

# 2020

North Media A/S · Q3 Interim Report

BEKEY OPEN  
DOORS VIA  
SMARTPHONES

★ **NORTH MEDIA**<sub>A/S</sub>

The Interim Report Q3-2020 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

# Strong growth in profit

All business areas reporting continued profit improvements. Performance driven by substantial efficiency improvements in FK Distribution and strong revenue growth in North Media Online and Bekey.

The North Media Group generated overall revenue of DKK 770.9 million in Q3 ytd 2020, which was up 2% on last year. FK Distribution had an extra week of distribution services in Q3 2020, and North Media Online and Bekey reported 18% and 22% revenue growth respectively.

The Group's Q3 ytd 2020 EBIT before special items amounted to DKK 182.3 million, an increase of DKK 80.9 million year on year. All businesses reported earnings improvements, with FK Distribution as the largest contributor thanks to substantial cost cuts following the transition from two to one weekly distribution round. North Media Online also reported a very positive performance with a threefold increase in Q3 ytd EBIT, and Bekey's largest customer segment, Homecare, has become profitable in 2020.

## Positive return on the Group's securities portfolio

The return on the Group's securities amounted to DKK 98.4 million (78.8 million) corresponding to a return of 24.6% for the reporting period (30.6%).

## Capital resources strengthened further

The Group had capital resources of DKK 696 million at 30 September 2020, compared with DKK 485 million at 31 December 2019. The company has bought back shares and paid dividends for a total of DKK 101 million in 2020.

## Guidance for 2020 narrowed

The Group now expects revenue in the 1,020-1,045 million range and EBIT before special items in the DKK 230-245 million range. The previous guidance was for revenue of DKK 1,005-1,045 million and EBIT of DKK 215-245 million. The impact of the COVID-19 pandemic and of how it will evolve going forward remain subject to uncertainty.

### Group financial highlights for Q3. ytd 2020 (Q3 ytd 2019) DKKm

Revenue  
**770,9**  
(754,1)

EBIT before special items\*  
**182,3**  
(101,4)

EBIT  
**182,3**  
(105,5)

### Better than expected

- Transition from two to one weekly distribution round in FK Distribution completed faster than anticipated.
- BoligPortal (North Media Online) reporting higher-than-expected revenue from product sales and advertising targeting landlords and tenants.
- Bekey Homecare customer segment (home care services to local authorities in Denmark) is now profitable. Homecare currently accounts for about 80% of Bekey's revenue, and Bekey has now signed contracts with 28 Danish municipalities.

### As expected

- BoligPortal (North Media Online) is on track with new products directed at tenants and with platform and data improvements.
- Ofir (North Media Online) is on track to deliver a profit in 2021 and continues to increase volumes and raise prices of job adds.

### Not as expected

- The COVID-19 situation has partially delayed the implementation of new Bekey customers in the Homecare segment.
- COVID-19 has resulted in a more cumbersome process to obtain new permits to install Bekey SmartRelays in locked stairwells in Greater Copenhagen. New installations are taking longer than anticipated and the target of a minimum of 70% coverage in Greater Copenhagen by end 2020 will not be achieved.

\*) For a definition of "EBIT before special items", please see note 3 to the Annual Report for 2019.

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# Q3 performance – business areas and Group results

## FK Distribution

- Q3 2020 revenue was up by 6% year on year. The improvement was due to the fact that the third quarter of this year had 14 weeks for distribution, compared with last year's 13 weeks.
- The market normalised in the third quarter, after the COVID-19 situation caused a substantial decline in leaflet volumes.
- Agreement with Deutsche Post to package leaflets for 143,000 households in Flensburg, Germany.
- EBIT was up by 76% in the third quarter to DKK 59.0 million. The improvement was driven mainly by efficiency gains, especially from the transition from two to one weekly distribution round and this year's extra week for distribution.

Q3 2020 (Q3 2019) DKKm

Revenue	228
	(216)
EBIT before special items	59
	(34)

## North Media Online

- North Media Online drove up revenue by 19% and more than doubled EBIT from DKK 2.7 million in Q3 2019 to DKK 6.0 million in Q3 2020.
- BoligPortal grew its revenue by 16% in Q3 2020 and EBIT by 42% relative to Q3 2019.
- Ofir improved its revenue by 33% in the quarter, reducing its EBIT loss to DKK 0.5 million.

Revenue	27
	(23)
EBIT before special items	6
	(3)

## Bekey

- Bekey increased its revenue by 14%, improving EBIT from a DKK 2.7 million loss in Q3 2019 to a DKK 2.0 million loss in Q3 2020.
- Continued investing in the stairwell market and in positive trends in customer leads.
- Pilot projects with four major property administrators intended to develop an understanding of the needs, benefits and user value of the Bekey solution.

Revenue	6
	(5)
EBIT before special items	-2
	(-3)

## Return on securities

- The securities portfolio produced a return of DKK 41.5 million (Q3 2019: DKK 2.1 million) in the third quarter.

## Net profit for the period

- Net profit for the Q3 2020 period was DKK 80.5 million (Q3 2019: DKK 18.6 million).

## Earnings per share

- Earnings per share (diluted) for Q3 2020 was DKK 4.4 (Q3 2019: DKK 1.0).

## Other matters

- The company paid a dividend of DKK 4 per share in the third quarter, for a total of DKK 71.8 million.
- 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 leaflets to the digital distribution of leaflets. FK Distribution disagrees with the Danish Competition Council's ruling and has appealed the ruling to the Competition Appeals Board. The matter is of general 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 printed matter 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. A very small number of customers on FK Distributions' minetibud.dk platform have terminated their agreement on digital distribution as a result of the ruling.

