

Annual Report

2021

★ **NORTH MEDIA**_{A/S}

Gladsaxe Møllevvej 28, 2860 Søborg
CVR. no. 66 59 01 19



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Management commentary

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The Annual Report 2021 has been prepared in Danish and English.

The Danish text shall be the governing text for all purposes, and in case of any discrepancy the Danish wording shall be applicable.

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 panels

Work to mount and install solar panels at FK Distribution's packing terminal in Taastrup has commenced.

[Read more on page 51 →](#)





At a glance

North Media develops 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:

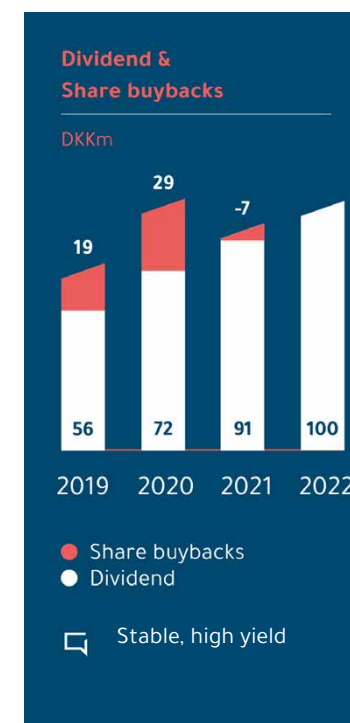
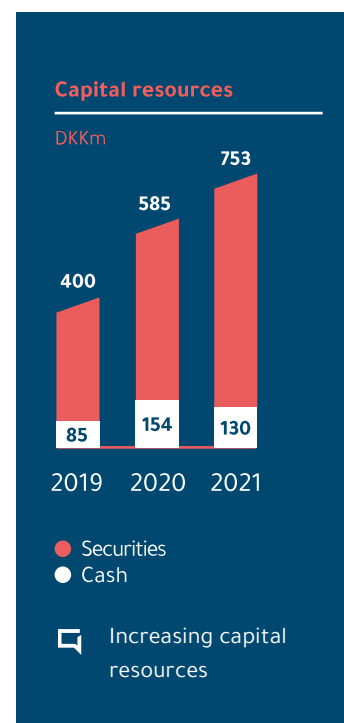
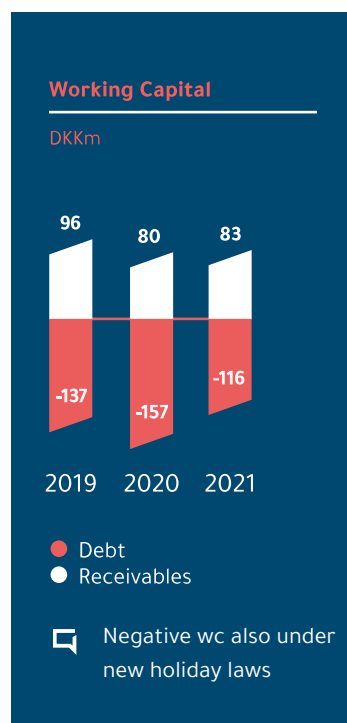
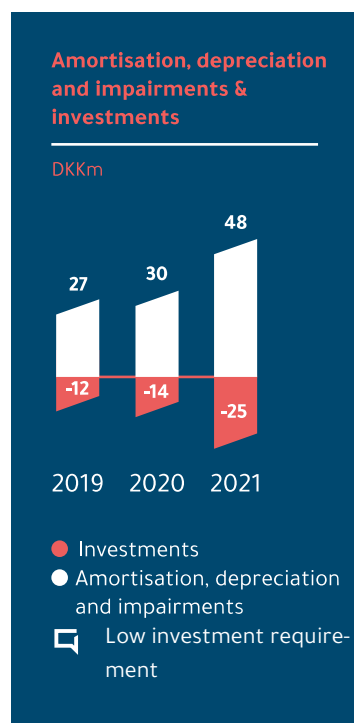
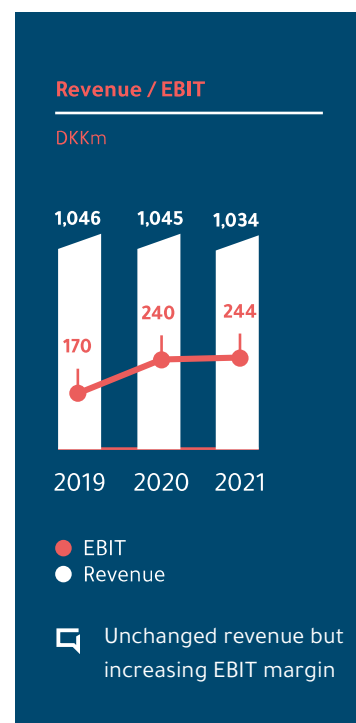
Last Mile

FK Distribution is Denmark's leading distributor of leaflets and local newspapers to consumers and readers and also runs the 'minetilbud' 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 stable 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.
- Bekey delivers digital access solutions for locked stairwells and private homes for the use of homecare services in Denmark and Norway, companies delivering groceries, parcels, meal services, etc., as well as others with legitimate reasons to approved access locked doors in multi-storey buildings.





Preface

Another good year for North Media in 2021

North Media had yet another good year in 2021. Earnings improved for the fifth straight year, and we executed on the strategy we presented in our 2020 Annual Report. Our priorities are infrastructure, technology build-up, innovation and upscaling.

For North Media, 2021 was also a year of tackling both existing and new challenges. That simply comes with the territory when you are running a business in a turbulent world: you are constantly having to adapt to changing circumstances. Our financial results confirm our ability to adapt.

Good momentum in strategies for the Last Mile and Digital Services business areas

In what is our major – and the Group's dominant – business area, Last Mile, **FK Distribution** had a good year with stable developments in its core business of distributing leaflets to private consumers and local newspapers to readers in Denmark. The collaboration with Deutsche Post in Germany began and while still representing only limited revenue, it serves to confirm the potential. The outlook

for 2022 promises another good year for Last Mile, though costs are set to increase, especially for distribution due to an increase in wages for our deliverers, which will include costs of recruiting and retaining deliverers in a job market offering variety of other opportunities for young people.

Ofir stood out in the Digital Services business area in 2021, generating very strong growth and positive EBIT. As Ofir has gained a strong position in the demanding area of recruitments and in new customer groups much sooner than we had anticipated, we have decided to advance costs of developing infrastructure, data and sales in order to enable Ofir to sustain its momentum.

For **BoligPortal**, 2021 was to have been a year of transition on its journey of evolving from a

marketplace to becoming a comprehensive home rentals platform. We have taken into use a new technology platform and launched several new products and concepts. Some of the products were delayed and there was even an unexpected decline in the market supply of rental units. However, BoligPortal still managed to generate growth, and its earnings were in line with the record performance of 2020. In the second half of the year, BoligPortal began in earnest to market the property market data that it compiles, and this new business got off to a promising start. Also BoligPortal will increase costs of both sales and innovation in order to complement quickly the current service offering especially to landlords.

Bekey attracted new customers in 2021, but an actual commercial breakthrough failed to materialise on the segments "Distributors" and "Properties".. As a result, prospects of positive cash flows from this business have become more distant. As a result, we have, cf. Company announcement no. 25-2021 at 2 December 2021, made a DKK 20m write-off of capitalised costs for IT architecture and the development of digital access systems, which added to the loss. We will continue to build up the Bekey business based on a new market approach and ongoing positive feedback from both existing and prospective new customers.

Good results also in 2022

North Media expects to generate 2022 revenue in line with the 2021 figure, i.e. of DKK 1,010-1,045m and EBIT of DKK 190-220m. Group EBIT margin is expected in the level of 20%.

Revenue in Last Mile is expected to drop by about 3%, while the EBIT margin is expected to be about 23%. Due to rising distribution and transport costs, EBIT is expected to be slightly short of the financial ambitions for 2022-23 North Media announced in February 2021.

Digital Services is expected to report results below the 2022-23 financial ambitions. The drop in activity in the home rentals market has reduced BoligPortal's revenue growth, and EBIT will be affected by the investment in Boligmanager. Bekey is seeing reduced revenue growth and improved EBIT in the customers segments "Distributors" and "Properties", due to the still pending commercial breakthrough. Digital Services expects to see revenue growth of about 16% and EBIT of about 8%.

North Media's overall strategy – bridging the gap between value and growth – has not changed, and we remain focused on making lasting and long-term operational and earnings improvements and on generating stable and attractive dividends for our shareholders.

Thank you

We would like to conclude by thanking all our dedicated employees who make a difference every single day. Thank you also to our customers, business partners and end users! Without them, we would never succeed. And lastly a thank you to our shareholders for their support and dedicated interest in North Media.



Group financial highlights

DKKm	2021	2020	2019*	2018	2017
Income statement					
Revenue	1,033.6	1,045.4	1,045.6	1,144.9	899.4
Gross profit	620.5	619.8	522.7	552.5	409.8
EBITDA	292.2	270.4	193.2	137.2	28.4
Amortisation, depreciation and impairments etc.	47.8	30.2	27.3	27.5	28.5
EBIT	244.4	240.2	170.0	94.0	-0.5
Return on securities	103.2	154.5	122.1	5.2	34.7
Financials, net	-4.8	-5.5	-11.6	-27.0	-3.2
Profit before tax	347.0	388.1	275.6	73.1	28.6
Tax for the year	73.4	85.1	64.1	17.3	0.6
Net profit, continuing operations	273.6	303.0	211.5	55.8	28.0
Net profit, discontinued operations	0.0	3.5	-6.2	0.0	0.0
Net profit for the year	273.6	306.5	205.3	55.8	28.0
Comprehensive income	273.3	306.8	205.1	66.1	30.2
Net profit excluding return on securities	193.1	186.0	110.1	51.7	0.9
Balance sheet, year end					
Total assets	1,320.6	1,189.1	967.8	825.4	784.7
Shareholders' equity incl. minorities	1,080.0	879.0	671.2	538.7	497.7
Net interest-bearing cash position	758.0	579.0	334.9	196.1	128.3
Properties	246.4	248.2	257.2	263.8	258.9
Mortgage Debt	-118.1	-122.8	-127.5	-131.1	-145.2
Capital resources	882.8	738.9	484.7	327.2	281.1
Net working capital (NWC)	-33.7	-58.4	-41.3	-39.3	-36.2
Invested capital	322.0	300.0	336.3	342.6	369.4
Investments in property, plant and equipment	18.8	10.6	11.7	24.5	32.4
Free cash flow	224.3	291.3	177.8	108.3	-4.0

Reference is made to Note 3 for Ratio definitions.

*Key figures have been adjusted for discontinued operations in 2019.

DKKm	2021	2020	2019*	2018	2017
Cash flow statement					
Cash flows from operating activities	156.1	218.6	132.1	104.7	23.0
Cash flows from investing activities	-88.2	-47.2	-31.3	-44.1	-38.2
Cash flows from financing activities	-91.7	-110.4	-83.0	-30.2	-1.0
Total cash flows, continuing activities	-23.8	61.0	17.8	30.4	-16.2
Total cash flows, discontinued activities	0.0	7.8	-3.8	-	-
Other information					
Average number of employees	411	445	461	575	560
Average number of deliverers	825	874	1,263	1,117	1,057
Number of shares at year-end, in thousand in denominations of DKK5	20,055	20,055	20,055	20,055	20,055
Treasury shares	1,909	2,100	1,600	1,100	1,205
Share price at year-end, DKK	108.0	79.8	44.5	33.5	35.2
Ratios					
Gross margin	60.0%	59.3%	50.0%	48.3%	45.6%
EBIT margin	23.6%	23.0%	16.3%	8.2%	-0.1%
Equity ratio	81.8%	73.9%	69.4%	65.3%	63.4%
Return on equity (ROE)	27.9%	39.5%	33.9%	10.8%	5.8%
Return on capital employed (ROIC)	78.6%	75.5%	50.1%	26.4%	-0.1%
Earnings per share (EPS)	15.0	16.9	11.0	3.0	1.5
Diluted earnings per share (EPS-D)	14.7	16.7	11.0	3.0	1.5
Earnings per share excluding return on securities (EPS-adj)	10.6	10.3	5.9	2.7	0.0
Price/Earnings (P/E)	7.2	4.7	4.0	11.2	23.5
Price/Book Value (P/BV)	2.0	1.8	1.3	1.2	1.4
Cash flow per share (CFPS)	8.6	12.1	7.1	5.5	1.2
Dividend paid in the financial year	5.0	4.0	3.0	1.5	0.0



Results

Overall targets for 2021 achieved

2021 Group results were better than expected at the beginning of the year.

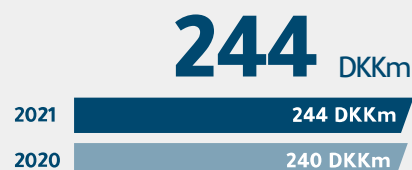
Revenue

Consolidated revenue fell by 1% relative to 2020. Revenue down by 3% in FK Distribution (Last Mile), but up by 10% in Digital Services.



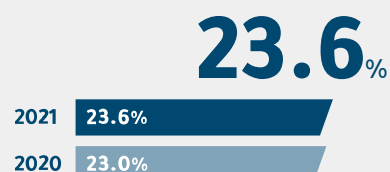
EBIT

Consolidated EBIT amounted to DKK 244m, which was DKK 4m higher than in 2020. Last Mile grew its earnings by DKK 15m. A write-off of DKK 20m of a development project in Bekey had a negative impact on Digital Services.



EBIT margin

The consolidated EBIT margin rose to 23.6%, a 0.6 percentage point improvement year on year.



Better than expected

- Ofir (Digital Services) drove up revenue by 72% year on year and strengthened its position in a market of strong demand.



As expected

- FK Distribution's (Last Mile) printed matter volume distributed fell by 5% year on year with one week less for distribution in 2021.
- FK Distribution (Last Mile) increased the volume of leaflet bundles packed for Deutsche Post from 143,000 households per week in the first half of the year to 475,000 in the second half of the year.
- FK Distribution concluded a three-year contract with Salling Group for the distribution of printed matter in Denmark
- BoligPortal (Digital Services) signed contracts with service providers and launched Data Insights both for its new platform and as a customer-specific solution.
- Bekey (Digital Services) have extended contracts with municipal customers in the "Homecare" segment. Licence fees raised in new contracts.



