million at 30 June 2020. Accordingly, 80% of the added value during the

period was based on capital appreciation for the benefit of the company and its shareholders.

The solid capital resources enable North Media to exploit market opportunities and to meet its strategic objectives. The capital resources support the objective of paying an attractive cash dividend to the shareholders supplemented by occasional share buybacks.

Since 1 January 2016, North Media has paid out DKK 83.8 million in dividends and bought back shares for a total of DKK 40.4 million. In other words, North Media has returned a total of DKK 124 million to the shareholders since 2016.

It has also been resolved to distribute dividends of DKK 72 million (excluding dividends payable on treasury shares), which will be paid out on 25 August 2020.

Positive return on securities portfolio

The Group's securities yielded a DKK 56.9 million gain in the H1 2020 period, for a 14.6% return compared with a DKK 76.7 million gain (29.8% return) in H1 2019.



Specification of securities portfolio

The Group's securities portfolio consists of following highly liquid listed Danish or US stocks and unit trusts. Security holdings are shown at three dates:

DKKm	31/12-19	30/6-20	31/7-20
Amazon	49.1	73.1	79.2
Genmab	37.2	55.7	54.2
SimCorp	45.5	42.9	44.2
Ørsted	34.5	38.3	45.1
MasterCard	37.6	37.2	36.6
DSV	38.4	40.5	43.4
Visa	31.4	32.1	29.9
Vestas	31.6	-	-
Novo Nordisk	23.2	25.8	25.0
Teradyne	27.3	33.7	33.5
Facebook	24.9	27.5	29.0
Microsoft	-	33.9	32.2
Sea	-	-	11.5
Mercadolibre	-	-	10.6
Fundamental Invest ABD	9.8	9.2	9.7
Fundamental Invest ABC	9.5	9.2	9.7
Total	400.0	459.1	493.8

The risk on the portfolio at 30 June 2020 was calculated at 36.4%. 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 137.6 million.

The value of the portfolio of shares at 31 July 2020 was DKK 493.8 million, and a return of DKK 13.1 million was recorded for the month of July.

The Group's properties

Part of the Group's net assets consists of property recognised at an equity amount of DKK 128 million. The Group owns the following properties:

	Carrying amount	Mortgaging
Gladsaxe Møllevvej, Gladsaxe	96.3	62.8
Bredbjergvej, Taastrup	79.9	34.7
Blomstervej, Tilst	56.3	27.7
Klostermosevej, Helsingør	17.7	0.0
Energivej, Esbjerg	2.6	0.0
Total	252.8	125.2

In addition to the Group's properties, tenancy agreements totalling DKK 6.6 million have been capitalised under IFRS 16.

Operating profit on the property portfolio is recognised in the item "unallocated income and expenses". The item also includes group-related functions not charged to operating companies, such as board members' fees and some shared group functions.

Equity and the portfolio of treasury shares

Equity amounted to DKK 781.4 million at 30 June 2020, which was DKK 110.2 million more than at 31 December 2019. The increase was mainly due to the profit for the period after tax of DKK 138.1 million less the value of treasury shares purchased of DKK 29.2 million.

The Group held 2,100k treasury shares at 30 June 2020, equal to 10.47% of the share capital of North Media A/S.