# North Media narrows full-year 2020 guidance

EBIT before special items for 2020 is now expected to be in the DKK 230-245 million range, up from DKK 166 million in 2019. The previous guidance (see company announcement no. 22-20 of 19 August 2020) was for EBIT before special items of DKK 215-245 million.



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

## Expected group financial highlights 2020 DKKm

Revenue  
**1,020-1,045**

Exp. at 19 august 2020: 1,005-1,045  
Realised in 2019: 1,045.6

EBIT before special items  
**230-245**

Exp. at 19 august 2020: 215-245  
Realised in 2019: 165.9

### FK Distribution

- FK Distribution expects revenue to drop by about 3% relative to 2019.
- EBIT for Q4 2020 is expected to be lower than the Q4 2019 figure due to timing differences, including that fourth quarter of 2020 had one week less for distribution than the fourth quarter of 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 discount platform.
- Outlook for 2020 in:
  - Q3 interim report: Revenue: DKK 895-910m EBIT\*: DKK 225 - 235m
  - Q2 interim report: Revenue: DKK 880-910m EBIT\*: DKK 210 - 235m
- Actual 2019 Revenue: DKK 934.8m EBIT\*: DKK 172.4m

### North Media Online

- Strong revenue growth in BoligPortal and double-digit growth in Ofir. Strong earnings improvements in both BoligPortal and Ofir.
- Outlook for 2020 in:
  - Q3 interim report: Revenue: DKK 98-102m EBIT\*: DKK 19 til 22m
  - Q2 interim report: Revenue: DKK 98-102m EBIT\*: DKK 19 til 22m
- Actual 2019 Revenue: DKK 86.2m EBIT\*: DKK 6.8m

### Bekey

- Growth in Homecare segment in both Denmark and Norway driving revenue growth from 2019 to 2020.
- Outlook for 2020 in:
  - Q3 interim report: Revenue: DKK 25-30m EBIT\*: DKK -8 til -6m
  - Q2 interim report: Revenue: DKK 25-30m EBIT\*: DKK -8 til -6m
- Actual 2019 Revenue: DKK 24.5m EBIT\*: DKK -10.4m

\* EBIT before special items

# Group financial highlights (DKKm)

Income statement	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Revenue	260.6	243.4	770.9	754.1	1,045.6
Gross profit	154.4	118.0	459.5	367.1	522.7
EBITDA before special items	67.5	39.4	205.4	121.9	193.2
Amortisation and depreciation	7.1	6.7	23.1	20.5	27.3
EBIT before special items	60.4	32.7	182.3	101.4	165.9
Special items, net	0.0	0.0	0.0	4.1	4.1
Operating profit (EBIT)	60.4	32.7	182.3	105.5	170.0
Return on securities	41.5	2.1	98.4	78.8	122.1
Financials, net	-1.0	-8.0	-4.1	-9.0	-11.6
Profit/loss before tax (EBT)	101.2	27.1	276.5	175.5	275.6
Tax for the period	20.7	6.0	61.5	38.8	64.1
Net profit, continuing operations	80.5	21.1	215.0	136.7	211.5
Net profit, discontinued operations	0.0	-2.5	3.5	-6.0	-6.2
Net profit for the period	80.5	18.6	218.5	130.7	205.3
Comprehensive income	80.5	18.6	218.8	130.7	205.1
<b>Balance sheet, end period</b>					
Total assets	-	-	1,172.5	920.6	967.8
Shareholders' equity	-	-	790.7	596.0	671.2
Net interest-bearing cash position	-	-	561.5	281.0	341.6
Properties	-	-	250.5	259.2	257.1
Mortgage Debt	-	-	-124.0	-127.7	-127.5
Capital resources	-	-	696.2	425.1	484.7
Net working capital (NWC)	-	-	-63.4	-29.6	-41.3
Invested capital	-	-	229.2	315.0	329.6
Investments in property, plant and equipment	-	-	11.9	8.4	35.2
Free cash flow before special items	-	-	216.2	104.6	179.5

The ratios have been prepared in accordance with CFA Society Denmark's online version of "Recommendations & Ratios", with the following exceptions:

- Free cash flow is calculated before special items and tax
- Financial highlights are given for continuing activities unless otherwise stated.

Cash flow statement	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Cash flows from operating activities	40.8	36.3	222.8	107.9	125.9
Cash flows from investing activities	-23.3	-41.2	-33.7	-66.3	-31.3
Cash flows from financing activities	-73.9	-1.6	-107.2	-80.3	-83.0
Total cash flows, continuing activities	-56.4	-6.5	81.9	-38.7	11.6
<b>Other information</b>					
Average number of employees, continued activities	-	-	433	454	461
Number of shares end of period, in thousand in denominations of DKK5	-	-	20,055	20,055	20,055
Treasury shares	-	-	2,100	1,600	1,600
Share price end of period, DKK	-	-	68.4	39.0	44.5
<b>Ratios</b>					
Gross margin	59.2%	48.5%	59.6%	48.7%	50.0%
EBIT margin (before special items)	23.2%	13.4%	23.6%	13.4%	15.9%
Equity ratio	-	-	67.4%	64.7%	69.4%
Return on equity (ROE)	-	-	29.9%	23.0%	33.9%
Return on capital employed, before special items (ROIC)	-	-	57.6%	28.5%	48.4%
Earnings per share (EPS)	4.5	1.0	12.1	7.0	11.0
Diluted earnings per share (EPS-D)	4.4	1.0	11.9	7.0	11.0
Price/Earnings (P/E)	-	-	5.7	5.6	4.0
Price/Book Value (P/BV)	-	-	1.7	1.3	1.3
Cash flow per share (CFPS)	2.3	2.1	12.3	5.8	6.8



# Financial highlights and specifications

## Substantial earnings improvement in North Media Online

North Media Online maintained its positive performance in Q3 ytd 2020.