Not as expected

- BoligPortal's (Digital Services) revenue growth adversely affected by delays in the development and launch of new SaaS products and a reduced supply of rental housing units on the market.
- At the request of its customers, Bekey (Digital Services) has rescheduled the installation and implementation of its access system for three Danish municipalities to 2022, which had a negative impact on 2021 revenue relative to expectations.
- A commercial breakthrough for Bekey (Digital Services) in new customer segments is still pending. Accordingly, the basis for capitalising these costs during the period from 2019 to 2021 has become more uncertain and the related development costs have been written off.



Performance by business area – Q4 2021

Last Mile

Q4 2021 (Q4 2020) (DKKm)

FK Distribution

- FK Distribution reported a 1% drop in printed matter volume distributed year on year and a 4% increase in revenue. The Q4 performance improved year on year, with more leaflets distributed during the Christmas season. In addition, several advertisers had rescheduled their distribution jobs for the Q4 period.
- Generally speaking, small customers have cut back on their printed matter marketing for structural reasons or due to COVID-19-related effects, whereas large retail shops and chains have either ramped up or kept activity unchanged. Volumes from small customers did not decline as much in the Q4 period as seen previously.
- The generally strong demand for labour raised the costs of deliverers.
- The volume of bundled printed matter per household distributed for Deutsche Post was lower than expected. Efforts to explore the potential for expanding the collaboration with Deutsche Post were postponed to 2022 due to the COVID-19 situation in Germany.

Revenue

248

(239)

EBIT

74

(57)

EBIT margin

29.9%

(23.8%)

Digital Services

Q4 2021 (Q4 2020) (DKKm)

BoligPortal

- Q4 revenue was up by 4%, supported by sales of new SaaS products.
- Data Insights, the new SaaS product, has been well received by a number of property developers and property investors.
- Largest drop in the supply of rental units on the market in ten years had a negative impact on growth in classic advertising revenue. Partial market recovery towards the end of the year.

Revenue

20.8

(20.0)

EBIT

6.7

(6.0)

Ofir

- Q4 Revenue was up by 58% year on year.
- The number of ads placed and the upselling to larger advertising packages set new records in November.
- The Q4 EBIT improved despite costs of expanding the data team, which added further strength to data and research capabilities in relation to job ads and job applicants.

Revenue

10.4

(6.6)

EBIT

1.4

(0.5)

Bekey

- Overall Q4 revenue was down by 27% year on year.
- Revenue from licences and services grew 20% to account for 63% of overall revenue.
- DKK 20.1m write-off of capitalised costs for IT architecture and the development of digital access systems.
- At 31 December 2021, the Smart-Relay system had been rolled out in 27,000 stairwells, equal to 53% of the stairwells in postcodes 1050-2990.

Revenue

6.5

(8.9)

EBIT

-23.4

(-1.5)

Revenue

38

(36)

EBIT

-15

(5)

EBIT margin

-40.6%

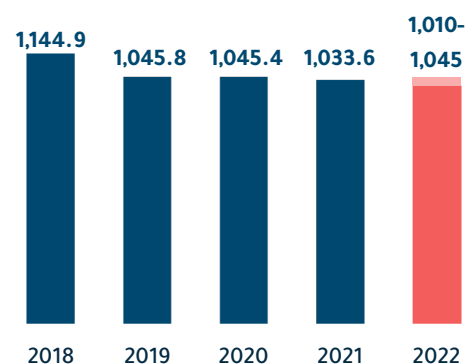
(14.1%)



Group guidance for 2022

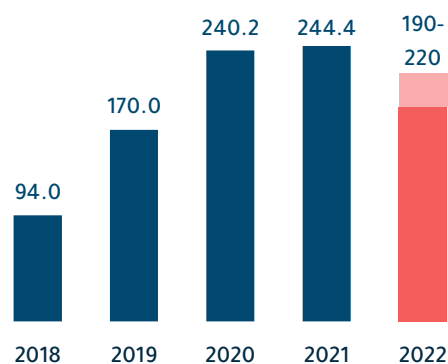
The Group expects revenue to be on level with 2021 while EBIT are expected to be lower in 2022.

Revenue (DKKm)



The Group's revenue is now expected to amount to DKK 1,010-1,045m. Consolidated revenue is thus expected to be on a par with 2021.

EBIT (DKKm)



The Group's EBIT is expected to amount to DKK 190-220m. EBIT is thus expected to be DKK 24-54m. lower than in 2021.

In 2021 the group's EBIT margin was 23.6%, while it is expected to be approx. 20% in 2022.

Guidance for group financial highlights 2022 (DKKm)

Revenue

1,010 - 1,045

Actual result 2021:

1.033

Actual result 2020:

1.045

EBIT

190 - 220

Actual result 2021:

244

Actual result 2020:

240



FY 2022 guidance by business area

For Last Mile we expect a decline in EBIT

FK Distribution

- Revenue expected to fall by c.3%.
- Volumes of printed matter and local newspapers expected to be about 4% lower than in 2021.
- Distribution of printed matter, newspapers and direct mail etc. expected to account for more than 90% of revenue.
- The loss of volume likely to be only partly offset by moderate price rises similar to price rises seen in 2021.
- A change in product and customer mix expected to have negative impact on average prices.
- Revenue growth from minetilbud.dk and on expansion of collaboration with Deutsche Post.
- EBIT margin expected to be lower due to substantial cost increases, including for distribution.
- 2022 EBIT margin expected at around 23%.

Guidance for 2022 (DKK m)

Revenue:	850-870
EBIT:	190-210

Actual 2021 (DKK m)

Revenue:	888.8
EBIT:	249.0

For Digital Services we expect about 16% revenue growth. EBIT influenced by higher costs of strengthening the foundation for further growth

BoligPortal

- Revenue growth expected at c.13%.
- In 2022, BoligPortal expects to increase sales of the new products and services launched in 2021. SaaS products targeted at landlords, including products from newly-acquired Boligmanager, not expected to contribute until in H2.
- Boligmanager to reduce BoligPortal's 2022 EBIT by about DKK 8 m.
- Costs set to rise due to higher IT and payroll costs, including to expanded sales staff.
- 2022 EBIT margin expected at around 21%.

Guidance for 2022 (DKK m)

Revenue:	93-99
EBIT:	18-22

Actual 2021 (DKK m)

Revenue:	84.8
EBIT:	26.8

Ofir

- Revenue growth expected at c.22%.
- Ofir expects to repeat double-digit revenue growth in 2022. More job postings from existing and new customers and increased upselling to larger advertising packages.
- Growth will further boost earnings, but much of the positive effect is expected to be offset by the full-year effect of investments for growth made in 2021 and by development costs related to a new platform.
- 2022 EBIT margin expected at around 14%.

Guidance for 2022 (DKK m)

Revenue:	42-46
EBIT:	5-7

Actual 2021 (DKK m)

Revenue:	36.0
EBIT:	5.6

Bekey

- Revenue growth expected at c.15%.
- Homecare business expected to grow and this segment likely to remain the biggest contributor to Bekey revenue.
- New Properties segment expected to make a small contribution to growth.
- Licence and service income expected to account for growing share of revenue.
- EBIT set to improve considerably after write-off in 2021 of previously capitalised expenses. No costs expected to be capitalised in 2022.

Guidance for 2022 (DKK m)

Revenue:	25-30
EBIT:	-14 to -12

Actual 2021 (DKK m)

Revenue:	24.0
EBIT:	-29.3

Revenue	EBIT	Revenue	EBIT
850-870	190-210	160-175	9-17
(2021: 889)	(2021: 249)	(2021: 145)	(2021: 3)



Ambitions for 2023-2024

North Media A/S:

- Revenue: About 3% annual growth.
- EBIT margin: About 20%.
- Provided the guidance for 2022 is met and the ambitions for the coming years are achieved and assuming no other matters have a material impact on the Group's operations and financial position, the ambition is to pay dividends of DKK 5 per share for each of the 2022-24 financial years..

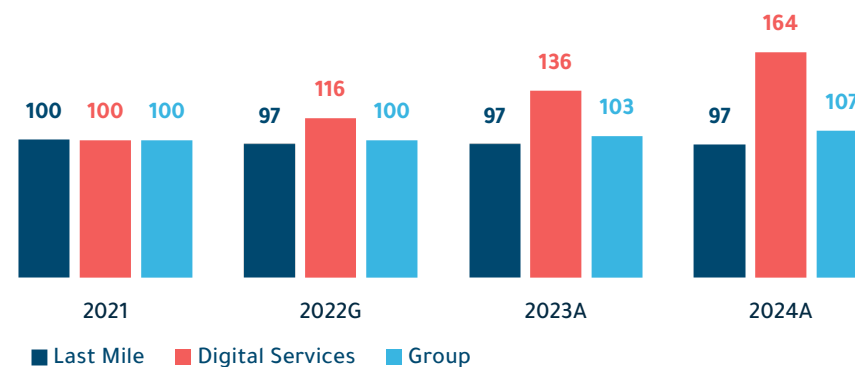
Last Mile

- Revenue: On a par with 2022.
- EBIT margin: Stable at about 22%.
- Exploring potential for international expansion by way of packing services at existing terminals in Taastrup/Tilst or by license.

Digital Services

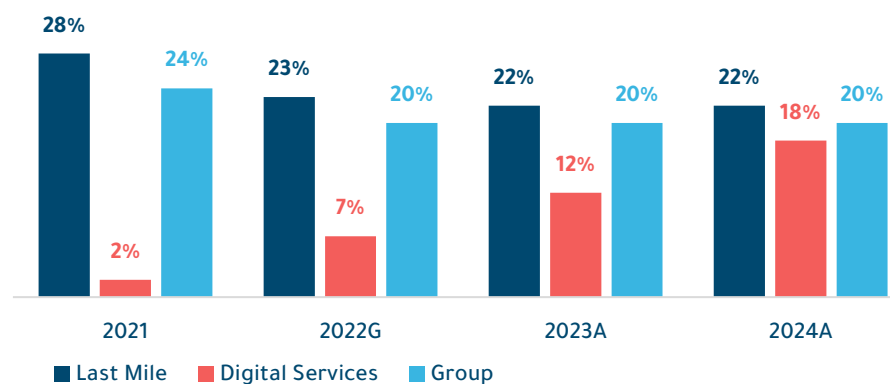
- Revenue: About 20% annual growth.
- EBIT margin: Growing to about 18% in 2024
- Provision for earn-out from the acquisition of Boligmanager has about 4pp negative impact on EBIT margin.

Indexed revenue growth*



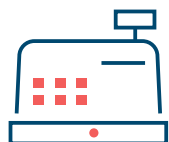
* Index (2021 = 100)

EBIT Margin (%)





Platforms for transactions



Retailers, other types of advertisers
and local newspapers



Letting agents and
landlords



Employers



Distributors,
homecare staff etc.

Last Mile

FK Distribution

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

Digital
platform with
>100m
views of leaflets
and catalogs

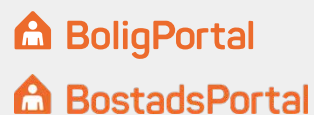


Consumers in a broad sense

Digital Services

BoligPortal

Mediation of
>100,000
rented housing i DK



Home seekers

Ofir

Dissemination of
>42,000
job postings



Job seekers

Bekey

Digital acces solutions
>14m
annual number of
doors open



Households



FK Distribution

FK Distribution distributes advertising material and information from retailers to consumers and is Denmark's leading distributor of leaflets and local newspapers.

Revenue decline in 2021

-3%

Earnings growth (EBIT) in 2021

+4%



Management: Lasse Ingemann Brodt, CEO

Locations: Taastrup, Tilst, Svendborg and Esbjerg



Results in 2021

FK Distribution distributes advertising material and information from retailers to consumers. FK Distribution is Denmark's leading distributor of leaflets and local newspapers. FK Distribution is the link between retail, local news and the Danes and helps ensure that households can plan their local shopping at transparent prices, while promoting local businesses in both urban and rural communities. The services provided include:

- Distribution of leaflets to 66% of private households in Denmark, totalling more than 1.9 million households. This includes distribution to more than 500,000 households every week under the NoAds+ solution allowing consumers to choose exactly which leaflets they want to receive.
- Distribution of local newspapers to 80% of private households in Denmark, totalling more than 2.3 million households.
- Distribution of direct mail etc. to more than 2.9 million households in Denmark.
- Digital distribution of offers via the minetilbud platform to more than 1 million users,

of which more than 500,000 are highly frequent users.

- Packing leaflets for local Danish customers and for Deutsche Post.

FK Distribution's unique production and distribution system allows the company to sort, pack and distribute individualised bundles of printed matter to named households. The entire production process is fully automated and streamlined, and FK Distribution is a technological world leader within its field. Deliverers are able to optimise their own routes digitally by defining a preferred distribution order. FK Distribution is Denmark's largest workplace for young people. In fact, FK Distribution introduces about 10,000 young people to their first job every year.

FK Distribution's unique business model ensures that the recipients of printed matter receive the offers and local news that create value for their specific households and local communities. The efficient production and distribution system also leaves a small climate

and environmental footprint, which we continually work to improve through the value chain (for more information, see p. 51).

Performance in 2021

FK Distribution's revenue fell by 2.7% to DKK 889m in a year that saw a smaller decline in volumes than recorded in recent years. EBIT improved to DKK 249m, primarily as a result of optimisation measures across the entire business.

Results were in line with the most recent guidance, released in November, but a good deal better than the guidance released in February. The main causes were the clarity about COVID-19 impacts on customer behaviour and a favourable trend in demand for both leaflets and local newspapers.

Revenue

Volumes of printed matter declined by 5.1% in 2021. The decline matched expectations, even though volumes in January-February were af-

ected by COVID-19 lockdowns, causing shopping centres, cross-border traders and other shops covered by lockdowns to postpone planned campaigns. Demand normalised again in March, as Denmark began to reopen. There were no notable COVID-19 impacts during the subsequent large wave of the virus in November-December.

The volume decline in printed matter was smaller than in previous years, and markedly smaller than in 2020, confirming that demand for the distribution of leaflets remains high. The reason is that no other media has as positive an impact on retail sales as leaflets.

...demand for the distribution of leaflets remains high. The reason is that no other media has as positive an impact on retail sales as leaflets

Highlights (DKKm)

	2021	2020	2019
Revenue	888.8	913.6	934.9
EBITDA	263.8	249.2	187.3
EBIT	249.0	233.7	172.4
EBITDA-margin	29.7%	27.3%	20.0%
EBIT margin	28.0%	25.6%	18.4%
Average number of employees	300	331	345

Guidance provided for 2021 (DKKm)

	Revenue	EBIT
10 February 2021	840-870	210-230
5 May 2021	850-870	215-230
18 August 2021	865-880	235-245
3 November 2021	875-885	240-245
Actual results	889	249



The loss of volume was partly offset by increasing prices, which approximately matched the general wage and price developments in Denmark. The price increase in 2021 was around 2%, and the average price per leaflet distributed rose by an aggregate 2.8% as a result of customer and product mix changes.