QUARTERLY HIGHLIGHTS

DKKmn	Revenue											
	Q2 YTD		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2020	2019	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018
FK Distribution	446.5	457.1	221.4	225.1	261.9	215.8	240.4	216.7	253.8	214.7	237.9	227.0
<i>Index rel. to same period last year</i>	97.7	96.8	92.1	103.9	103.2	100.5	101.1	95.5	122.6	139.9	145.0	155.6
North Media Online	49.8	42.4	26.0	23.8	21.2	22.6	21.6	20.8	19.8	21.5	20.7	19.1
<i>Index rel. to same period last year</i>	117.5	106.5	120.4	114.4	107.1	105.1	104.3	108.9	110.6	91.1	92.8	90.1
BEKEY	14.0	11.2	6.2	7.8	8.3	5.0	4.6	6.6	5.2	8.2	4.9	5.4
<i>Index rel. to same period last year</i>	125.0	108.7	134.8	118.2	159.6	61.0	93.9	122.2	118.2	174.5	116.7	93.1
Revenue for continuing operations	510.3	510.7	253.6	256.7	291.4	243.4	266.6	244.1	278.8	244.4	263.5	251.5
<i>Index rel. to same period last year</i>	99.9	97.8	95.1	105.2	104.5	99.6	101.2	97.1	121.6	134.4	138.2	145.5
EBIT												
FK Distribution	117.9	73.6	53.9	64.0	65.2	33.6	43.8	29.8	50.3	20.8	29.1	38.5
<i>EBIT margin</i>	26.4%	16.1%	24.3%	28.4%	24.9%	15.6%	18.2%	13.8%	19.8%	9.7%	12.2%	17.0%
North Media Online	11.3	2.5	7.0	4.3	1.6	2.7	1.3	1.2	-0.4	0.2	-1.0	-2.9
<i>EBIT margin</i>	22.7%	5.9%	26.9%	18.1%	7.5%	11.9%	6.0%	5.8%	-2.0%	0.9%	-4.8%	-15.2%
BEKEY	-3.3	-5.4	-1.9	-1.4	-2.3	-2.7	-3.6	-1.8	-3.5	-1.1	-3.6	-2.0
<i>EBIT margin</i>	-23.6%	-48.2%	-30.6%	-17.9%	-27.7%	-54.0%	-78.3%	-27.3%	-67.3%	-13.4%	-73.5%	-37.0%
Unallocated income and expenses	-4.0	-2.0	-2.9	-1.1	0.0	-0.9	-0.9	-1.1	-2.7	-2.5	-0.6	-0.2
EBIT before special items, continuing operations	121.9	68.7	56.1	65.8	64.5	32.7	40.6	28.1	43.7	17.4	23.9	33.4
<i>EBIT margin</i>	23.9%	13.5%	22.1%	25.6%	22.1%	13.4%	15.2%	11.5%	15.7%	7.1%	9.1%	13.3%

Management's statement

The Board of Directors and the Executive Board have today considered and approved the Consolidated Interim Report of North Media A/S for the six months ended 30 June 2020.

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

In our opinion, the consolidated interim financial statements give a true and fair view of the group's assets, liabilities and financial position at 30 June 2020 and of the results of the group's operations and cash flows for the six months ended 30 June 2020.

In our opinion, the management commentary includes a true and fair account of developments in the operations and financial circumstances of the Group, of the results for the period and of the financial position. Other than as described in the management commentary of this Interim Report, there have been no significant changes to the Group's risks and elements of uncertainty compared to the description provided in the 2019 Annual Report.

Søborg, 19 August 2020

Executive Board

Kåre Stausø Wigh
Group Executive Director & CFO

Lasse Ingemann Brodt
CEO, Forbruger-Kontakt A/S

Henrik Løvig Jensen
CEO, North Media Online A/S

Jannik Bray Christensen
CEO, Bekey A/S

Lasse Brunnenberger Wulff Hansen
Group Director, Business Development

Board of Directors

Mads Dahl Møberg Andersen
Chairman

Richard Bunck
Vice-Chairman

Ulrik Falkner Thagesen

Ulrik Holsted-Sandgreen

Thomas Weikop

Ole Elverdam Borch

Consolidated statement of comprehensive income

DKKm	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Revenue	253.6	266.6	510.3	510.7	1,045.6
Direct expenses	57.1	71.7	116.0	141.3	285.5
Direct staff costs	45.6	62.0	89.1	120.3	237.4
Gross profit	150.9	132.9	305.2	249.1	522.7
Staff costs	56.6	58.1	111.6	110.4	223.2
Other expenses	31.2	30.7	61.1	62.9	119.7
Amortisation and depreciation	8.9	6.8	16.0	13.7	27.3
Other operating income	1.9	3.3	5.4	6.6	13.4
EBIT before special items	56.1	40.6	121.9	68.7	165.9
Special items, net	0.0	0.0	0.0	4.1	4.1
Operating profit (EBIT)	56.1	40.6	121.9	72.8	170.0
Share of profit/loss in associates	-0.5	-0.1	-0.5	-0.1	-4.9
Return on securities	101.7	19.0	56.9	76.7	122.1
Financial income	0.0	0.0	0.1	1.3	0.6
Financial expenses	-1.5	-1.5	-3.1	-2.3	-12.2
Profit before tax, continuing operations	155.8	58.0	175.3	148.4	275.6
Tax for the period, continued	36.3	12.8	40.7	32.8	64.1
Net profit, discontinued operations	6.4	-0.3	3.5	-3.4	-6.2
Net profit for the period	125.9	44.9	138.1	112.2	205.3
Attributable, net profit/loss					
Shareholders in North Media A/S	125.9	44.9	138.1	112.2	205.3
	125.9	44.9	138.1	112.2	205.3
Earnings per share, in DKK					
Earnings per share (EPS) - total	7.0	2.4	7.6	6.0	11.0
Diluted earnings per share (EPS-D) - total	6.9	2.4	7.5	6.0	11.0