Revenue (DKKm)	Q3 ytd 20	Q3 ytd 19	Q3 ytd 18
BoligPortal	62.2	52.3	47.8
Ofir	14.4	12.7	12.8
Other	0.0	0.0	0.7
<b>Total Revenue</b>	<b>76.6</b>	<b>65.0</b>	<b>61.3</b>
EBIT before special items, DKKm			
BoligPortal	21.2	11.8	7.2
Ofir	-2.4	-5.1	-8.8
Other	-1.5	-1.5	-2.1
<b>Total EBIT</b>	<b>17.3</b>	<b>5.2</b>	<b>-3.7</b>

North Media Online has grown its revenue by 25% since Q3 ytd 2018 to DKK 76.6 million in Q3 ytd 2020. During the same period, EBIT has improved sharply from a DKK 3.7 million loss to a DKK 17.3 million profit.

Currently, BoligPortal accounts for 81% of North Media Online's overall revenue. From Q3 ytd 2018 to Q3 ytd 2020, BoligPortal's revenue has grown by 30% and the EBIT margin has improved from 15% to 34%.

Ofir is currently completing a multi-year turnaround that has lowered costs and redirected its strategic focus. Ofir is now focused on developing its core services of job postings and providing job candidates through the Ofir jobs universe, which offers Denmark's largest selection of media, including job portals and social media.

Over the past two years, Ofir has sharply reduced its EBIT loss to a DKK 2.4 million loss in Q3 ytd 2020. Ofir is still expected to deliver a profit in 2021.

## The leaflet is the most important advertising media within retail

Total leaflet volumes for distribution are expected at about 1.3 billion in 2020, a 10% decline from 2019. Due to COVID-19 the volume decline is expected to be slightly larger in 2020 relative to previous years.

Based on early talks with customers in retail, leaflet volumes appear to be stabilising. As a result, revenue is expected to trend downward slightly over the coming years and higher prices are expected to partly compensate for lower volumes.

Leaflets are the strongest media for the retail sector in terms of attracting customers to physical stores. Sales effect analyses have documented that leaflets are having a greater effect relative to other media.

Online advertising still accounts for a relatively small proportion of the budget used to attract customer flows to stores.

Total leaflet volumes for distribution mirrors the structure seen in physical retailing. Over the past ten years, consolidation among retail chains, closure of physical shops and the trend of people asking not to receive leaflets have reduced total volumes for distribution by about 8% annually.

However, there is nothing to indicate that physical retailers will reduce their use of leaflets significantly. First of all, no other media can match the effectiveness and sales volumes of leaflets; secondly, leaflets form an integral part of retail infrastructure; and thirdly, leaflets make physical stores more competitive relative to online retailers.

With several local newspapers joining forces or merging, the total volume of local newspapers is expected to drop by about 13% from 2019 to 2020. Over the long term, however, we expect there will be a permanent market of at least one weekly newspaper per household per week.

## Leaflets providing big value to society

The Danish Ministry of Economic and Business Affairs is currently studying the pros and cons of revising the current rules for door-to-door leaflet distribution, which allow households to deselect leaflets completely (NejTak), select a specific package of leaflets (NejTak+) or to accept all leaflets. The current rules have been in force for 30 years and 99% of the Danish population are aware of them.

The Danish Chamber of Commerce acting on behalf of the retail industry, Grakom (the Danish Association for Graphic Communication & Media), Danish Media on behalf of the local weekly newspapers, the Danish association of distribution businesses and the Danish Forest Association have all supplied facts and other input for the current review.

There are a number of good reasons for retaining the unrestricted distribution of leaflets:

1. Leaflets make the distribution of local newspapers viable. Without leaflets, local newspapers will lose a distribution channel, leaving local communities without a local voice and communication media.
2. Customers are free to choose which leaflets they wish to receive. This has sharply reduced volumes of leaflets distributed – and it ensures that leaflets distributed are in fact read.

3. Very often, leaflets are the only marketing tool other than local newspapers available to small retailers who in many cases are being squeezed by the expanding online trade.
4. Leaflets help to increase competition for groceries, ensuring lower prices for the benefit of consumers.
5. Logistics and distribution of leaflets create jobs – including for individuals who cannot find a foothold in the labour market.
6. For many young people, distributing leaflets is their first job experience.
7. In no other country in the world is the distribution of leaflets more environmentally-friendly than in Denmark – the vast majority of paper waste is recycled.

There is often criticism that leaflets have a negative environmental impact, and while it is true that they leave a footprint like any other industry the debate is often riddled by incorrect myths about the negative environmental impact of leaflets.

The Danish association of distribution businesses acknowledges having a responsibility in terms of sustainability, environment and climate. To that end, the association has initiated a full-scale life cycle assessment of the environmental impact of leaflets. Completion of the study is expected in Q2 2021.

### Strategic priorities and economic developments

In its 2020 annual report, North Media plans to present the Group's strategic priorities for 2021-2023 and the main aspects of the expected financial performance during the period.

### Solid capital resources

The Group had capital resources of DKK 696 million at 30 September 2020 (DKK 174 million in cash and DKK 522 million in securities).