The core business of packing and distributing leaflets, local newspapers and selected mail in Denmark accounted for more than 90% of revenue. Other revenue derived from the minetilbud platform, including packing for local Danish customers and for Deutsche Post.

Income from Deutsche Post rose following the expanded collaboration as of 1 July to include 475,000 households in northern Germany. The income level remained moderate, however, as the arrangement only includes packing of leaflets. Volumes per household were slightly lower than expected, partly due to COVID-19.

Revenue from minetilbud.dk fell in 2021 on the back of Competition and Consumer Authority's order in June 2020 against tying digital with physical advertising. The decoupling of digital and physical advertising made a few clients leave minetilbud.dk or reduce their activity on the platform, and the resulting full-year effects were seen in 2021. Nevertheless, minetilbud.dk retained its position as Denmark's strongest digital advertising platform.

In 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). A decision in the matter is expected in 2023.

Income from the distribution of selected mail was slightly lower than in 2020.

Earnings

The lower revenue from both printed matter and minetilbud impacted earnings, but the impact was more than offset by efficiency enhancements in the organisation and the ongoing optimisation in the value chain, the full effect of reducing the number of weekly distribution rounds from two to one in 2020 and various other initiatives.

EBIT was DKK 249.0m, compared with DKK 233.7m in 2020. Accordingly, the EBIT margin rose to 28.0%, against 25.6% in 2020.

The average number of full-time employees (FTEs) dropped during the year by 9% to 300.

The printed matter market

Leaflets remain retailers' strongest marketing media when it comes to attracting customers and selling products.

In 2021, FK Distribution distributed well over 1.23 billion leaflets and selected mail items. Volumes fell by 5.1%.

After several years of average annual declines of some 8% in printed matter volumes, the market is currently finding a new level. The wave of consolidation and closures of local newspapers is receding, and the retail trade is also experiencing softer volume declines fol-

lowing years of retail chain consolidation, closure of brick-and-mortar shops, expanding online trade, etc.

Leaflets

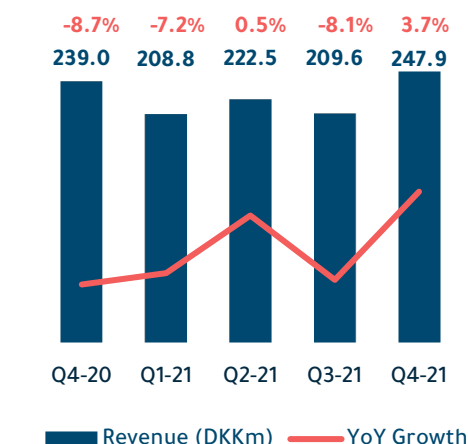
After extremely fierce and unfair price competition with PostNord in the 2010s, FK Distribution restored prices to a fair level in the period from 2018 to 2020. In 2021, prices were only adjusted at a rate at the level of general wage and price developments.

FK Distribution has signed agreements with most of its customers for 2022. The new agreements cover 95.5% of the expected volumes of printed matter in 2022. Nearly all large retailers continue to opt for leaflets due to their reach and sales effect.

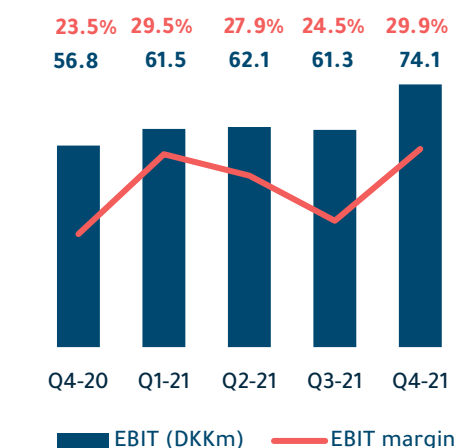
Leaflets offer an unparalleled reach when it comes to marketing of products and services. At year-end, 1,902,789 households - or roughly 66% - received leaflets, and the use of the schemes NoAds (no leaflets) and NoAds+ (selected leaflets only) followed the pattern of recent years. Households opting for the No-Ads solution increased compared with 2020 by 1.9 percentage points to 34.4%.

According to research firm DataIntelligence, leaflets account for 41% of media-driven sales in shops, so leaflets are clearly the strongest driver of sales to chains making use of leaflets. According to DataIntelligence, leaflet return on investment (ROI) was 2.0 in the 2018-2020 period. Leaflets thus serve an important function for brick-and-mortar shops and especially for the brick-and-mortar shops in local communities in a time of expanded online trade.

Quarterly revenue



Quarterly EBIT





FK Distribution's unique fully automated logistics and distribution system enables the company to pack and distribute individualised bundles of printed matter to named households. This means that target groups can be reached with great precision, increasing the impact of advertisers. 511,000 households - nearly one in five - choose the leaflets they want to receive through the NoAds+ solution.

Data confirm the central role of leaflets in consumers' everyday lives. According to Kantar Gallup (2021), 88% of Danes who receive leaflets agree that leaflets provide inspiration for their shopping, and 65% confirm that leaflets influence their choice of grocery store. 83% of recipients read at least one leaflet a week, and compared with other media (radio, Internet, outdoor advertising, television, etc.) 79% of respondents rate leaflets as the most important form of advertising. In other words, leaflets create value for Danish consumers and for the brick-and-mortar shops in the local communities in Denmark.

Consumers' extensive use of leaflets is crucial for the Danish retail sector - both established retailers and recent entrants to the market. Leaflets are an integral part of the retail value chain, ensuring that retailers use leaflets to attract customers, plan their purchases, increase sales and reduce waste.

Roughly

66%

of Danish households received leaflets at year-end

Local newspapers

After several years of closures and consolidation of local newspapers, causing double-digit volume declines annually, this market settled at a more stable level in 2021. FK Distribution distributed 130 million local newspapers to Danish households, and remains confident that there is a permanent market for the distribution of local newspapers.

FK Distribution is the leading distributor of local newspapers.

Selected mail

FK Distribution is also active in the field of distribution of selected mail, such as direct mail and unaddressed magazines. Despite shrinking volumes in this market, FK Distribution sees opportunities for winning new selected mail business. 2022 will see the launch of a new data-driven solution enabling advertisers to communicate in print to specific letter-boxes where interest in a given product or service is expected to be particularly strong.

Digital offer solutions

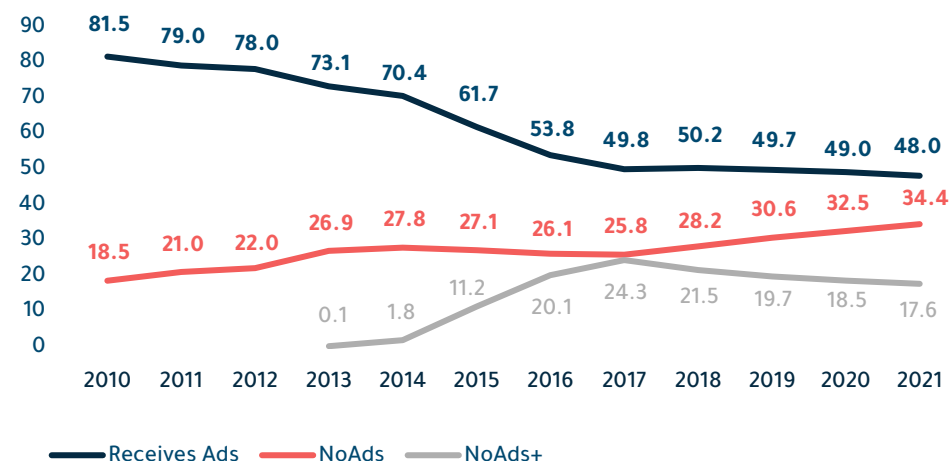
minetilbud is FK's digital advertising platform. It has more than one million unique users, of which over 500,000 are highly frequent users, spending an average of 30 minutes on the platform every month. The business is based on giving exposure to digital flyers. In 2021,

FK Distribution distributed

130 million

local newspapers to Danish households

Development in the households advertising scheme (%)



the platform had 106 million reads of digital flyers, a 3.9% increase on 2020, which even had one week more than 2021. The platform has more visitors and displays more products than any comparable digital advertising platform.

In 2021, minetilbud explored and tested new products on new customer types. This focused effort delivered revenue as expected in 2021, following the Danish Competition and Consumer Authority's decision against tying digital with physical advertising. Revenue fell from DKK 35.3m in 2020 to DKK 25.3m in 2021.

FK's management believes that, going forward, the platform has sufficient relevance to consumers to generate growth by attracting new customer categories and driving added revenue from existing customers. Notable

products introduced and initiatives launched in 2021 included:

- Exposing brand and campaign messages through content-aligned initiatives, such as inspirational universes, banners and blog posts.
- Special discounts on webshop purchases for users of minetilbud.dk through a new benefits universe, driving added traffic to minetilbuds customers.
- An e-commerce solution that created more exposure and directed more traffic to web shops, specifically new customer types.

Germany

Every week since 1 July, FK Distribution has packed printed matter for 475,000 households in Schleswig-Holstein for Deutsche Post. FK Distribution has developed a unique banderol made of paper, allowing Deutsche Post to



dispense with the plastic foil previously used as wrapping packaging.

The agreement with Deutsche Post runs for three years and was concluded after a trial period of packing for 143,000 households. In the longer term, the aim is to extend the agreement to cover 1.9 million households in northern Germany, and the packing can be done at FK Distribution's terminals at Taastrup and Tilst.

Strategic priorities

FK Distribution's ambition for 2024 is to ensure stable revenue growth and continue an attractive EBIT margin at around 22%. The means to achieve this include continuous optimisation of the core business to ensure low unit costs, high quality and continued implementation of the corporate strategy for sustainable production, distribution and supply chain management, as this is a powerful parameter of competition going forward. At the same time, new markets are to be developed and captured with products serving as a natural extension of the core business.

FK Distribution aims to maintain its broad national coverage providing customers with access to as many mail boxes as possible, and distribution services will focus on continuity, quality and sustainability.

Product development will play an increasingly prominent role. Innovation is to generate growth for minetilbud, and in the printed matter segment, FK Distribution will continue to develop new products that can be added to the existing packing and distribution flow.

FK distribution has weekly packed printed matter for

475,000

households in Schleswig-Holstein

In international markets, the main focus will be on Germany. The goal is to expand the business relationship with Deutsche Post, the potential being to provide packing services for 1.9 million households and possibly systems export of the NoAds and NoAds+ solutions or licences for FK Distribution's paper banderols in other parts of Germany. The potential for packing printed matter and/or exporting systems and technology to other adjacent markets will be explored. A fourth packing line will be phased in at Taastrup in 2022 to render the production less vulnerable and build capacity for future growth.

The distribution of leaflets and local newspapers has a very high utility value to society. Through an active sustainability strategy, FK Distribution will document and inform customers, communities and consumers of leaflets. Leaflets are eco-labelled and made from recycled paper, residual products from sawmills or wood from certified forests in which areas cleared are replanted. Newspapers are collected systematically and reused. Partly as, reused to new newspapers and partly as, egg trays or paper towels. Leaflets also play an important role in creating jobs with printing companies and for young people entering the labour market as deliverers.

minetilbud had about

104 million

digital views of leaflets and catalogues across 18 different categories

Lastly, leaflets increase competition for the benefit of consumers and local business communities, while ensuring that the local newspapers can be distributed at a fair price.

Through an active sustainability strategy, FK Distribution aims to document and inform clients, communities and consumers of leaflets about the high utility value to society of leaflets and local newspapers.

Follow-up on 2021

Objectives for 2021 Status

FK Distribution

Begin distributing new products, such as direct mail and magazines ↘

Expand the business relationship with Deutsche Post ↗

Further optimise packing and distribution services ↗

Consolidate revenue and earnings ↗



In 2022, FK Distribution will establish a banderol module at Taastrup so that all clients can use the eco-friendly paper banderol developed for Deutsche Post. Other initiatives include the installation of solar panel systems at Taastrup and Tilst, efficiency enhancements of the distribution services and sustained efforts to reduce waste. See also the "Climate and the environment" section on pages 51.

Leaflets and newspapers are collected and reused several times. They are reused as new newspapers, egg trays or paper towels

Guidance for 2022

FK Distribution expects a decline of around 4% in volumes of printed matter and local newspapers in 2022 based on agreements with customers already concluded and its dialogue with the market. The loss of volume is likely to be only partly offset by moderate price rises similar to price rises seen in 2021. A change in product and customer mix has a negative impact on average prices.

The minetilbud platform is expected to increase revenue based on additional sales of both existing and new products. Revenue from the Deutsche Post agreement is also expected to increase as the full effect of the expanded business relationship of 1 July 2021 sets in and due to slight growth in the number of households from the second half of 2022.

FK Distribution's overall revenue is expected to drop by about 3% in 2022 to DKK 850-870m.

FK Distribution's EBIT margin is expected to drop from 28% in 2021 to about 23% in 2022. The drop in the EBIT margin will be the result of higher prices of paper for wrappers and a significant increase in distribution costs due to higher fuel prices, higher wages for deliverers and expenses for recruiting and retaining deliverers. Overhead costs are also set to increase, especially for IT operations including IT security and GDPR.

FK Distribution expects to report EBIT in the DKK 190-210m range for 2022.

FK Distribution has identified the following main risks for 2022: A larger-than-expected decline in volumes of printed matter due to rising paper prices, COVID-19-related restrictions in the retail sector, consolidation among local newspapers, low response to new services from minetilbud and selected products, problems with recruiting and retaining deliverers as well as competitive and legislative changes. See also the risk management section in the Annual Report on pages 56 and specific risks related to sustainability and corporate responsibility on pages 46.

Key objectives for 2022

- Optimise core business
- New markets close to core
- Develop the minetilbud platform
- Implementation of new sustainability strategy, including preparation of climate accounts



BoligPortal

BoligPortal A/S operates boligportal.dk in Denmark and bostadsportal.se in Sweden.

Revenue growth in 2021

+3%

Decrease in (EBIT) in 2021

-1%

Management: Anders Hyldborg, CEO

Location: Aarhus





Results in 2021

BoligPortal A/S operates the rental housing platform boligportal.dk in Denmark and bostadsportal.se in Sweden.

boligportal.dk is Denmark's leading home rentals platform and the main hub for landlords and rental home seekers.

BoligPortal's marketplaces efficiently match tenants with landlords in a secure environment where all landlords and housing units are fully validated. In 2021, boligportal.dk had 729,000 visitors, and bostadsportal.se had 186,000 visitors monthly.