DKKm	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Net profit for the period	125.9	44.9	138.1	112.2	205.3
<i>Financial statement items that may later be reclassified to the income statement:</i>					
Translation adjustments, foreign companies	0.2	0.0	0.2	0.0	-0.2
Other comprehensive income	0.2	0.0	0.2	0.0	-0.2
Comprehensive income	126.1	44.9	138.3	112.2	205.1
Attributable, comprehensive income					
Shareholders in North Media A/S	126.1	44.9	138.3	112.2	205.1
	126.1	44.9	138.3	112.2	205.1

Consolidated balance sheet

Assets

DKKkm	30 June 2020	30 June 2019	31 Dec. 2019
Goodwill	39.1	39.1	39.1
Other intangible assets	10.7	11.8	11.2
Completed development projects, software	3.8	2.0	3.1
Intangible assets	53.6	52.9	53.4
Land and buildings	241.7	255.9	250.0
Investment property	17.7	18.0	17.9
Plant and machinery	43.0	47.2	45.3
Operating equipment, fixtures and fittings	11.7	11.5	12.1
Property, plant and equipment	314.1	332.6	325.3
Investments in associates	6.7	12.5	7.0
Other securities and investments	0.0	9.2	1.4
Other receivables	1.2	1.9	1.9
Other non-current assets	7.9	23.6	10.3
Total non-current assets	375.6	409.1	389.0
Inventories	4.7	5.6	5.2
Trade receivables	46.7	73.8	71.2
Other receivables	0.8	1.2	1.1
Prepayments	17.4	19.3	16.6
Securities	459.1	354.7	400.0
Cash at bank and in hand	230.8	38.2	84.7
Total current assets	759.5	492.8	578.8
Total assets	1,135.1	901.9	967.8

Equity and liabilities

DKKkm	30 June 2020	30 June 2019	31 Dec. 2019
Share capital	100.3	100.3	100.3
Reserve, translation adjustments	-2.7	-2.7	-2.9
Retained earnings	683.8	479.5	573.8
Total equity	781.4	577.1	671.2
Deferred tax	11.1	4.7	9.5
Financial institutions	120.5	124.3	122.8
Lease debt	7.7	11.2	9.4
Total non-current liabilities	139.3	140.2	141.7
Financial institutions	4.7	4.5	4.7
Lease debt	3.7	5.8	6.2
Trade payables	22.8	35.7	35.2
Income tax payable	47.0	41.0	6.7
Contract liabilities	8.4	11.9	10.1
Other payables	127.8	85.7	92.0
Total current liabilities	214.4	184.6	154.9
Total liabilities	353.7	324.8	296.6
Total equity and liabilities	1,135.1	901.9	967.8

Consolidated statement of changes in equity

DKKmn	Share capital	Reserve, translation adjustments	Retained earnings	Total equity
Equity 1 January 2019	100.3	-2.7	441.1	538.7
Change in equity for the period				
Net profit for the period	0.0	0.0	112.2	112.2
Other comprehensive income after tax	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	112.2	112.2
Purchase of treasury shares	0.0	0.0	-19.4	-19.4
Share-based payment	0.0	0.0	1.1	1.1
Dividend distributed	0.0	0.0	-60.2	-60.2
Dividend on treasury shares	0.0	0.0	4.7	4.7
Total changes in equity for the period	0.0	0.0	38.4	38.4
Equity at 30 June 2019	100.3	-2.7	479.5	577.1
Equity at 1 January 2020	100.3	-2.9	573.8	671.2
Change in equity for the period				
Net profit for the period	0.0	0.0	138.1	138.1
Translation adjustments, foreign companies	0.0	0.2	0.0	0.2
Other comprehensive income after tax	0.0	0.2	0.0	0.2
Total comprehensive income	0.0	0.2	138.1	138.3
Purchase of treasury shares	0.0	0.0	-29.2	-29.2
Share-based payment	0.0	0.0	1.1	1.1
Total changes in equity for the period	0.0	0.2	110.0	110.2
Equity at 30 June 2020	100.3	-2.7	683.8	781.4