Capital resources increased by DKK 211 million during the nine month period to 30 September 2020. Of this amount, approximately DKK 45 million was due to COVID-19-related extensions of deadlines for paying in VAT (becoming payable in autumn 2020), while the deadline for paying in employee income taxes for the months of April, May and June has been moved to 2021. This was the main reason why the balance sheet item Other payables has increased by about DKK 38 million relative to 31 December 2019.

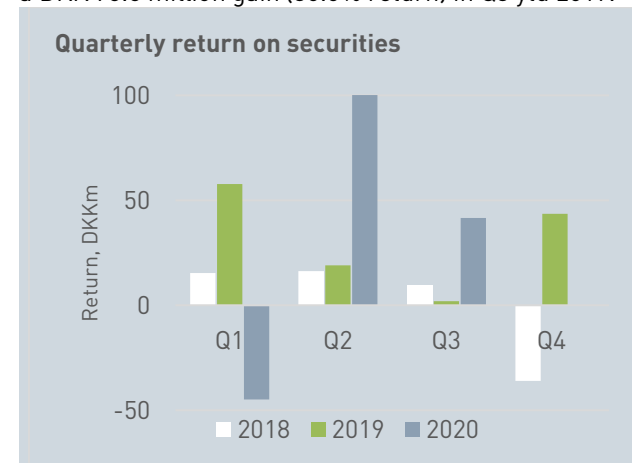
The company expects to pay corporate income tax of approximately DKK 61 million for the nine months to 30 September 2020 in November 2020.

During the period from 1 January 2016 to 30 September 2020, the Group bought shares for a net amount of approximately DKK 72 million. Including capital appreciation of approximately DKK 254 million, these transactions have lifted the value of the securities portfolio from DKK 196 million at 1 January 2016 to DKK 522 million at 30 September 2020. Accordingly, 78% of the added value during the period was based on capital appreciation.

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 155.6 million in dividends and bought back shares for a total of DKK 40.4 million, thus returning a total of DKK 196 million to shareholders during the period.

### Positive return on securities portfolio

The Group's securities yielded a DKK 98.4 million gain in Q3 ytd 2020 period, for a 24.6% return compared with a DKK 78.8 million gain (30.6% return) in Q3 ytd 2019.



### Specification of securities portfolio

The securities portfolio consists of highly liquid listed Danish or US stocks and unit trusts.:

DKKm	31/12-19	30/9-20	31/10-20
Amazon	49.1	79.7	76.9
Genmab	37.2	57.7	53.5
SimCorp	45.5	50.1	45.7
Ørsted	34.5	43.8	50.7
MasterCard	37.6	40.6	34.7
DSV	38.4	51.9	51.8
Visa	31.4	31.8	28.9
Vestas	31.6	-	-
Novo Nordisk	23.2	26.4	24.6
Teradyne	27.3	30.3	33.6
Facebook	24.9	30.3	-
Microsoft	-	33.5	32.2
Sea	-	14.7	30.1
Mercadolibre	-	10.3	23.2
NVIDIA Corp	-	-	9.6
Fundamental Invest ABD	9.8	10.4	10.0
Fundamental Invest ABC	9.5	10.4	10.0
<b>Total</b>	<b>400.0</b>	<b>521.9</b>	<b>515.5</b>

The risk on the portfolio at 30 September 2020 was calculated at 19.6%. 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 84.1 million.

The value of the portfolio of shares at 31 October 2020 was DKK 515.5 million, and a return of DKK -14,0 million was recorded for the month of October.

### **The Group's properties**

The Group owns a number of properties, including mainly the domicile properties in Søborg, Taastrup and Tilst. The properties are recognised at a carrying value of DKK 250.5 million and have been mortgaged against long-term, fixed-rate loans at a total of DKK 124.0 million.

The Group's business areas pay rent on market terms for the use of the properties. The Group's operating profit on the property portfolio is recognised in the item "unallocated income and costs". 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 790.7 million at 30 September 2020, which was DKK 119.5 million more than at 31 December 2019. The increase was mainly due to the profit for the period after tax of DKK 218.5 million less dividends paid of DKK 71.8 million and the value of treasury shares purchased of DKK 29.2 million.

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



## QUARTERLY HIGHLIGHTS

DKKkm	Revenue												
	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2020	2019	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018
FK Distribution	674.6	672.9	228.1	221.4	225.1	261.9	215.8	240.4	216.7	253.8	212.7	234.3	223.2
Index cp. same period last year	100.3	100.4	105.7	92.1	103.9	103.2	101.5	102.6	97.1	122.6	138.6	142.8	153.0
North Media Online	76.6	65.0	26.8	26.0	23.8	21.2	22.6	21.6	20.8	19.8	21.5	20.7	19.1
Index cp. same period last year	117.8	106.0	118.6	120.4	114.4	107.1	105.1	104.3	108.9	110.6	91.1	92.8	90.1
Bekey	19.7	16.2	5.7	6.2	7.8	8.3	5.0	4.6	6.6	5.2	8.2	4.9	5.4
Index cp. same period last year	121.6	87.6	114.0	134.8	118.2	159.6	61.0	93.9	122.2	118.2	174.5	116.7	93.1
Revenue, continuing operations	770.9	754.1	260.6	253.6	256.7	291.4	243.4	266.6	244.1	278.8	242.4	259.9	247.7
Index cp. same period last year	102.2	100.5	107.1	95.1	105.2	104.5	100.4	102.6	98.5	121.6	133.3	136.4	143.3
EBIT													
FK Distribution	176.9	107.2	59.0	53.9	64.0	65.2	33.6	43.8	29.8	50.3	20.8	29.1	38.5
EBIT margin	26.2%	15.9%	25.9%	24.3%	28.4%	24.9%	15.6%	18.2%	13.8%	19.8%	9.8%	12.4%	17.2%
North Media Online	17.3	5.2	6.0	7.0	4.3	1.6	2.7	1.3	1.2	-0.4	0.2	-1.0	-2.9
EBIT margin	22.6%	8.0%	22.4%	26.9%	18.1%	7.5%	11.9%	6.0%	5.8%	-2.0%	0.9%	-4.8%	-15.2%
Bekey	-5.3	-8.1	-2.0	-1.9	-1.4	-2.3	-2.7	-3.6	-1.8	-3.5	-1.1	-3.6	-2.0
EBIT margin	-26.9%	-50.0%	-35.1%	-30.6%	-17.9%	-27.7%	-54.0%	-78.3%	-27.3%	-67.3%	-13.4%	-73.5%	-37.0%
Unallocated income/cost	-6.6	-2.9	-2.6	-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	182.3	101.4	60.4	56.1	65.8	64.5	32.7	40.6	28.1	43.7	17.4	23.9	33.4
EBIT margin	23.6%	13.4%	23.2%	22.1%	25.6%	22.1%	13.4%	15.2%	11.5%	15.7%	7.2%	9.2%	13.5%