The Danish rental housing platform provided rental in 2021 of more than 110,000 apartments, rooms, terraced and detached houses, and student accommodation posted by professional and private landlords in 2021. Build-

ing on its marketplace, BoligPortal has developed new services to collect and sell market data, management services for landlords and service offerings to tenants. That way, BoligPortal evolves from a marketplace into a comprehensive home rentals platform with new, larger and more robust revenue streams.

The Swedish site, bostadsportal.se, is to be scaled up on the same platform as its Danish counterpart. The new activities in Denmark will also gradually be rolled out in Sweden.

Performance in 2021

2021 was a year of transformation for BoligPortal. The delay of a new technology platform delayed the expansion of the business model. In addition, there was an unexpected decline in the market supply of rental units.

Against this backdrop, EBIT of DKK 26.8m - on a level with the record performance of 2020 - is satisfactory. Revenue was up by 3% to DKK 85m, the highest level to date.

Full-year results were in line with the most recent guidance released in November, but lower than the February and August guidance, due to aforementioned delays and reduced market activity in Denmark in the second half of the year.

Revenue

BoligPortal recorded growth in both searches and income from Danish tenants in 2021, and boligportal.dk consolidated its position as home seekers' preferred platform for finding a new rental units.

Advertising income from Danish landlords also increased, but growth slowed down in the second half of the year, with an unexpected decline of some 10% in the supply of rental units in the market to the lowest level for ten years. Fewer rental units resulted in shorter times

on market and, by extension, reduced advertising income.

BoligPortal shifted to a new technology platform in early 2021, which enables faster development and integration of new services and products to drive the transformation from a marketplace to a comprehensive home rentals platform. Extra work on the back of the migration to the new platform, however, delayed the launch of several new products and partnerships by three to six months.

The delays affected the free digital leases and move-in/out inspection reports offered by BoligPortal as a replacement for paid products. In addition, revenue from sales of new market data products was lower than expected on account of the delayed launch.

The new free products served to make more landlords use the platform.

Highlights (DKKm)

	2021	2020	2019
Revenue	84.8	82.3	69.4
EBITDA	29.6	29.9	18.6
EBIT	26.8	27.2	15.8
EBITDA margin	34.9%	36.3%	26.8%
EBIT margin	31.6%	33.0%	22.8%
Average number of employees	46	46	45
Units listed on the home rentals platform*	110,050	101,415	90,877
Danish landlords on platform	21,393	20,386	20,943

*2020 and 2019: units listed on the Danish boligportal.dk

Guidance provided for 2021 (DKKm)

	Revenue	EBIT
10 February 2021	90-94	29-31
18 August 2021	90-94	29-31
3 November 2021	85-87	26-28
Actual results	85	27



Follow-up on 2021

Objectives for 2021

Status

BoligPortal

Double-digit revenue growth



Further improvement in EBIT



New, value-adding services



Overall growth
in revenue by

4%

in Denmark while the top line
was slightly decreased in Sweden

Overall, revenue grew by 4% in Denmark, while the top line was slightly decreased in Sweden where competition intensified. bostadsportal.se is being scaled up on the same platform as boligportal.dk, and both businesses are operated from Aarhus, Denmark, where Swedish customers are served by Swedish-speaking staff.

Earnings

BoligPortal delivered EBIT of DKK 26.8m in 2021, compared with DKK 27.2m in the record year of 2020. The EBIT margin fell to 31.6%, against 33.0% the preceding year. The slight fall resulted from growth in fixed costs related to marketing and IT in particular. Software and product development costs has been expensed.

The average number of full-time employees (FTEs) was unchanged at 46. At year-end, BoligPortal had 38 full-time employees and 8 student assistants (FTE).

The Danish market

In the market for rental housing, BoligPortal is a market leader, while market shares within landlord services and market data as well as tenant services are modest as yet.

Marketplace

The marketplace of rental units remains BoligPortal's core business.

The market place serves as an anchor point for rental unit transactions. BoligPortal aims to attract and retain landlords by offering powerful digital services, which would in turn result in an increase in attractive rental units

listed and more paying tenants in the marketplace, combined with increased collection of the data used for building new products.

Building on its marketplace, BoligPortal is establishing new activities, enabling the company to evolve into a comprehensive home rentals platform.

The Swedish market

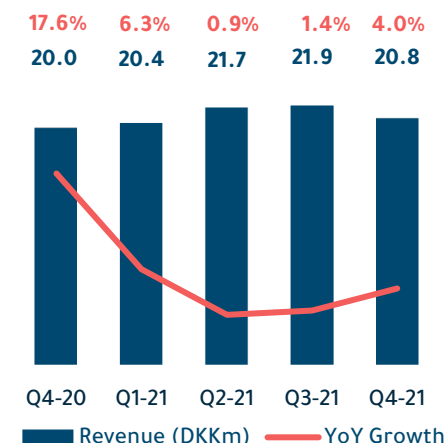
The Swedish rental housing market is much more regulated and less dynamic than the Danish market. There are some similarities, however, and these areas are addressed with solutions that in Denmark have delivered proven results. In 2021, BostadsPortal launched free, digital leases as an added feature to the marketplace.

Strategic priorities

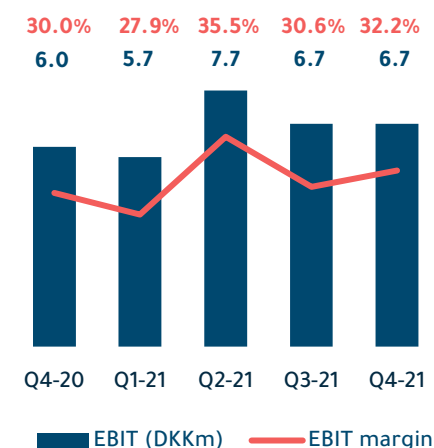
BoligPortal will continue the transformation from marketplace to home rentals platform by adding new, improved offerings to the value chain for both landlords and tenants. New products will be launched to strengthen the value proposition to landlords and tenants.

Relevant products and services from Denmark will be launched in Sweden on an ongoing basis. The goal is to transition BoligPortal from a marketplace to fully developed rentals platforms in both countries. To support the scale-up in Denmark and Sweden, BoligPortal will continuously strengthen its infrastructure and data platform and systematically structure data utilisation.

Quarterly revenue



Quarterly EBIT





Guidance for 2022

2022 will be yet another year of transition towards the creation of a larger and even more robust business.

In 2022, BoligPortal expects growth in sales of the new products and services launched in 2021. The new SaaS products for landlords are expected to start contributing during the second half of the year.

The market situation in Denmark with a lower supply of rental units is expected to continue in 2022 where short times on the market are likely to dampen landlords' demand for additional advertising.

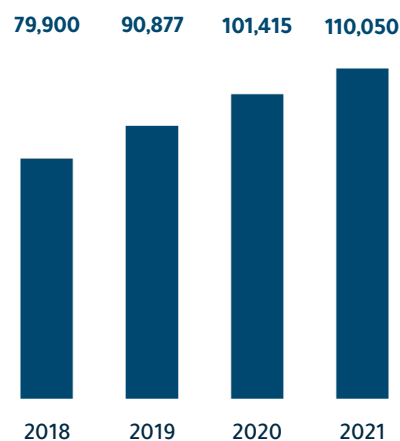
Costs are set to rise due to higher IT and payroll costs. The increase is due to the full-year effect of organisational changes that are a natural consequence of the new platform and a number of new hires at the beginning of 2022.

Against this background, BoligPortal expects revenue of DKK 93-99m and EBIT of DKK 18-22m in 2022.

The Boligmanager acquisition is expected to reduce BoligPortal's 2022 EBIT by DKK 8m. About half of the amount will consist of an earn-out provision and depreciation of the purchase price. Boligmanager is expected to generate relatively modest revenue in 2022 and will only have effect in the second half of the year.

BoligPortal has identified the following main risks for 2022: A market-driven decline in the supply of rental units in Denmark and resulting zero growth in the sale of products to landlords as well as significant changes in competition in Denmark and Sweden.

Units listed on the Danish boligportal.dk



New products will be launched to strengthen the value proposition to landlords and tenants.

Key objectives for 2022

BoligPortal

- Accelerate roll-out of new products and services in Denmark
- Maintain revenue from tenants in Denmark
- Maintain revenue from landlord advertising
- Launch targeted SaaS solutions in Sweden
- Strengthen infrastructure and optimise CRM system



Ofir

Ofir provides job advertisements in a comprehensive jobs universe comprising the company's own jobs portal - Ofir.dk - and other jobs portals, social media and database containing unique candidates.

Revenue growth in 2021

+72%

Earnings growth (EBIT) in 2021

+7.6 DKKm

Management: Karsten Vikke, CEO

Location: Søborg



ofir.dk





Results in 2021

Ofir provides job advertisements for job seekers. Ofir is a comprehensive jobs universe comprising the company's own jobs portal - Ofir.dk - and other jobs portals, social media and Ofir's own database containing unique candidates. Within this comprehensive universe, Ofir can target advertisements so that every job vacancy is marketed to the entire relevant target group, including individuals not actively seeking a new job. In 2021, private- and public-sector employers used Ofir to post more than 42,000 job vacancies.

The Ofir.dk jobs portal alone has more than 400,000 visitors every month. Ofir also operates a careers community on Facebook and provides advice to candidates on blogs and at webinars on CVs, job search, interviews, etc. Advice to employers include job advertising targeted at active job seekers as well as candidates not actively looking for a job but who may be tempted by an attractive vacancy - so-

called passive job seekers. Services provided also include industry surveys, employer branding and recruitment strategies.

Performance in 2021

Ofir's financial results improved sharply in 2021. Revenue was up 72% to DKK 36m, and the company produced a profit for the first time. EBIT was DKK 5.6m, corresponding to an EBIT margin of 15.6%, while the EBIT margin in 2020 was negative at -9.6%.

Ofir upgraded its full-year guidance in August and again in November in response to growing demand from both existing and new customers. Reported results were slightly better than guided for in November as business activity remained high in December.

Revenue

Top-line growth was driven by more job postings at better unit prices. Maintaining its focus on quality and impact, Ofir posted 29% more job postings. Naturally, the higher volume reflects a strong job market, but just as much the fact that Ofir invested in strengthening the products and the sales organisation.

The core business of job ads accounted for 100% growth in 2021, while income from software licences dropped by 39%, as expected. The core business represented 93% of total revenue.

Ofir sees growing the business generated through private-sector employers as a strategic priority in order to supplement the already strong position among public-sector employers such as local and regional authorities. Private-sector employers delivered 138% growth in revenue in 2021. Demand increased among

small and medium-sized businesses in particular, but Ofir also attracted several large corporate customers during the year. Revenue from public-sector employers increased by 66%.

Total revenue grew by 84% in the first half of 2021, while the same period in 2020 was affected by COVID-19. In the second half of 2021, the growth rate was 64%, and ad-related revenue was 18% higher than in the first half of the year.

Earnings

Ofir has been profitable since September 2020. Earnings have improved thanks to economies of scale in the form of more job postings at better prices as well as increasing sales of large advertising packages.

The scale-up in 2021 lifted the EBIT margin to 18% in the first half of 2021. In the second half, the EBIT margin was 13%. The decrease is due

Highlights (DKKm)

	2021	2020	2019
Revenue	36.0	20.9	16.9
EBITDA	5.7	-1.9	-6.8
EBIT	5.6	-2.0	-2.8
EBITDA margin	15.8%	-9.1%	-40.2%
EBIT margin	15.6%	-9.6%	-16.6%
Average number of employees	22	18	23
Number of paid job postings	42,000	32,600	32,000
Number of active customers	1,202	832	790

Guidance provided for 2021 (DKKm)

	Revenue	EBIT
10 February 2021	24-27	1-2
18 August 2021	31-34	3-5
3 November 2021	34-36	4-5
Actual results	36	6



to Ofir opted to invest for future growth by expanding the organisation. New employees were hired for sale and marketing functions in particular, but also for a new data team to strengthen data and research capabilities regarding job ads and job applicants. The average number of full-time employees (FTEs) rose during the year by 4 persons to 22, and at year-end Ofir had 24 full-time employees.

Markets

In Ofir's assessment, the Danish market for online job advertising in 2021 had a total value of approx. DKK 500-600m. The market is estimated to have grown by 25-50%, driven by high employment growth and the number of vacancies. Ofir's growth of 100% should in job advertisement revenue be seen in this context.

Ofirs position in the market

The main providers of online job advertising are Jobnet.dk, a public-sector job centre website, the comprehensive portals Ofir and Jobindex (including subsidiaries) and LinkedIn, plus niche portals with jobs for specialist target groups.

Ofir stands out by approaching job advertising as a marketing discipline - recruitment marketing - where the objective is to help employers market a job effectively to the right target group. While conventional online job advertising is based on candidates visiting the jobs portals, Ofir seeks out qualified candidates through targeted campaigns. In recent years, Ofir has invested in infrastructure and the developing of comprehensive jobs universe, also extending to social media. In 2021, Ofir became the first Danish Google Jobs partner.

Management believes that, by taking this approach, Ofir has won market share, albeit from a modest starting point. Even during the extensive lockdowns in Denmark in spring 2020, Ofir recorded revenue growth, which escalated further from the second half of 2020. In the past six quarters, the company has generated double- or triple-digit growth rates.

Ofirs total
revenue increased

72%

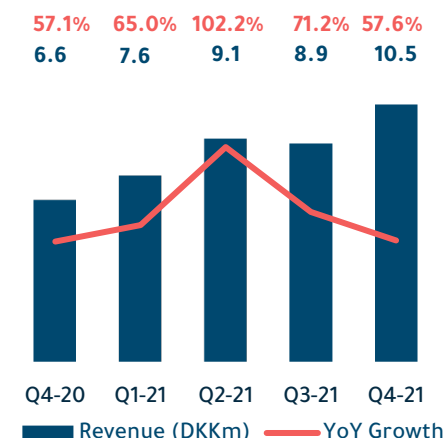
in 2021

Danish market for
online job advertising

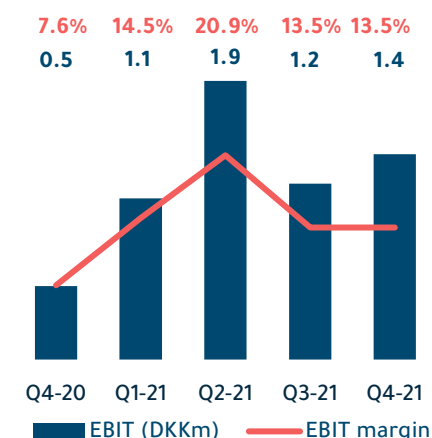
500-600 DKKm

total value

Quarterly revenue



Quarterly EBIT





How it works

Ofir markets job vacancies to candidates actively seeking a new job and to a much larger group of candidates who do not visit jobs portals in search of a new job - the passive job seekers.