Consolidated cash flow statement

DKKkm	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Net profit, continuing operations	119.3	45.2	134.6	115.6	211.5
Adjustments for non-cash items	-54.0	2.7	4.3	-32.3	-16.2
Changes in working capital	51.9	-16.7	46.0	-9.7	2.5
Cash flow from operating activities before net financials	117.2	31.2	184.9	73.6	191.6
Interest received	0.0	0.0	0.1	0.1	0.2
Interest paid	-1.3	-1.3	-2.5	-2.4	-4.6
Cash flow from ordinary activities before tax	115.9	29.9	182.5	71.3	187.2
Income tax paid	-0.5	1.2	-0.5	1.2	-61.3
Cash flow from operating activities, continuing operations	115.4	31.1	182.0	72.5	125.9
Cash flow from operating activities, discontinued operations	-5.7	3.0	-2.1	-0.3	4.4
Cash flow from operating activities, total	109.7	34.1	179.9	72.2	130.3
Investments in intangible assets and PP&E	-5.1	-2.6	-8.5	-5.6	-13.9
Disposals of PP&E	2.3	-0.1	0.4	0.5	1.7
Investment in securities	-31.8	-56.0	-31.8	-55.8	-95.9
Divestment in securities	27.2	32.2	27.2	32.2	72.1
Dividend from securities	1.8	0.8	2.4	2.0	2.4
Investment in associates	0.0	0.0	0.0	0.0	0.6
Purchase/investments in other non-current assets	0.0	-2.4	0.0	-2.4	-2.4
Sale of other non-current assets	0.0	0.0	0.0	4.1	4.1
Cash flow from investing activities, continuing operations	-5.6	-28.1	-10.3	-25.0	-31.3
Cash flow from investing activities, discontinued operations	10.9	0.0	10.9	0.0	0.0
Cash flow from investing activities, total	5.3	-28.1	0.6	-25.0	-31.3

DKKkm	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Repayment of non-current liabilities	-1.8	-2.0	-4.1	-3.9	-8.2
Purchase/sale, treasury shares	0.0	-0.9	-29.2	-19.4	-19.4
Dividend paid	0.0	-55.4	0.0	-55.4	-55.4
Cash flow from financing activities, continuing operations	-1.8	-58.3	-33.3	-78.7	-83.0
Cash flow from financing activities, discontinued operations	-0.4	-0.5	-1.0	-1.0	-2.0
Cash flow from financing activities, total	-2.2	-58.8	-34.3	-79.7	-85.0
Total cash flows' for the period	112.8	-52.8	146.2	-32.5	14.0
Cash at 1 January	118.1	91.0	84.7	70.7	70.7
Cash at 30 June	230.9	38.2	230.9	38.2	84.7

Notes

1 Accounting policies

The consolidated interim financial statements include a summary of the consolidated financial statements of North Media A/S for the period 1 January to 30 June 2020.

The consolidated interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

There are no new standards or interpretations considered to be of importance to the financial statements. In the consolidated interim financial statements, income tax on profit or loss before tax is calculated at a rate of 22%.

In connection with the divestment of North Media Aviser A/S, these activities are presented as discontinued operations in both 2020 and 2019. These activities are not consolidated and are instead presented in a separate line item of the statement of comprehensive income, "Profit/Loss on discontinued operations". Comparative figures in the statement of comprehensive income have been restated, whereas balance sheet figures are unchanged. Accordingly, the profit for the year and equity are unaffected by the change in the presentation of discontinued operations. Similarly, cash flows from discontinued operations is presented separately for both 2020 and 2019 in the cash flow statement.