# Management's statement

The Board of Directors and the Executive Board have today considered and approved the Consolidated Interim Report of North Media A/S for the period 1 January to 30 September 2020.

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

In our opinion, the Consolidated Interim Financial Statement gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2020 and of the results of the group's operations and cash flows for the six months ended 30 September 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 5 November 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	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
<b>Revenue</b>	<b>260.6</b>	<b>243.4</b>	<b>770.9</b>	<b>754.1</b>	<b>1,045.6</b>
Direct costs	61.1	68.3	177.1	209.6	285.5
Direct staff costs	45.1	57.1	134.3	177.4	237.4
<b>Gross profit</b>	<b>154.4</b>	<b>118.0</b>	<b>459.5</b>	<b>367.1</b>	<b>522.7</b>
Staff costs	56.2	55.2	167.9	165.5	223.2
Other costs	32.0	26.8	93.0	89.7	119.7
Amortisation and depreciation	7.1	6.7	23.1	20.5	27.3
Other operating income	1.3	3.4	6.8	10.0	13.4
<b>EBIT before special items</b>	<b>60.4</b>	<b>32.7</b>	<b>182.3</b>	<b>101.4</b>	<b>165.9</b>
Special items, net	0.0	0.0	0.0	4.1	4.1
<b>Operating profit (EBIT), continuing operations</b>	<b>60.4</b>	<b>32.7</b>	<b>182.3</b>	<b>105.5</b>	<b>170.0</b>
Share of profit/loss in associates	0.3	0.3	-0.1	0.2	-4.9
Return on securities	41.5	2.1	98.4	78.8	122.1
Financial income	0.0	0.1	0.1	0.3	0.6
Financial costs	-1.0	-8.1	-4.2	-9.3	-12.2
<b>Profit before tax, continuing operations</b>	<b>101.2</b>	<b>27.1</b>	<b>276.5</b>	<b>175.5</b>	<b>275.6</b>
Tax for the period, continuing	20.7	6.0	61.5	38.8	64.1
Net profit, discontinued operations	0.0	-2.5	3.5	-6.0	-6.2
<b>Net profit for the period</b>	<b>80.5</b>	<b>18.6</b>	<b>218.5</b>	<b>130.7</b>	<b>205.3</b>
<b>Attributable, net profit/loss</b>					
Shareholders in North Media A/S	80.5	18.6	218.5	130.7	205.3
	<b>80.5</b>	<b>18.6</b>	<b>218.5</b>	<b>130.7</b>	<b>205.3</b>
<b>Earnings per share, in DKK</b>					
Earnings per share (EPS) - total	4.5	1.0	12.1	7.0	11.0
Diluted earnings per share (EPS-D) - total	4.4	1.0	11.9	7.0	11.0

DKKm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
<b>Net profit for the period</b>	<b>80.5</b>	<b>18.6</b>	<b>218.5</b>	<b>130.7</b>	<b>205.3</b>
<i>Financial statement items that may later be reclassified to the income statement:</i>					
Translation adjustments, foreign companies	0.0	0.0	0.3	0.0	-0.2
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>-0.2</b>
<b>Comprehensive income</b>	<b>80.5</b>	<b>18.6</b>	<b>218.8</b>	<b>130.7</b>	<b>205.1</b>
<b>Attributable, comprehensive income</b>					
Shareholders in North Media A/S	80.5	18.6	218.8	130.7	205.1
	<b>80.5</b>	<b>18.6</b>	<b>218.8</b>	<b>130.7</b>	<b>205.1</b>