The passive job seekers are particularly attractive because they will only leave their current job, which they like, if a job posting brings special motivation. Ofir reaches the passive job seekers where they are - on LinkedIn, Facebook, Instagram etc. - and through mails to relevant persons in Ofir's database.

Jobs are also marketed on Ofir.dk, other jobs portals and the employers' own candidate sites. Employers choose which media to use based on Ofir's research-based recommendation of where their specific campaign will have the greatest impact.



Job advertisement

ofir



LinkedIn

525,000

weekly Danish users



Facebook

2,886,000

weekly Danish users



Instagram

665,000

weekly Danish users



Job agents

unique candidates



Google partner

Job module in search result



Ofir.dk

400,000

monthly visitors

Active job seekers

Active job seekers



Follow-up on 2021

Objectives for 2021

Status

Double-digit revenue growth ↗

Positive EBIT ↗

More job postings ↗

Focus on new job segments ↗

Establish data team ↗

Demand

Demand for online job ads soared in 2021. At the beginning of the year, the market was still affected by the COVID-19 lockdowns during winter, but in spring activity picked up in the job market, driven by solid GDP growth in Denmark and in key export markets. May employment figures set a new record, and by July employment had grown by 51,000 people compared to before the major lockdown in March 2020. Employment figures remained very strong in the second half of 2021, and at the same time the unemployment rate dropped to 2.8%, the lowest level since January 2009.

Several industries experienced a shortage of labour and conventional recruitment models were challenged. Ofir experienced growing interest among clients in the marketing-driven approach to recruitment focusing on candidates. The challenges of recruiting employees also meant that Ofir experienced growing demand for large advertising packages at higher prices.

Demand for online job advertisement was high in 2021.

Strategic focus

Ofir's ambitions until 2024 are to achieve 20% annual organic growth on average and an increasing EBIT margin. To achieve these ambitions, it is essential that Ofir constantly strengthens its platform with more powerful offerings for both employers and candidates, while maintaining focus on impact and data quality.

To this end, the strategic priorities are:

- To strengthen data and research capabilities regarding job ads and job applicants through machine learning, artificial intelligence etc. so Ofir can help employers attract top-tier candidates.
- To win market share through enhanced sales efforts targeting large private-sector companies in particular.

Ambitions until 2024

20%

annual organic growth

- To expand advisory services, among other regarding social media and employer branding campaigns.
- To develop new products so that the matching of employers with the right candidates can become an even simpler, more proactive and dialogue-based process without unnecessary friction.
- To develop and launch a new and even more user-friendly platform.

Guidance for 2022

Ofir expects to produce double-digit revenue growth again in 2022, driven by more job postings by existing and new customers and more upselling to larger advertising campaigns. The scale-up will further boost earnings, but the positive effect is expected to be offset significantly by the full-year effect of the investments for growth made in 2021 and by development costs related to a new platform. The new platform will go live gradually over the next few years.

The job market is expected to continue booming, and many employers will find it difficult to fill their vacant positions. Unemployment is expected to remain very low.

Consequently, Ofir expects revenue of DKK 42-46m and EBIT of DKK 5-7m in 2022.

Ofir has identified the following main risks for 2022: A declining job market due to, for example, economic slowdown, significant changes in competition and delays in the planned growth in sales to large private-sector companies.

Key objectives for 2022

- Double-digit revenue growth
- More job postings
- Continued growth in new job segments
- Better price mix on upselling to larger advertising campaigns
- Commence development of new platform

Bekey

Bekey develops, supplies and maintains digital access solutions that give approved users fast and easy access to locked doors.

Decrease in revenue in 2021

-16%

Decrease in EBITDA in 2021

-4.0 DKKm



Management: Jannik Bray Christensen, CEO

Location: Søborg





Results in 2021

Bekey supplies and maintains digital access solutions that give approved users fast and easy access to locked doors, whether in secured stairwells in multi-storey buildings or in private homes. Bekey has installed some 60,000 digital lock units in Denmark and Norway, facilitating the authorised opening of doors 14.4 million times in 2021.

Access control is provided by Netkey, a cloud-based proprietary access management system, which allocates encrypted digital keys to approved users, enabling them to open doors using an app on their mobile phones. Bekey's solution is to install a chip (SmartRelay) in the entry phones of secured stairwells or, in private homes, to mount a SmartLock unit by the door. The SmartKeybox is also opened using a mobile phone.

With the digital solution, users avoid the hassle of managing and carrying physical keys or having to drive to a secured property in vain. The digital keys cannot be copied or lost, and a complete log of all activity provides a full overview of place, date and time of all entries and exits and by whom.

Bekey serves Danish customers directly, while customers in Norway are served by agents.

Performance in 2021

Bekey did not generate the results expected for 2021. Bekey recorded growth in monthly licence and service income from municipal and private customers in 2021. Total revenue nonetheless declined by 16% to DKK 24.0m owing to lower non-recurring income from the sale of installation of SmartLocks. The

shortfall was caused by delays in agreed projects with Danish municipalities and lower-than-expected onboarding of new customers.

Furthermore Bekey wrote-off development costs of DKK 20m that were previously capitalised.

Consequently, the actual results fell below the most recent guidance, released in November.

Revenue

Bekey's recurring licence and service income increased. Adjusted for the discontinuation of the Construction segment, licence and service income from the continuing customer segments - Homecare, Distributors and Properties - grew by an aggregate 8%.

This growth was mainly due to increased business activity among existing customers, including the full-year effect of contracts concluded in the course of 2020. In 2021, Bekey facilitated the opening of doors 14.4 million times in Denmark and Norway - up 19% on 2020. However, this growth in activity had only a minor impact on the top line as the vast

majority of customers pay a fixed, monthly licence fee per lock unit and are not charged per door opening.

Recurring licence and service income made up 63% of Bekey's total revenue, against 54% in 2020. The percentage has increased steadily in recent years, and the trend is expected to continue.

Earnings

Business with Danish municipalities - representing 65% of revenue - was as in 2020 profitable owing to scale benefits.

Bekey's fixed costs were largely unchanged as cost savings were offset by a small increase in staff, including a new CFO and a new team to drive the development of the Distributors and Properties customer segments.

In the period 2019-2021, Bekey used a total of DKK 36m in developing IT architecture and in purchasing and installing SmartRelays in multi-storey buildings. Of this amount, DKK 16m was expensed, while DKK 20m was capitalised. As a commercial breakthrough in new customer segments is still pending, DKK 20.1m

Highlights (DKKm)

	2021	2020	2019
Revenue	24.0	28.6	24.5
EBITDA	-8.3	-4.3	-10.0
EBIT	-29.3	-6.8	-10.4
EBITDA margin	-34.6%	-15.0%	-40.8%
EBIT margin	-122.1%	-23.8%	-42.4%
Antal ansatte (gnsn.)	32	31	27
Antal døråbninger (mio.)	14.4	12.1	10.1
Tilbagevendende indtægter i % af omsætningen	63%	54%	54%

Guidance provided for 2021 (DKKm)

	Revenue	EBIT
10 February 2021	28-31	-7 to -5
18 August 2021	26-30	-7 to -5
3 November 2021	26-27	-7 to -5
Actual results	24	-29.3



was written off in 2021. After this write-off, EBIT was a loss of DKK 29.3m

"Distributors" and "Properties"

In addition to "Homecare" customers, Bekey focuses on the Distributors and Properties segments in Denmark.

Bekey provides and manages digital access for distribution businesses (Distributors) delivering products to people's homes in multi-storey buildings with secured stairwells. Distributors include, for instance, companies delivering groceries, meal services, parcels, newspapers, etc. directly to end users.

Bekey provides an access solution that brings flexibility to distributors, enabling them to deliver 24/7 at the private door of customers living in secured multi-storey buildings without the recipients having to open the door. This is of particular advantage if delivery takes place at night or if the recipient is not at home. The system allows distributors to optimise their routes, they save time on delivery and avoid driving to secured properties in vain.

Bekey has signed multi-year contracts in the Distributors segment with FK Distribution, Aarstiderne and the online supermarket nemlig.com; the last-mentioned agreement went live in 2021. Further, Bekey has concluded a

Bekey has
contracts with

30

Danish municipalities - the contracts
typically run for four-year terms

contract with a distributor of green plants effective from 2022.

In Bekey's latest customer segment, Properties, Bekey offers solutions for property owners and administrators, providing digital access to secured multi-storey buildings for residents, janitors, craftsmen, cleaners, lift repair services, removers, etc. Customers pay a fixed monthly licence fee per stairwell, a monthly licence fee per lock unit and a one-off price for hardware.

Bekey's position in the market

Bekey is the only provider of digital access solutions giving customers access to secured stairwells on a large scale in Denmark. In 2021, Bekey expanded its core geographic reach to include all post codes from 1050 to 2990, covering Copenhagen, Frederiksberg and most municipalities in the Capital Region. This area has some 51,000 secured stairwells in more than 450,000 multi-storey buildings, of which Bekey covered 53% at the end of the year. This coverage constitutes a strong value proposition for homecare services, distributors, property administrators and end users. In the course of 2022, the plan is to expand coverage to other large towns and cities in Denmark.

"Homecare"

Bekey sees a potential for growth in the Nordic region municipal market. The demographic trend is of a growing number of elderly people who live longer and stay longer in their own homes. Several municipalities are expected either to extend their existing contracts or to enter into new ones to ensure the provision of digital access to elderly citizens in their own homes. Also, more municipal staff

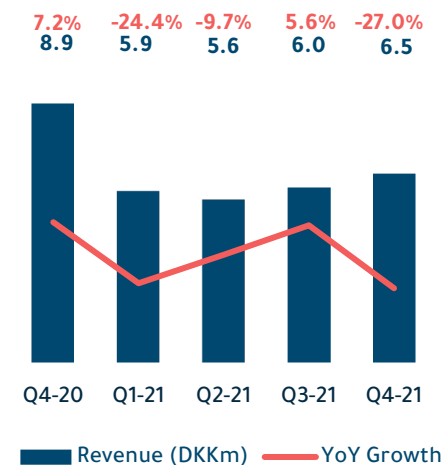
groups are expected to use the digital access solutions to citizens.

The most mature market is Denmark where about a third of the country's municipalities use Bekey's digital access solutions. In 2021, Bekey gained two new customers, lost one and extended contracts with two others, so Bekey now has contracts with 30 municipalities. The contracts typically run for four-year terms with a two-year extension option, but the largest contract, with the City of Copenhagen, runs for ten years. The municipalities pay a one-off price for SmartLocks and a monthly licence fee for each active lock unit. About half of the customers have service agreements with Bekey concerning operation and maintenance of the systems.

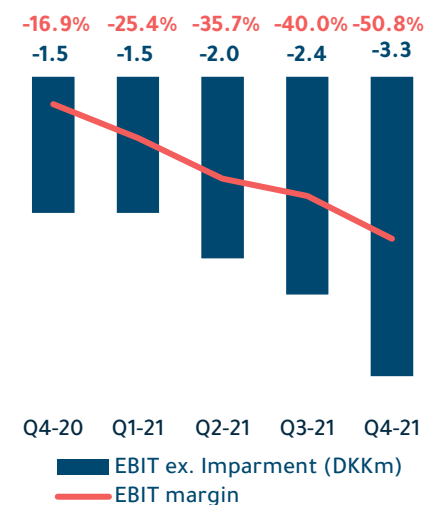
In Norway, agents have sold Bekey's access solutions to 41 of the country's 356 municipalities. The Norwegian market offers a growing potential, because more and more municipal authorities demand that the master agreements they sign with private sector providers of IT infrastructure include access to elderly citizens' homes. Among Bekey's Norwegian agents, both Atea and Hepro have signed framework agreements on IT infrastructure with some 150 municipalities altogether.

Bekey developed a new agent concept for Norway in 2021, under which municipalities - in addition to the price of hardware - pay a monthly licence fee per lock unit. The fee is on a level with the fee charged in Denmark, less agents' commission.

Quarterly revenue



Quarterly EBIT





Follow-up on 2021

Objectives for 2021	Status
Grow revenue and improve EBIT	↘
Win more contracts with distribution companies	↘
Sign initial contracts with property administrators	↗
Win more municipal tenders	↗
Further develop products and access management system	↗

Bekey's position in the market

Bekey is one of three major providers of digital access solutions for Nordic municipalities – the other two provide systems combined with emergency calls or alarm solutions. Bekey delivers a proven solution to customers where operating stability, uptimes and user-friendliness are critical factors. Administrators and users generally assign high ratings to Bekey's intuitive user interface, and security is also considered an advantage as Bekey's platform makes it easy to assign or revoke digital keys to users and register who had access to private homes, when and for how long.

Strategic focus

Bekey's ambition for 2024 is to generate double-digit annual growth rates and consistently improve earnings. To achieve this ambition, it is essential that Bekey builds a high-volume business focused on license revenue in the three segments, "Homecare", "Distributors" og "Properties". The criteria for these services remain to continue to increase coverage of secured stairwells and rapid onboarding of new customers on the IT platform, integrating logistics systems, internal communications at our business partners and external communications with end users.

Bekey will continue the installation of Smart-Relays in its current core geographical region, expanding gradually into other cities such as Aarhus, Odense, Aalborg and Roskilde. The stairwell door is the access to generate business in all three segments.

In the "Homecare" segment, the expansion continues. The objective in Denmark is to win new tenders, extend contracts and ensure more consistent license payments through standard rates and add-ons. In the Norwegian and Swedish markets, the overriding priority is to help agents sign new municipal contracts with regular license payments.

High customer satisfaction, user-friendliness and optimum usage of solutions are focal points in all three segments.

Guidance for 2022

Bekey expects to grow its "Homecare" business in 2022 and for this segment to continue to contribute most of the company's revenue. Growth in Denmark will stem from additional

sales to existing customers and from new municipal contracts. In Norway and Sweden, existing projects are expected to generate growth, as will new agency agreements.

In the customer "Properties" segment high growth is expected but from a low level. In the "Distributors" segment, revenue is expected to be in line with the 2021 level.