Other than as set out above, the accounting policies applied in the consolidated interim financial statements are consistent with those applied for the Annual Report for 2019.

2 Special items

DKKkm	Q2		Q2 YTD		Full year
	2020	2019	2020	2019	2019
Special items, income					
Gains on sale of shares in Empty ApS	0.0	0.0	0.0	4.1	4.1
Total	0.0	0.0	0.0	4.1	4.1

3 Return on securities

	Q2		Q2 YTD		Full year
	2020	2019	2020	2019	2019
Dividends	1.8	0.9	2.4	2.0	2.4
Net capital gains on shares	99.9	18.1	54.5	74.7	119.7
Total return on securities	101.7	19.0	56.9	76.7	122.1

All securities are stated at market value at 30 June 2020 (level 1).

4 Discontinued operations

DKKkm	Q2		Q2 YTD		Full year
	2020	2019	2020	2019	2019
Revenue and other operating income	5.0	25.2	25.4	47.7	96.1
Costs	7.9	25.6	32.0	52.1	104.1
Loss for the period before tax	-2.9	-0.4	-6.6	-4.4	-8.0
Tax for the period	0.7	0.1	1.5	1.0	1.8
Operating profit for the period, discontinued operations	-2.2	-0.3	-5.1	-3.4	-6.2
Gains on disposal of assets	8.6	0.0	8.6	0.0	0.0
Profit/loss for the period, discontinued operations	6.4	-0.3	3.5	-3.4	-6.2

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

At 30 June 2020, the balance sheet contains no outstanding assets or liabilities relating to the discontinued operations.

5 Segment information

Q2

DKKm	FK Distribution		North Media Online		BEKEY		Unallocated costs/ elimi.*)		Total	
	Q2-20	Q2-19	Q2-20	Q2-19	Q2-20	Q2-19	Q2-20	Q2-19	Q2-20	Q2-19
Segment revenue	221.4	240.4	26.0	21.6	9.5	5.2	0.0	0.0	256.9	267.2
Internal revenue	0.0	0.0	0.0	0.0	-3.3	-0.6	-	-	-3.3	-0.6
External revenue	221.4	240.4	26.0	21.6	6.2	4.6	0.0	0.0	253.6	266.6
Revenue recognition										
Immediately	221.4	240.4	4.5	21.6	4.5	4.6	-	-	230.4	266.6
Over time	-	-	21.5	0.0	1.7	0.0	-	-	23.2	0.0
External revenue	221.4	240.4	26.0	21.6	6.2	4.6	0.0	0.0	253.6	266.6
Direct cost	102.1	130.3	0.7	0.7	-1.8	0.7	1.7	2.0	102.7	133.7
Gross profit	119.3	110.1	25.3	20.9	8.0	3.9	-1.7	-2.0	150.9	132.9
Other expenses	62.8	65.1	17.7	19.2	7.9	7.4	-0.6	-2.9	87.8	88.8
EBITDA	57.8	47.6	7.7	2.0	0.1	-3.5	-0.6	1.3	65.0	47.4
Amortisation and depreciation	3.9	3.8	0.7	0.7	2.0	0.1	2.3	2.2	8.9	6.8
EBIT, before special items	53.9	43.8	7.0	1.3	-1.9	-3.6	-2.9	-0.9	56.1	40.6
Special items, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	53.9	43.8	7.0	1.3	-1.9	-3.6	-2.9	-0.9	56.1	40.6
Share of profit/loss in associates	0.0	0.0	-0.5	-0.1	0.0	0.0	0.0	0.0	-0.5	-0.1
Return on securities	-	-	-	-	-	-	-	-	101.7	19.0
Net financials	-	-	-	-	-	-	-	-	-1.5	-1.5
Profit/loss before tax	-	-	-	-	-	-	-	-	155.8	58.0
Gross margin	53.9%	45.8%	97.3%	96.8%	129.0%	84.8%	-	-	59.5%	49.8%
EBITDA margin	26.1%	19.8%	29.6%	9.3%	1.6%	-76.1%	-	-	25.6%	17.8%
Profit margin (EBIT)	24.3%	18.2%	26.9%	6.0%	-30.6%	-78.3%	-	-	22.1%	15.2%