# Consolidated balance sheet

## Assets

DKKkm	30 Sep 2020	30 Sep 2019	31 Dec 2019
Goodwill	39.1	39.1	39.1
Other intangible assets	10.4	11.6	11.2
Completed development projects, software	5.5	1.9	3.1
<b>Intangible assets</b>	<b>55.0</b>	<b>52.6</b>	<b>53.4</b>
Land and buildings	239.1	253.1	250.0
Investment property	17.6	17.9	17.9
Plant and machinery	41.7	45.7	45.3
Operating equipment, fixtures and fittings	10.9	11.2	12.1
<b>Property, plant and equipment</b>	<b>309.3</b>	<b>327.9</b>	<b>325.3</b>
Investments in associates	7.0	12.7	7.0
Other securities and investments	0.0	2.3	1.4
Other receivables	1.2	1.9	1.9
<b>Other non-current assets</b>	<b>8.2</b>	<b>16.9</b>	<b>10.3</b>
<b>Total non-current assets</b>	<b>372.5</b>	<b>397.4</b>	<b>389.0</b>
Inventories	4.7	6.4	5.2
Trade receivables	80.7	72.6	71.2
Other receivables	0.6	1.1	1.1
Prepayments	17.8	18.0	16.6
Securities	521.9	396.4	400.0
Cash at bank and in hand	174.3	28.7	84.7
<b>Total current assets</b>	<b>800.0</b>	<b>523.2</b>	<b>578.8</b>
<b>Total assets</b>	<b>1,172.5</b>	<b>920.6</b>	<b>967.8</b>

## Equity and liabilities

DKKkm	30 Sep 2020	30 Sep 2019	31 Dec 2019
Share capital	100.3	100.3	100.3
Reserve, translation adjustments	-2.6	-2.8	-2.9
Retained earnings	693.0	498.5	573.8
<b>Total equity</b>	<b>790.7</b>	<b>596.0</b>	<b>671.2</b>
Deferred tax	11.1	4.7	9.5
Financial institutions	119.3	123.2	122.8
Lease debt	7.1	10.4	9.4
<b>Total non-current liabilities</b>	<b>137.5</b>	<b>138.3</b>	<b>141.7</b>
Financial institutions	4.7	4.5	4.7
Lease debt	3.6	6.0	6.2
Trade payables	27.2	25.2	35.2
Income tax payable	67.6	46.2	6.7
Contract liabilities	11.5	14.1	10.1
Other payables	129.7	90.3	92.0
<b>Total current liabilities</b>	<b>244.3</b>	<b>186.3</b>	<b>154.9</b>
<b>Total liabilities</b>	<b>381.8</b>	<b>324.6</b>	<b>296.6</b>
<b>Total equity and liabilities</b>	<b>1,172.5</b>	<b>920.6</b>	<b>967.8</b>

# Consolidated statement of changes in equity

DKKkm	Share capital	Reserve, translation adjustments	Retained earnings	Total equity
Equity 1 January 2019	100.3	-2.7	441.1	538.7
<b>Changes in equity for the period</b>				
Net profit for the period	0.0	0.0	130.7	130.7
Translation adjustments, foreign companies	0.0	-0.1	0.0	-0.1
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>-0.1</b>	<b>130.7</b>	<b>130.6</b>
Purchase of treasury shares	0.0	0.0	-19.4	-19.4
Share-based payment	0.0	0.0	1.6	1.6
Dividend paid	0.0	0.0	-60.2	-60.2
Dividend on treasury shares	0.0	0.0	4.7	4.7
<b>Changes in equity for the period</b>	<b>0.0</b>	<b>-0.1</b>	<b>57.4</b>	<b>57.3</b>
Equity at 30 Sep 2019	100.3	-2.8	498.5	596.0
Equity 1 January 2020	100.3	-2.9	573.8	671.2
<b>Changes in equity for the period</b>				
Net profit for the period	0.0	0.0	218.5	218.5
Translation adjustments, foreign companies	0.0	0.3	0.0	0.3
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.3</b>	<b>218.5</b>	<b>218.8</b>
Purchase of treasury shares	0.0	0.0	-29.2	-29.2
Share-based payment	0.0	0.0	1.7	1.7
Dividend paid	0.0	0.0	-80.2	-80.2
Dividend on treasury shares	0.0	0.0	8.4	8.4
<b>Changes in equity for the period</b>	<b>0.0</b>	<b>0.3</b>	<b>119.2</b>	<b>119.5</b>
Equity at 30 Sep 2020	100.3	-2.6	693.0	790.7

# Consolidated cash flow statement

DKKkm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
<b>Net profit for the period, continuing activities</b>	<b>80.5</b>	<b>21.0</b>	<b>215.0</b>	<b>136.7</b>	<b>211.5</b>
Adjustments for non-cash items	-12.4	18.9	-8.1	-13.4	-16.2
Changes in working capital	-26.1	-2.4	19.8	-14.1	2.5
<b>Cash flow from operating activities before net financials</b>	<b>42.0</b>	<b>37.5</b>	<b>226.7</b>	<b>109.2</b>	<b>191.6</b>
Interest received	0.0	0.0	0.1	0.1	0.2
Interest paid	-1.1	-1.1	-3.5	-3.5	-4.6
<b>Cash flow from ordinary activities before tax</b>	<b>40.9</b>	<b>36.4</b>	<b>223.3</b>	<b>105.8</b>	<b>187.2</b>
Income tax paid	-0.1	-0.1	-0.5	2.1	-61.3
<b>Cash flow from operating activities, continuing operations</b>	<b>40.8</b>	<b>36.3</b>	<b>222.8</b>	<b>107.9</b>	<b>125.9</b>
Cash flow from operating activities, discontinued operations	0.0	-1.9	-2.1	-0.9	4.4
<b>Cash flow from operating activities, total</b>	<b>40.8</b>	<b>34.4</b>	<b>220.7</b>	<b>107.0</b>	<b>130.3</b>
Investments in intangible assets and PP&E	-3.4	-1.8	-12.0	-7.5	-13.9
Disposals of PP&E	1.4	0.2	1.8	0.7	1.7
Investment in securities	-21.7	-39.8	-53.5	-95.6	-95.9
Divestment in securities	0.0	0.0	27.2	32.2	72.1
Dividend from securities	0.4	0.2	2.8	2.2	2.4
Investment in associates	0.0	0.0	0.0	0.0	0.6
Purchase/investments in other non-current assets	0.0	0.0	0.0	-2.4	-2.4
Sale of other non-current assets	0.0	0.0	0.0	4.1	4.1
<b>Cash flow from investing activities, continuing operations</b>	<b>-23.3</b>	<b>-41.2</b>	<b>-33.7</b>	<b>-66.3</b>	<b>-31.3</b>
Cash flow from investing activities, discontinued operations	0.0	-0.1	10.9	-0.4	0.0
<b>Cash flow from investing activities, total</b>	<b>-23.3</b>	<b>-41.3</b>	<b>-22.8</b>	<b>-66.7</b>	<b>-31.3</b>