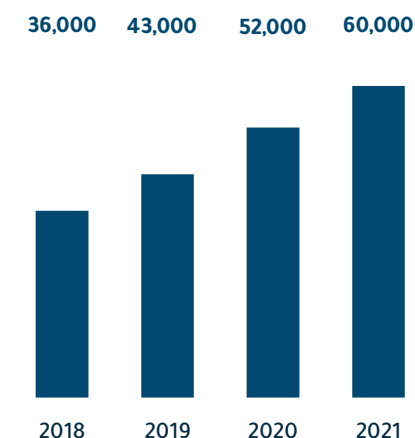
Bekey expects growth in 2022 in "Homecare". The growth will stem from additional sales to existing customers and from new municipal contracts.

Against this background, Bekey expects revenue to the tune of DKK 25-30m and an operating loss of DKK -14 to -12m. License and service income is expected to account for a growing share of revenue.

Bekey has identified the following main risks for 2022: Failure to win municipal tenders or delays in municipal projects, delays in the installation of SmartRelays, failing customer intake in the Properties and Distributors segments, and legislative changes.

Installed lock

(Denmark and Norway)



Key objectives for 2022

- Increase in coverage of secured stairwells with Smart-Relays
- Win contracts with property administrators and distributors
- Win new and extend existing municipal contracts
- Further develop products and access management system to boost licence revenue



Group quarterly financial highlights - revenue

DKKm	Revenue									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2021	2020	2021				2020			
Revenue										
Last Mile										
Packing and distribution	863.3	878.3	243.3	205.0	215.8	199.2	233.6	219.8	210.4	214.5
Online	25.5	35.3	4.6	4.6	6.7	9.6	5.4	8.3	11.0	10.6
Last Mile, total	888.8	913.6	247.9	209.6	222.5	208.8	239.0	228.1	221.4	225.1
<i>Index cp. same period last year</i>	97.3	97.7	103.7	91.9	100.5	92.8	91.3	105.7	92.1	103.8
Digital Services										
BoligPortal	84.8	82.3	20.8	21.9	21.7	20.4	20.0	21.6	21.5	19.2
<i>Index cp. same period last year</i>	103.0	118.6	104.0	101.4	100.9	106.3	117.6	114.9	124.3	117.8
Ofir	36.0	20.9	10.4	8.9	9.1	7.6	6.6	5.2	4.5	4.6
<i>Index cp. same period last year</i>	172.2	124.4	157.6	171.2	202.2	165.2	157.1	136.8	104.7	102.2
Bekey	24.0	28.6	6.5	6.0	5.6	5.9	8.9	5.7	6.2	7.8
<i>Index cp. same period last year</i>	83.9	116.7	73.0	105.3	90.3	75.6	107.2	114.0	134.8	118.2
Digital Services, total	144.8	131.8	37.7	36.8	36.4	33.9	35.5	32.5	32.2	31.6
<i>Index cp. same period last year</i>	109.9	119.1	106.2	113.2	113.0	107.3	120.3	117.8	122.9	115.3
Group revenue, total	1,033.6	1,045.4	285.6	246.4	258.9	242.7	274.5	260.6	253.6	256.7
<i>Index cp. same period last year</i>	98.9	100.0	104.0	94.6	102.1	94.5	94.2	107.1	95.1	105.1



Group quarterly financial highlights - EBIT

DKKkm	EBIT									
	Year									
	2021	2020	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
			2021				2020			
EBIT										
Last Mile										
FK Distribution	249.0	233.7	74.1	51.3	62.1	61.5	56.8	59.0	53.9	64.0
EBIT margin	28.0%	25.6%	29.9%	24.5%	27.9%	29.5%	23.8%	25.9%	24.3%	28.4%
Digital Services, i alt										
BoligPortal	26.8	27.2	6.7	6.7	7.7	5.7	6.0	7.1	8.0	6.1
EBIT margin	31.6%	33.0%	32.2%	30.6%	35.5%	27.9%	30.0%	32.9%	37.2%	31.8%
Ofir	5.6	-2.0	1.4	1.2	1.9	1.1	0.5	-0.5	-0.6	-1.4
EBIT margin	15.6%	-9.6%	13.5%	13.5%	20.9%	14.5%	7.6%	-9.6%	-13.3%	-30.4%
Bekey	-29.3	-6.8	-23.4	-2.4	-2.0	-1.5	-1.5	-2.0	-1.9	-1.4
EBIT margin	-122.1%	-23.8%	-360.0%	-40.0%	-35.7%	-25.4%	-16.9%	-35.1%	-30.6%	-17.9%
Digital Services, total	3.1	18.4	-15.3	5.5	7.6	5.3	5.0	4.6	5.5	3.3
EBIT margin	2.1%	14.0%	-40.6%	14.9%	20.9%	15.6%	14.1%	14.2%	17.1%	10.4%
Unallocated income/cost	-7.7	-11.9	-1.8	-1.2	-2.1	-2.6	-3.9	-3.2	-3.3	-1.5
Operating profit (EBIT)	244.4	240.2	57.0	55.6	67.6	64.2	57.9	60.4	56.1	65.8
EBIT margin	23.6%	23.0%	20.0%	22.6%	26.1%	26.5%	21.1%	23.2%	22.1%	25.6%



Results in associates - Lead Supply

Strong growth and record high earnings

Our 50%-owned fintech business, Lead Supply, reported both high growth and its best-ever earnings in 2021, delivering EBIT of DKK 10.8m. North Media recognises DKK 4.2m profit from Lead Supply under share of profit/loss in associates, which is shown after tax.

Lead Supply made a substantial improvement to its earnings from the 2020 loss of DKK 2.4m after goodwill impairment from previous acquisitions. This year's improvement was due to a surge in revenue, which grew 66% to DKK 63.2m. Growth was driven by optimised initiatives to acquire customers and build data insights, targeted efforts in core markets, higher lending volumes and better prices from the banks for borrower referrals.

Driving the improvement was a change to the business model implemented in 2020 when Lead Supply refocused its business from growth through acquisitions of SEO sites to optimising its core business.

Driving the improvement was a change to the business model implemented in 2020 when Lead Supply refocused its business from growth through acquisitions of SEO sites to optimising its core business. The refocused approach to the core of the business has produced better results for customers and better interaction for the users. The improvements were achieved through upscaled insights from the data, new systems enabling customers to make better use of their resources and the further development of commercial skills. Lead Supply has also launched new offerings to consumers, including a budget tool.

Strategy 2021-25

Lead Supply defined a new strategy in 2021 that is intended to drive double-digit organic growth in the period to 2025 based on the data-driven business model. The main points of the strategy are:

- To strengthen the position in established markets in Scandinavia by attracting more customers, delivering the market's best data

and market insights to customers and strengthening the value proposition to borrowers and business partners.

- 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 establish partnerships in all markets with business partners having large user bases.
- To strengthen the core business by steadily expanding infrastructure and making new hirings that will facilitate ongoing upscaling.

Guidance for 2022

Lead Supply expects to repeat the double-digit growth performance in 2022 and to further improve earnings. The main risks attach to the COVID-19 pandemic or any political changes that might impact supply and demand, as well as any tightened credit policies or regulations.

Highlights (DKKm)

	2021	2020	2019
Revenue	63.2	38.6	51.2
EBITDA	10.8	3.4	3.1
EBIT	10.8	-2.4	1.4
EBITDA margin	17.1%	8.8%	6.1%
EBIT margin	17.1%	-6.2%	2.7%
Average number of employees	13	8	12

Profile

Lead Supply provides the right match between consumers and lenders in a number of countries and has a particular focus on Sweden, Denmark and Finland where Lead Supply is one of the strongest loan aggregators.

Lead Supply's online comparison services help consumers find the right loan in an easy, transparent and secure process. Lead Supply provides large volumes of quality digital customers to banks and other providers of regulated loans, as well as market insights and advice on generating digital leads.

North Media co-owns the company together with Lead Supply's founders, Andreas Linde and Stefan Vinding Olesen.



Results 2021 and selected balance sheet items

Performance in 2021

North Media improved its full-year EBIT for the fifth consecutive year in 2021, reporting a DKK 4m improvement to DKK 244m. Backed by a good Q4 performance by FK Distribution in particular, EBIT was at the upper end of the guidance range announced in December.

Revenue

Consolidated revenue was down by 1% to DKK 1,034m. Revenue was 1% higher than guided at the beginning of the year and in line with the most recent guidance provided in December.

Revenue in Last Mile (FK Distribution) was down by 3%. Revenue in Digital Services was up by 10%, driven by strong, double-digit growth in Ofir. BoligPortal also contributed to the consolidated growth, whereas Bekey reported a drop in revenue.

Operating profit

EBITDA increased to DKK 292m from DKK 270m in 2020, and the EBITDA margin improved to 28.3% from 25.9% in 2020.

Both business areas reported EBITDA improvements: Last Mile to DKK 264m and Digital Services to DKK 27m.

Depreciations for 2021 amounted to DKK 28m, a slight drop from 2020. In addition, a decision was made, as announced in Announcement no. 25/2021, to write off development costs Bekey had capitalised in the 2019-2021. The write-off, amounting to DKK 20m, was made because Bekey's commercial breakthrough in new segments is still pending which has made the timing and extent of positive cash flows uncertain. Accordingly, management believes the grounds for capitalising the incurred costs are no longer sufficiently valid.

Consolidated EBIT ended at DKK 244m despite the write-off, surpassing North Media's previously best EBIT to date of DKK 240m achieved in 2020. EBIT ended within the guidance range of DKK 230-255m provided at the beginning of the year. The EBIT forecast is also consistent with the most recent guidance provided on 2 December 2021.

The EBIT margin was 23.6% (2020: 23.0%). FK Distribution and Ofir both improved on their EBIT margins, while BoligPortal reported a slight setback relative to 2020. Bekey's EBIT margin declined, in particular due to the write-off of the stairwells project.

Share of profit/loss in associates

Lead Supply, the 50%-owned subsidiary, is recognised at a DKK 4.2m share of the profit (2020: DKK 1.1m loss) after a year of substantial revenue growth. See separate page 33.

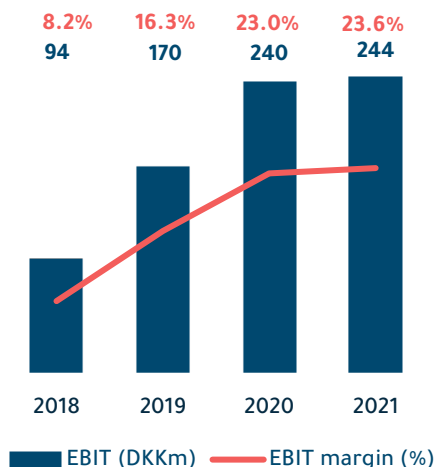
Return on securities

The securities portfolio yielded a net return (realised as well as unrealised) for the year of DKK 103m, equal to 18.3%, as compared with DKK 155m (37.9%) in 2020. By comparison, the MSCI World index produced a return of 21.2% in 2021, compared with 15.9% in 2020.

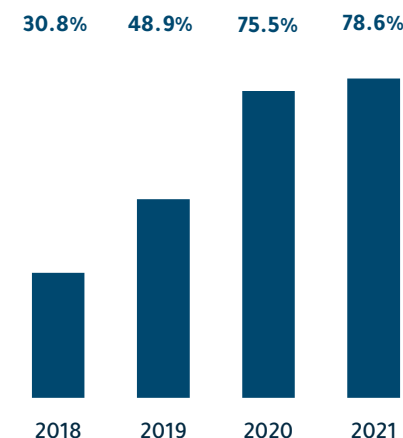
Net profit for the year

Profit for the year net of the securities return was DKK 193m against DKK 186m in 2020. The improvement was driven by an increase in the operating profit and an enhanced profit in Lead Supply.

EBIT margin (EBIT) %



Return on capital employed (ROIC) %



Guidance for 2021 (DKKm)

	Revenue	EBIT
10 February 2021 (cf. Annual report)	985-1,025	230-255
5 May 2021	995-1,025	235-255
18 August 2021	1,015-1,035	250-265
3 November 2021	1,020-1,035	255-265
2 December 2021	1,020-1,035	235-245
Actual results	1,034	244



The net profit for the year was DKK 274m compared with DKK 307m in 2020. The decline in profit was mainly due to the lower return on securities and the fact that North Media recognised income of DKK 4m from discontinued operations (North Media Aviser) in 2020.

The net profit yielded a return on equity of 27.9% (2020: 39.5%). Earnings per share (diluted) was DKK 14.7 (2020: 16.7).

Cash flows

Cash flows from operating activities amounted to DKK 156m, compared with DKK 219m in 2020. Extended deadlines for the payment of VAT and employee income taxes had a DKK 30m positive effect on the 2020 cash flows.

These payments together with the payment of DKK 18m frozen holiday pay were settled in 2021. Working capital has been normalised since the end of June 2021, including substantially reduced holiday pay obligations and normal deadlines for the payment of employee income taxes and VAT.

The free cash flow amounted to DKK 224m in 2021, compared with DKK 291m in 2020.

Selected balance sheet items

Shareholder's equity

Shareholders' equity amounted to DKK 1,080m at 31 December 2021, compared with DKK 879m at 31 December 2020. The DKK 201m increase was mainly attributable to the net profit for the year of DKK 274m and the sale of treasury shares for DKK 7m in connection with the Company's share option programme, less dividends paid of DKK 91m.

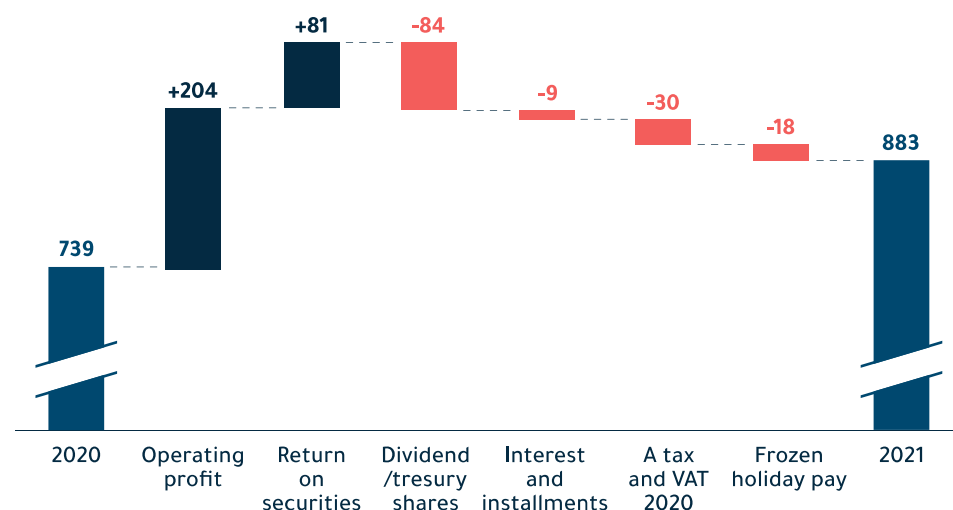
The equity ratio was 81.8% at 31 December 2021, an increase of 7.9 percentage points relative to 31 December 2020.