5 Segment information

H1

DKKm	FK Distribution		North Media Online		BEKEY		Unallocated ex- penses/ elimi. *)		Total	
	Q2 YTD 20	Q2 YTD 19	Q2 YTD 20	Q2 YTD 19	Q2 YTD 20	Q2 YTD 19	Q2 YTD 20	Q2 YTD 19	Q2 YTD 20	Q2 YTD 19
Segment revenue	446.5	457.1	49.9	42.5	18.1	12.6	0.0	0.0	514.5	512.2
Internal revenue	0.0	0.0	-0.1	-0.1	-4.1	-1.4	-	-	-4.2	-1.5
External revenue	446.5	457.1	49.8	42.4	14.0	11.2	0.0	0.0	510.3	510.7
Revenue recognition										
immediately	446.5	457.1	49.8	42.4	14.0	11.2	-	-	510.3	510.7
Over time	-	-	0.0	0.0	0.0	0.0	-	-	0.0	0.0
External revenue	446.5	457.1	49.8	42.4	14.0	11.2	0.0	0.0	510.3	510.7
Direct cost	199.9	253.9	1.6	1.4	-0.2	2.3	3.8	4.0	205.1	261.6
Gross profit	246.6	203.2	48.2	41.0	14.2	8.9	-3.8	-4.0	305.2	249.1
Other expenses	125.3	127.1	35.5	37.6	15.2	14.1	-3.3	-5.5	172.7	173.3
EBITDA	125.5	81.3	12.8	3.9	-1.0	-5.2	0.6	2.4	137.9	82.4
Amortisation and depreciation	7.6	7.7	1.5	1.4	2.3	0.2	4.6	4.4	16.0	13.7
EBIT, before special items	117.9	73.6	11.3	2.5	-3.3	-5.4	-4.0	-2.0	121.9	68.7
Special items, net	0.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	4.1
EBIT	117.9	73.6	11.3	6.6	-3.3	-5.4	-4.0	-2.0	121.9	72.8
Share of profit/loss in associates	0.0	0.0	-0.5	-0.1	0.0	0.0	0.0	0.0	-0.5	-0.1
Return on securities	-	-	-	-	-	-	-	-	56.9	76.7
Net financials	-	-	-	-	-	-	-	-	-3.0	-1.0
Profit/loss before tax	-	-	-	-	-	-	-	-	175.3	148.4
Gross margin	55.2%	44.5%	96.8%	96.7%	101.4%	79.5%	-	-	59.8%	48.8%
EBITDA margin	28.1%	17.8%	25.7%	9.2%	-7.1%	-46.4%	-	-	27.0%	16.1%
Profit margin (EBIT)	26.4%	16.1%	22.7%	5.9%	-23.6%	-48.2%	-	-	23.9%	13.5%

6 Adjustment for non-cash operating items

DKKmn	Q2		Q2 YTD		full year
	2020	2019	2020	2019	2019
Share of profit/loss in associates	0.5	0.1	0.5	0.1	4.9
Tax on profit/loss for the year	36.3	12.8	40.7	32.8	64.1
Amortisation and depreciation of assets	7.1	6.9	14.3	13.6	27.3
Gain/loss on disposals of assets	1.8	-0.1	1.7	0.1	0.0
Share-based payment	0.6	0.5	1.1	1.1	2.3
Special items, reversal	0.0	0.0	0.0	-4.1	-4.1
Special items, cash flow effect	0.0	0.0	0.0	0.0	0.0
Net financials	1.4	1.4	2.9	0.9	11.4
Value adjustments, securities	-101.7	-18.9	-56.9	-76.8	-122.1
Total adjustments (non-cash)	-54.0	2.7	4.3	-32.3	-16.2

7 Special risks and elements of uncertainty for the rest of 2020

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

In addition, the spread of COVID-19 means the guidance provided for the rest of 2020 is subject to an increased level of uncertainty. The full-year guidance provided assumes that Denmark will gradually return to normal.

8 Contingent liabilities and assets

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 since 2018. FK Distribution disagrees with the Authority's decision and has appealed the matter. Given the information currently available, a contingent liability cannot be reliably estimated.

At 30 June 2020, no material changes had occurred in respect of the Group's contingent liabilities and assets.

9 Events after the balance sheet date

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 June 2020 which would have a material impact on the Group's financial position.

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