DKKkm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Repayment of non-current liabilities	-2.1	-1.6	-6.2	-5.5	-8.2
Purchase/sale, treasury shares	0.0	0.0	-29.2	-19.4	-19.4
Dividend paid	-71.8	0.0	-71.8	-55.4	-55.4
<b>Cash flow from financing activities, continuing operations</b>	<b>-73.9</b>	<b>-1.6</b>	<b>-107.2</b>	<b>-80.3</b>	<b>-83.0</b>
Cash flow from financing activities, discontinued operations	0.0	-1.0	-1.0	-2.0	-2.0
<b>Cash flow from financing activities, total</b>	<b>-73.9</b>	<b>-2.6</b>	<b>-108.2</b>	<b>-82.3</b>	<b>-85.0</b>
<b>Total cash flows' for the period</b>	<b>-56.4</b>	<b>-9.5</b>	<b>89.7</b>	<b>-42.0</b>	<b>14.0</b>
<b>Cash at 1 January</b>	<b>230.8</b>	<b>38.2</b>	<b>84.7</b>	<b>70.7</b>	<b>70.7</b>
<b>Cash at 30 Sep</b>	<b>174.4</b>	<b>28.7</b>	<b>174.4</b>	<b>28.7</b>	<b>84.7</b>



# 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 September 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%, adjusted for major permanent differences.

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

DKKm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Special items, income					
Gains on sale of shares in Emly ApS	0.0	0.0	0.0	4.1	4.1
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.1</b>	<b>4.1</b>

## 3 Return on securities

DKKm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Dividend	0.4	0.2	2.8	2.2	2.4
Net capital gains on shares	41.1	1.9	95.6	76.6	119.7
<b>Total return on securities</b>	<b>41.5</b>	<b>2.1</b>	<b>98.4</b>	<b>78.8</b>	<b>122.1</b>

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

## 4 Discontinued operations

DKKm	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Revenue and other operating income	0.0	21.2	25.4	68.9	96.1
Costs	0.0	24.4	32.0	76.6	104.1
Loss for the period before tax	0.0	-3.2	-6.6	-7.7	-8.0
Tax for the period	0.0	0.7	1.5	1.7	1.8
<b>Operating profit for the period, discontinued operations</b>	<b>0.0</b>	<b>-2.5</b>	<b>-5.1</b>	<b>-6.0</b>	<b>-6.2</b>
Gains on disposal of assets	0.0	0.0	8.6	0.0	0.0
<b>Profit/loss for the period, discontinued operations</b>	<b>0.0</b>	<b>-2.5</b>	<b>3.5</b>	<b>-6.0</b>	<b>-6.2</b>

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

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

## 5 Segment information

Q3

DKKmn	FK Distribution		North Media Online		Bekey		Unallocated costs/ elimi.*)		Total	
	Q3-20	Q3-19	Q3-20	Q3-19	Q3-20	Q3-19	Q3-20	Q3-19	Q3-20	Q3-19
Segment revenue	228.1	215.8	26.8	22.7	6.8	5.6	0.0	0.0	261.7	244.1
Internal revenue	0.0	0.0	0.0	-0.1	-1.1	-0.6	-	-	-1.1	-0.7
<b>External revenue</b>	<b>228.1</b>	<b>215.8</b>	<b>26.8</b>	<b>22.6</b>	<b>5.7</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>260.6</b>	<b>243.4</b>
<b>Revenue recognition</b>										
Immediately	228.1	215.8	26.8	22.6	5.7	5.0	-	-	260.6	243.4
Over time	-	-	0.0	0.0	0.0	0.0	-	-	0.0	0.0
<b>External revenue</b>	<b>228.1</b>	<b>215.8</b>	<b>26.8</b>	<b>22.6</b>	<b>5.7</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>260.6</b>	<b>243.4</b>
Direct costs	102.5	122.3	1.0	0.5	0.1	0.5	2.6	2.1	106.2	125.4
<b>Gross profit</b>	<b>125.6</b>	<b>93.5</b>	<b>25.8</b>	<b>22.1</b>	<b>5.6</b>	<b>4.5</b>	<b>-2.6</b>	<b>-2.1</b>	<b>154.4</b>	<b>118.0</b>
Other costs	63.2	59.1	19.3	18.9	7.5	7.1	-1.8	-3.1	88.2	82.0
EBITDA	63.0	37.2	6.7	3.4	-1.9	-2.6	-0.3	1.4	67.5	39.4
Amortisation and depreciation	4.0	3.6	0.7	0.7	0.1	0.1	2.3	2.3	7.1	6.7
<b>EBIT before special items</b>	<b>59.0</b>	<b>33.6</b>	<b>6.0</b>	<b>2.7</b>	<b>-2.0</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-0.9</b>	<b>60.4</b>	<b>32.7</b>
Special items, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>59.0</b>	<b>33.6</b>	<b>6.0</b>	<b>2.7</b>	<b>-2.0</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-0.9</b>	<b>60.4</b>	<b>32.7</b>
Share of profit/loss in associates	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.3	0.3
Return on securities	-	-	-	-	-	-	-	-	41.5	2.1
Net financials	-	-	-	-	-	-	-	-	-1.0	-8.0
<b>Profit before tax, continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.2</b>	<b>27.1</b>
Gross margin	55.1%	43.3%	96.3%	97.8%	98.2%	90.0%	-	-	59.2%	48.5%
EBITDA margin	27.6%	17.2%	25.0%	15.0%	-33.3%	-52.0%	-	-	25.9%	16.2%
EBIT margin	25.9%	15.6%	22.4%	11.9%	-35.1%	-54.0%	-	-	23.2%	13.4%