Properties

North Media will only raise debt in the form of long-term mortgage loans secured against the domicile properties in Søborg, Taastrup and Tilst. At 31 December 2021, the properties were recognised at a carrying amount of DKK 247m (DKK 248m at 31 December 2020) and were mortgaged against long-term, fixed-rate loans at a total of DKK 118m (DKK 123m at 31 December 2020).

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 (DKKm)



Properties and outstanding mortgaging (DKKm)

	Carrying amount	Outstanding mortgage
Gladsaxe Møllevej, Gladsaxe	92.7	60.2
Bredbjergvej, Taastrup	81.9	32.2
Blomstervej, Tilst	52.5	25.7
Klostermosevej, Helsingør	17.0	0.0
Energivej, Esbjerg	2.5	0.0
Total	246.6	118.1



Securities portfolio

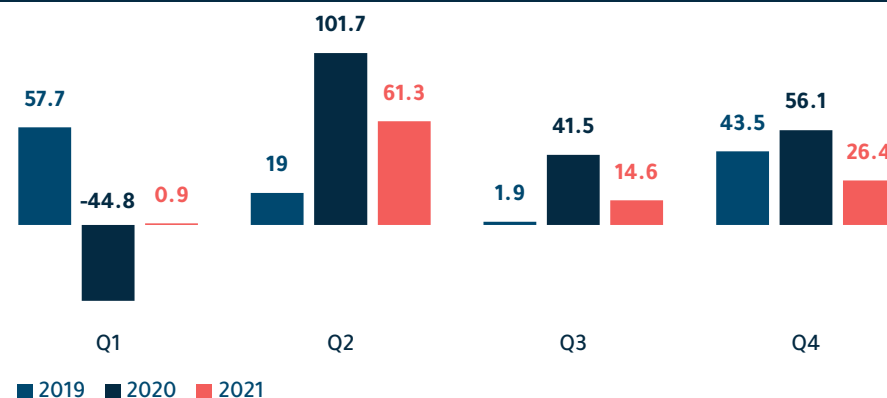
At 31 December 2021, the securities portfolio consisted of 18 highly liquid listed shares and share-based investment associations with a combined market value of DKK 753.1m (2020: DKK 585m).

Since 2016, the value of the securities portfolio has appreciated from DKK 196m to DKK 753.1m. About 74%, or DKK 413.2m, of this value accretion was driven by capital appreciation, while 26% was due to net share purchases for a total of DKK 143.7m.

The portfolio carries a risk calculated at 19.4% (2020: 21.7%). Risk is calculated as the annualised standard deviation measured over the past 90 days of trading. Value at Risk, which reflects the maximum loss over a three-month period at a 95% probability, amounted to DKK 115.0m (2020: DKK 104.6m).

At 31 January 2022, the value of the portfolio was DKK 649.3m, including the return on the portfolio in January of DKK -103.8m, or 13.8%.

Quarterly return on securities



Return DKKm

Securities portfolio market

value (DKKm)	31.01.2022	31.12.2021	31.12.2020
DSV	66.9	76.4	51.0
Novo Nordisk	65.6	73.5	25.6
Genmab	56.0	66.0	61.8
Teradyne	47.0	64.4	43.6
NVIDIA Corp	49.0	57.9	9.5
Microsoft	51.8	55.2	33.7
Sea	30.1	44.0	36.2
Amazon	39.9	43.8	78.5
SimCorp	36.8	42.9	54.3
Ørsted	34.9	41.8	62.2
Apple	35.0	34.9	-
MercadoLibre	22.7	26.5	30.4
Facebook	25.1	26.5	-
Infinion Technology	21.6	24.2	-
MasterCard	25.8	23.6	40.8
EQT AB	16.6	23.3	-
Fundamental Invest ABC	12.3	14.2	12.3
Fundamental Invest ABD	12.2	14.0	12.4
Visa	-	-	33.1
Total	649.3	753.1	585.4

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

The Group had capital resources of DKK 883m at 31 December 2021, consisting of DKK 130m in cash and DKK 753m in liquid securities. Capital resources increased by DKK 144m during the year despite the payment of dividends and the settlement of employee income taxes and frozen holiday pay due after COVID-19 extended deadlines.

The increase in capital resources was driven both by operations and security returns in the security portfolio, mentioned on page 34-36.

Capital structure policy

The markets in which North Media operates are subject to considerable change and hold great potential. A strong capital base is considered a relevant strategic tool.

The Group's capital structure is designed for a long-term perspective. A significant proportion of the capital resources are placed in liquid listed equities, because capital resources held as liquid deposits with a bank would yield a negative return due to negative interest rates and general erosion due to inflation.

Our basic philosophy for depositing in equities is that equities retain their value over time and will produce a positive return. North Media's placement strategy takes a long-term investment approach, accepting that the value of the equity portfolio - and by extension, the capital resources - may fluctuate in both an

upward and a downward direction. Accordingly, the capital resources must be of an amount that ensures flexibility and independence during periods when the value of the equity portfolio may be declining.

Capital structure - targets and strategy:

- Maintain powerful capital resources (cash and securities).
- A significant proportion of the capital resources is placed in listed shares and share-based investment associations with high liquidity, such as C25 or similar international indices.
- Debt is raised only in the form of long-term mortgage credit loans to finance the Group's properties, mainly fixed-interest.
- North Media aims to be independent of bank debt, debt financing and capital contributions from its shareholders.
- The Group will invest in existing activities for the purpose of developing them.
- The Group will invest in the acquisition of businesses that hold the potential for positive synergies and scalability matching the activities and skills of North Media.
- We aim to make attractive and regular dividend distributions to shareholders.

Dividend policy

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.

In its recommendation on dividends, the Board of Directors considers the forecast financial results and the Group's investment plans. The dividend policy may be suspended if the Board of Directors considers that profit performance, outlook or strategic matters - i.e. market trends, acquisitions, investments or other considerations - warrant such suspension.

The Board of Directors intends to propose to the shareholders at the Annual General Meeting that a dividend of DKK 5 per share be paid in respect of the 2021 financial year. This is consistent with the ambitions announced by North Media in February 2021.

Provided the guidance for 2022 is met and the ambitions for the coming years are achieved and assuming no other matters have a material impact on the Group's operations and financial position, the ambition is to pay dividends of DKK 5 per share for each of the 2022-24 financial years.

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

Purpose of capital resources

- To maintain sufficient financial strength to exploit market opportunities, meet strategic objectives and to fend off both new and existing competitors
- To have the financial strength to acquire businesses that hold potential for positive synergies and scalability for our existing businesses
- To have the financial strength to pay stable, attractive dividends and make occasional share buybacks
- To be financially robust enough to withstand society lockdowns and other significant changes in society during periods of COVID-19 surges or the like
- To have the financial strength to be financially independent of financial funds from shareholders or lenders



Shareholder information

Dividend

The Board of Directors intends to propose to the shareholders at the General Meeting to be held in March 2022 that a dividend of DKK 5 per share be paid in respect of the 2021 financial year. The recommended dividend would result in a total amount to be distributed of DKK 100.3m and DKK 90.7m exclusive of the holding of treasury shares. The dividend is unchanged from last year and consistent with the previously announced ambition to pay DKK 5 per share in respect of the financial years ending 31 December 2021, 2022 and 2023. At the same time, the Board of Directors announces its ambition to repeat this dividend for an additional year, to 2024 inclusive.

The proposal implies a dividend payout of 47% of the net profit for 2021 excluding the return on securities. The recommended dividend represents a dividend yield of 4.6% relative to the share price at 31 December 2021.

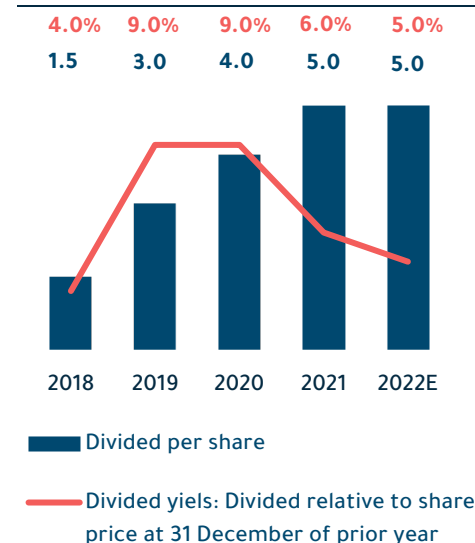
Based on the proposed dividend, the parent company's net profit is allocated as follows:

(DKKm)	2021
Amount available for distribution	
Retained earnings at 1 January 2022	735.1
Net profit for the year	274.5
Share-based remuneration	1.2
Dividends distributed	-100.3
Dividend on treasury shares	9.5
Sales of treasury shares	7.0
Tax on options	10.3
Foreign exchange adjustment	-0.3
Total amount available for distribution	937.0
Recommended distribution of profit	
Dividend to shareholders	100.3
Retained earnings	836.7

The annual general meeting will be held on 25 March 2022 at 3.00 p.m.

Including the proposed dividend, North Media will have returned a total of DKK 386m to the shareholders through dividends and share buybacks over the past five years.

Shareholders return

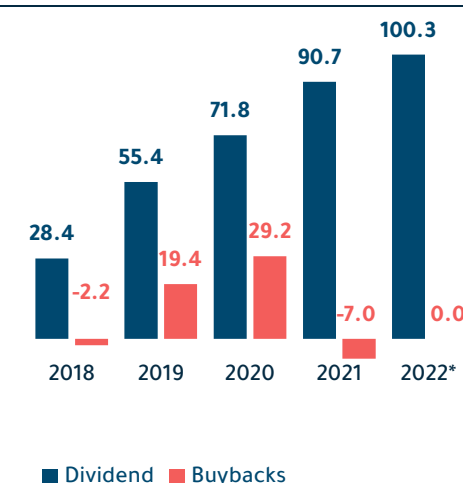


Market capitalisation and trading

Due to the Company's growing market capitalisation in recent years, North Media advanced from the Nasdaq OMX Copenhagen Small Cap index to become a component of the Mid Cap index of mid-sized Danish equities effective from 1 January 2022.

North Media shares opened 2021 at a price of DKK 79.8 and closed the year at DKK 108.0, equal to a return for the year of 35.3%. Including the dividend paid in March, the return to shareholders in 2021 was 41.6%. By comparison, the Nasdaq OMX Copenhagen Small Cap

Amounts distributed in last five years



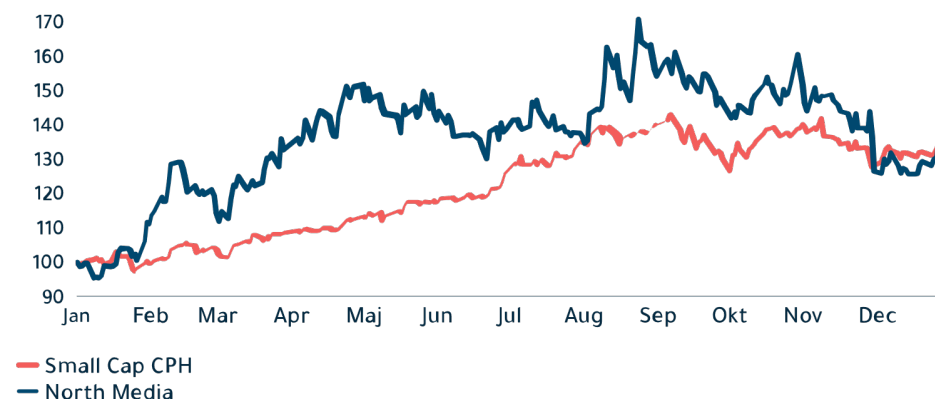
* included dividend being proposed for 2021

index consisting of all small-cap Danish equities produced a return of 37.1% exclusive of dividends. In 2020, North Media shares produced a return of 88% including dividend, while the Small Cap index produced a return of 45% exclusive of dividends.

North Media had a market capitalisation of DKK 2,166m at 31 December 2021 compared with DKK 1,600m at 31 December 2020. The market capitalisation less the value of treasury shares increased during the year from DKK 1,433m to DKK 1,960m.



Indexed share price development (1 January 2021 – 31 December 2021)



Investor base increased

At 31 December 2021, North Media had 4,168 registered shareholders, compared with 2,015 at 31 December 2020. The large increase consisted in particular of Danish private investors. International asset managers and family offices continued to show growing interest. The percentage of international shareholders increased during the year from 10.3% to 11.3%.

Baunegård ApS, Fredensborg Kongevej 49, DK-2980 Kokkedal remains the Company's principal shareholder with 55.75% of the shares. Baunegård is wholly owned and controlled by North Media's founder and current vice-chairman of the Board, Richard Bunck. Baunegård prepares consolidated financial statements that include North Media.

Richard Bunck announced in February 2021 that he and his wife Britt Bunck had decided to bequeath their shares in North Media to a foundation that will retain the current long-term and strategic direction of the company.

The only other shareholder to have reported holding more than 5% of the shares is North Media A/S, Gladsaxe Møllevej 28, DK-2860 Søborg with 9.52% treasury shares.

At 31 December 2021, the 30 largest shareholders held 83.44% 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 2021, the Company's Board of Directors and Executive Board, including Baunegård ApS, held a total of 11,350,354 shares, equal to 56.6% of the share capital.

Investor relations strengthened

North Media strengthened its dialogue with shareholders, prospective investors, analysts and other stakeholders in 2021. During the

year, the Company attended about 55 individual investor meetings and participated in about 19 group presentations and seminars, most of which were virtual events. Effective from the release of the H1 2021 interim report, North Media has held quarterly conference calls directed especially at international investors.

In 2021, the Company signed an agreement for commissioned research with Argus Research. North Media already collaborates with ABGSC on research coverage, investor events and market making, with HC Andersen Capital on Digital IR and investor events and with the company Aktieinfo on providing research directed at private investors. The equity reports and presentations are available on the website.

North Media pursues an open and consistent dialogue with the market so as to provide market participants with optimum and adequate information about the Company. Investor contact: Kåre Stausø Wigh, Group Executive Director & 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 furthermore require that at least half of the voting share capital is represented at the General Meeting.

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 applicable 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.

**Treasury shares**

The Company acquired no additional treasury shares in 2021 but bought back 500,000 shares in both 2019 and 2020. Making occasional share buybacks continues to form part of the dividend policy.

At 31 December 2021, North Media held 1,908,500 treasury shares, corresponding to 9.52% of the share capital. In the course of the year, the holding of treasury shares was reduced by 191,500, equivalent to 0.95% of the share capital, due to executives exercising their share options.