## 5 Segment information, continued

Q3 YTD										
DKKkm	FK Distribution		North Media Online		Bekey		Unallocated costs/ elimi.*)		Total	
	Q3 YTD 20	Q3 YTD 19	Q3 YTD 20	Q3 YTD 19	Q3 YTD 20	Q3 YTD 19	Q3 YTD 20	Q3 YTD 19	Q3 YTD 20	Q3 YTD 19
Segment revenue	674.6	672.9	76.7	65.2	24.9	18.3	0.0	0.0	776.2	756.4
Internal revenue	0.0	0.0	-0.1	-0.2	-5.2	-2.1	-	-	-5.3	-2.3
<b>External revenue</b>	<b>674.6</b>	<b>672.9</b>	<b>76.6</b>	<b>65.0</b>	<b>19.7</b>	<b>16.2</b>	<b>0.0</b>	<b>0.0</b>	<b>770.9</b>	<b>754.1</b>
<b>Revenue recognition</b>										
Immediately	674.6	672.9	76.6	65.0	19.7	16.2	-	-	770.9	754.1
Over time	-	-	0.0	0.0	0.0	0.0	-	-	0.0	0.0
<b>External revenue</b>	<b>674.6</b>	<b>672.9</b>	<b>76.6</b>	<b>65.0</b>	<b>19.7</b>	<b>16.2</b>	<b>0.0</b>	<b>0.0</b>	<b>770.9</b>	<b>754.1</b>
Direct costs	302.5	376.2	2.6	1.9	-0.1	2.8	6.4	6.1	311.4	387.0
<b>Gross profit</b>	<b>372.1</b>	<b>296.7</b>	<b>74.0</b>	<b>63.1</b>	<b>19.8</b>	<b>13.4</b>	<b>-6.4</b>	<b>-6.1</b>	<b>459.5</b>	<b>367.1</b>
Other costs	188.4	186.1	54.9	56.4	22.7	21.2	-5.1	-8.5	260.9	255.2
EBITDA	188.5	118.5	19.5	7.4	-2.9	-7.8	0.3	3.8	205.4	121.9
Amortisation and depreciation	11.6	11.3	2.2	2.2	2.4	0.3	6.9	6.7	23.1	20.5
<b>EBIT before special items</b>	<b>176.9</b>	<b>107.2</b>	<b>17.3</b>	<b>5.2</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-6.6</b>	<b>-2.9</b>	<b>182.3</b>	<b>101.4</b>
Special items, net	0.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	4.1
<b>EBIT</b>	<b>176.9</b>	<b>107.2</b>	<b>17.3</b>	<b>9.3</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-6.6</b>	<b>-2.9</b>	<b>182.3</b>	<b>105.5</b>
Share of profit/loss in associates	0.0	0.0	-0.1	0.2	0.0	0.0	0.0	0.0	-0.1	0.2
Return on securities	-	-	-	-	-	-	-	-	98.4	78.8
Net financials	-	-	-	-	-	-	-	-	-4.1	-9.0
<b>Profit before tax, continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276.5</b>	<b>175.5</b>
Gross margin	55.2%	44.1%	96.6%	97.1%	100.5%	82.7%	-	-	59.6%	48.7%
EBITDA margin	27.9%	17.6%	25.5%	11.4%	-14.7%	-48.1%	-	-	26.6%	16.2%
EBIT margin	26.2%	15.9%	22.6%	8.0%	-26.9%	-50.0%	-	-	23.6%	13.4%

## 6 Adjustment for non-cash operating items

DKK m	Q3		Q3 YTD		full year
	2020	2019	2020	2019	2019
Share of profit/loss in associates	-0.3	-0.2	0.1	-0.2	4.9
Tax on profit/loss for the period	20.7	6.0	61.4	38.8	64.1
Amortisation and depreciation of assets	7.1	6.7	21.4	20.4	27.3
Gain/loss on disposals of assets	0.0	0.0	1.7	0.1	0.0
Share-based payment	0.6	0.5	1.7	1.6	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	1.0	7.9	4.0	8.7	11.4
Value adjustments, securities	-41.5	-2.0	-98.4	-78.7	-122.1
<b>Total adjustments (non-cash)</b>	<b>-12.4</b>	<b>18.9</b>	<b>-8.1</b>	<b>-13.4</b>	<b>-16.2</b>

## 7 Other payables

Other payables contains holiday pay of DKK 18.5 million accumulated during the period holiday pay was frozen (1 September 2019 to 31 August 2020).

## 8 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 assumes a

level of activity in Danish society as seen in the period up to the beginning of November 2020.

## 9 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 September 2020, no material changes had occurred in respect of the Group's contingent liabilities and assets.

## 10 Subsequent events

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

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