In 2021, North Media granted 7,500 share options to a newly-elected board member.

This leaves the total number of outstanding share options at 650,000.

The holding of treasury shares is intended to cover 650,000 share options awarded to senior executives as part of the 2018 share option programme. Treasury shares may also be used for full or partial payment of any future acquisitions of or investments to be made in other companies.

Information concerning change of control of the Company

The Danish Financial Statements Act requires listed companies to publish information in relation to provisions on changes in the control of the company.

No significant agreements are affected by any changes in the control of the Company. No special agreements have been entered into with directors or employees regarding remuneration, severance pay or the like in connection with any takeover bids

Company Information

Address: North Media A/S
Gladsaxe Møllevej 28
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 Statsauto-
riseret Revisions-
partnerselskab

Bankers: Danske Bank A/S

Number of shares held in North Media A/S	Shares held at 1 Jan. 2021	Change in 2021	Shares held at 31 Dec. 2021
Board of Directors			
Ole Elverdam Borch	0	6,450	6,450
Richard Bunck (v/ Baunegård ApS)	11,179,832	0	11,179,832
Mads Dahl Andersen	170,385	-169,900	485
Ulrik Holsted-Sandgreen	0	0	0
Thomas Weikop	4,082	0	4,082
Ulrik Falkner Thagesen	2,750	0	2,750
Ann-Sofie Østberg Bjergby	0	0	0
Board of Directors, total	11,357,049	-163,450	11,193,599
Executive Board			
Kåre Stausø Wigh	80,000	20,000	100,000
Lasse Ingemann Brodt	20,000	-4,000	16,000
Henrik Løvig Jensen	8,755	16,000	24,755
Jannik Bray Christensen	0	16,000	16,000
Lasse Wulff Hansen	0	0	0
Executive Board, total	108,755	48,000	156,755



Corporate governance

Duties of the Board of Directors

The Board of Directors is responsible for the general and strategic governance of North Media and for ensuring that the Company is managed appropriately and in accordance with its articles of association and Danish legislation. The Board sets out business concepts, strategies, objectives, policies and guidelines, including the scope of the Group's financial structure and risk management. The Board appoints and acts as a sounding board for the Group Executive Board.

The Board held ten meetings in 2021, compared with 18 in 2020. The number of board meetings was back to normal levels in 2021 following a period of extraordinary activity, especially in the first half of 2020, due to COVID-19-induced lockdowns. Many of the Group's COVID-19 measures implemented in 2020 continued in 2021, as the Board focused specifically on the Executive Board's efforts to keep employees safe as well as on contingency plans and risk management aligned to match the course of the pandemic. Another important item on the Board's 2021 agenda was to start up work on a sustainability strategy for all Group business units.

The Board performed its annual self-evaluation in November with external assistance from Board-meter. All board members completed a questionnaire dealing with different areas, such as the conduct of meetings, collaboration on the Board, the quality and relevance of materials produced for board meetings, the competencies of the Board members and controls of financial

matters and risks, among other things. The replies were reviewed and discussed at a board meeting. The conclusion of the assessment was that the Board functions well and the members work well together, and that there is a sound and open debate as well as a clear focus on the areas that contribute to actual value creation at North Media. The survey also identified new themes that the Board intends to pursue in 2022.

Composition of the Board of Directors

Members of the Board of Directors are elected for one year at a time at a general meeting, which is the supreme authority of the Company. At the Annual General Meeting held in March 2021, the Board was increased from six to seven members with Ann-Sofie Østberg Bjergby elected as a new member. The other six board members were all re-elected.

Another important item on the Board's 2021 agenda was to start up work on a sustainability strategy for all Group business units.

The Board of Directors is composed with due consideration for the competencies that are deemed particularly relevant to the Company. The Board of Directors considers competencies in the following areas to be particularly relevant: executive level management, business and infrastructure development, strategy,

IT and internet insights and understanding, financial reporting and financial management, risk management, acquisition and divestment of businesses, entrepreneurship and scaling organisations for growth. The Board of Directors is composed of individuals with a mix of these competencies and also reflects diversity in terms of age, professional background, educational background and experience. The specific competencies and CVs of each Board member are posted on the website.

Four of the board members are independent as per the definitions applied by the Committee on Corporate Governance, while three are not independent:

- Richard Bunck is the founder, principal shareholder and a former CEO of the Company. The Board regards it as 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 Company. Ulrik Holsted-Sandgreen has served on the Board for a period exceeding 12 years, being first elected to the Board in 2008.
- Mads Dahl Andersen previously served on the Company's Executive Board. The Board sees an advantage in this board member having in-depth knowledge of the Group and does not consider this factor as having a negative influence on his own contribution or on the work of the Board.

Board committees

The Board of Directors continued to have an Audit Committee, an Infrastructure Committee and a Sustainability Committee in 2021. During the course of the year, the Board established an Acquisition Committee, a Nomination Committee, a Legal Committee and an IT Security Committee.

The Audit Committee has three members: Ulrik Holsted-Sandgreen (committee chairman), 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 seven meetings in 2021, compared with six in 2020.

The Infrastructure Committee has two members: Ole Borch (committee chairman) and Richard Bunck. The committee monitors the expansion of advanced infrastructure based on the tools and solutions that enable North Media to produce and sell high-volume services at low unit costs. The committee held three meetings, compared with one in 2020. Its terms of reference are posted on the website.

The Sustainability Committee has three members: Thomas Weikop (committee chairman), Ulrik Falkner Thagesen and Ann-Sofie Østberg Bjergby. The committee's focus in 2021 was to start up work on a sustainability strategy for all Group business units. The committee's terms of reference are currently being prepared and will



be posted on the website in due course. The committee held seven meetings in 2021.

The Acquisition Committee was established in 2021. It has two members: Ole Borch (committee chairman) and Ann-Sofie Østberg Bjergby. The committee's terms of reference are currently being prepared and will be posted on the website in due course. The number of committee meetings held is not disclosed, as that information could be used to gauge the Company's acquisition activity.

The Nomination Committee was established in 2021. It has three members: Ole Borch (committee chairman), Richard Bunck and Ulrik Holsted-Sandgreen. The committee's terms of reference are currently being prepared and will be posted on the website in due course.

The Legal Committee was established in 2021. It has three members: Richard Bunck (committee chairman), Ole Borch and Ulrik Holsted-Sandgreen. The organisation and tasks of the Legal Committee are specified in its terms of reference, which are posted on the website.

The IT Security Committee was established in 2021. It has two members: Ulrik Holsted-Sandgreen (committee chairman) and Ulrik Falkner Thagesen. The committee's terms of reference are currently being prepared and will be posted on the website in due course. The committee held seven meetings in 2021.

Group Executive Board

Lasse Brunnenberger Wulff Hansen resigned his position as Group Executive in charge of business development in October. Henrik Løvig, who until then had been in charge of North Media

Online, took over the responsibilities for business development and acquisitions. There were no other changes to the Group Executive Board of North Media, the other members being: Kåre Wigh, Group Executive Director & CFO, Lasse Ingemann Brodt, CEO of FK Distribution, and Jan-nik Bray Christensen, CEO of Bekey.

As a general rule, the Group Executive Board meets every two weeks and otherwise as the need arises. An important part of the Group Executive Board's responsibilities is to ensure that the policies decided by the Board of Directors are implemented in the individual companies and in a way so they serve their purpose in a consistent manner. The Group Executive Board's responsibilities are also to provide inspiration and exchange experience across the Group on business initiatives, execution of strategy and other areas that may contribute to growth. The Group Executive Board also coordinates joint tasks, including, for example, external reporting, internal and external communications, core values etc.

The chief executive officers of the four segments each report to an independent board of directors, consisting of the seven current members of the Board of Directors of North Media A/S. The chief executive officers are in charge for the complying with the business concept and day-to-day management, including execution on strategy and plans for their respective business segments as well for the implementation and compliance with the concepts and policies defined by the Board.

The Group Executive Board attends all board meetings of North Media A/S, and the chief executive officers have a right to attend the board meetings of any business area.

Corporate Governance

As required under section 107b of the Danish Financial Statements Act, North Media has prepared a statutory report on corporate governance 2021, which is available at <https://www.northmedia.dk/governance-cfm>.

The report sets out the Board of Directors' position on the new recommendations on corporate governance issued by the Danish Committee on Corporate Governance. Together with applicable law and North Media's company policies, these recommendations form the basis of the Company's practices and procedures.

North Media complies fully with 35 of the Committee's 40 recommendations. The Company does not comply with five of the recommendations, as explained in the following:

- Recommendation 3.2.2 that a retiring member of the executive management should not join the board of directors immediately after resigning is not complied with, as Mads Dahl Andersen served as a member of the Executive Board within the last five years prior to being elected to the Board of Directors. His in-depth knowledge of the Group's activities is deemed to be to the Company's advantage. Accordingly, this is not deemed to mean that Mads Dahl Andersen has special interests that would adversely affect his independence or his work on the Board of Directors in general.
- Recommendation 3.3.2 that individual board members' competences and qualifications of relevance to the company should appear from the management commentary of the Annual Report is not complied with. Instead the detailed CV for each board member is provided on the North Media website.

- Recommendation 3.4.2 that the majority of the members of board committees should be independent is not complied with, as the Infrastructure Committee, the Nomination Committee, the Legal Committee and the IT Security Committee all have a majority of non-independent members. We believe that a board member's competencies and contribution to the work of a committee outweighs the importance of the member being independent.
- The Company does not comply with recommendation 3.4.5 to establish a remuneration committee. The Board has found it appropriate for this matter to be dealt with by the Board as a whole for the time being.
- 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.

Remuneration report

North Media has prepared a separate remuneration report for 2021 pursuant to section 139b of the Danish Companies Act. The Remuneration Report describes the remuneration of the Board of Directors and the Executive Board as per the Company's remuneration policy. The Remuneration Report is available from the Company's website <https://www.northmedia.dk/vederlagsrapport/>.



Board of Directors

C = Chairman, VC = Vice-Chairman, BM = Board member



Ole Elverdam Borch

Chairman



Richard Gustav Bunck

Vice-Chairman



Ulrik Holsted-Sandgreen

Board member



Mads Dahl Møberg Andersen

Board member

Member of the Board since:

27 March 2020

Born:

1956

Executive positions held outside the North Media Group:

- Borch & Elverdam Advokatanpartsselskab (CEO)
- FFH Invest A/S (C)
- LHFO A/S (C)
- LHFO B P/S (C)
- LHFO D P/S (BM, CEO)
- LHFO K ApS (CEO)
- Sirena Group A/S (VC)
- Jazzhus-Montmartre Fonden (BM)

Member of the Board since:

2 April 1965

Born:

1940

Executive positions held outside the North Media Group:

- Baunegård ApS (CEO)
- Bunck Invest 1 ApS (CEO)
- LeanLinking ApS (BM)

As the company's founder, Richard Bunck has served on the management team since the company was founded under the name of Forbruger-Kontakt Distribution and a different company registration number on 2 April 1965.

Member of the Board since:

4 April 2008

Born:

1970

Executive positions held outside the North Media Group:

- None

Member of the Board since:

13 April 2018

Born:

1962

Executive positions held outside the North Media Group:

- None



Board of Directors

C = Chairman, VC = Vice-Chairman, BM = Board member



Thomas Weikop

Board member

Member of the Board since:

27 March 2020

Born:

1966

Executive positions held outside the North Media Group:

- Brandhouse A/S (BM)
- Brandhouse Gruppen ApS (BM)
- Cogo ApS (C)
- Go Dogo ApS (C)
- North Risk A/S (BM)
- North Risk Holding A/S (BM)
- Subsero A/S (BM)
- Vertigo.ai IVS (C)



Ulrik Falkner Thagesen

Board member

Member of the Board since:

27 March 2020

Born:

1971

Executive positions held outside the North Media Group:

- Basisbank A/S (BM)
- e-Boks Group ApS (CEO)
- Falkner Holding ApS (CEO)
- Peytz & Co A/S (BM)



Ann-Sofie Østberg Bjergby

Board member

Member of the Board since:

26 March 2021

Born:

1987

Executive positions held outside the North Media Group:

- Oreco A/S (BM)
- AKF Holding A/S (CFO)

External managerial positions are stated at 9 February 2022. Additional information about the board of directors including their educational backgrounds, previous positions held, special competences etc. can be found at <https://www.northmedia.dk/om-north-media/ledelsen/>



Executive Board

C = Chairman, VC = Vice Chairman, BM = Board Member



Kåre Stausø Wigh

Group Executive Director & CFO,
North Media A/S



Lasse Ingemann Brodt

CEO of Forbruger-Kontakt A/S



Henrik Løvig Jensen

Executive in charge of acquisitions &
business development North Media A/S



Jannik Bray Christensen

CEO of Bekey A/S

Joined the Executive Board:

1 September 2006

Born:

1969

Executive positions held outside the North Media Group's companies:

- Travelmarket A/S (BM)
- Bedrebilist.dk ApS (BM)

Joined the Executive Board:

2 April 2018

Born:

1973

Executive positions held outside the North Media Group's companies:

- None

Joined the Executive Board:

1 January 2016

Born:

1974

Executive positions held outside the North Media Group's companies:

- None

Joined the Executive Board:

14 May 2018

Born:

1981

Executive positions held outside the North Media Group's companies:

- Spirii ApS (BM)

External managerial positions are stated at 9 February 2022.
Additional information about executive board members including their
educational backgrounds, previous positions held, etc. can be found at
<https://www.northmedia.dk/om-north-media/ledelsen/>.



Statutory statement of social responsibility etc.

North Media's business model cf. section 99a and purpose

North Media is a listed company 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. In short, we deliver customers to our customers, and we run an ethical business built on trust and focusing on enhancing our positive footprint in society.

Working with social responsibility

North Media has strong core values based on a sense of responsibility towards employees, customers and society in general. Our work on corporate social responsibility and sustainability forms an integral part of all layers of our organisation. Our Board of Directors established a Sustainability Committee in 2020 charged with nurturing the strategic progress in this field for the entire organisation.

The executive boards of our business units play a key role in our work on corporate social responsibility and sustainability. They ensure that North Media's corporate sustainability

strategy is fully implemented, making it an integral part of every company's 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 and sustainability.

This section constitutes the statutory reporting of North Media A/S on corporate social responsibility for the 2021 financial year 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.

2021 in review

North Media continues the work to integrate sustainability across the Group and in all business units. Efforts in 2021 were focused on developing a long-term sustainability strategy that will support the work already being done in the Group's business units while also setting specific long-term objectives for the Group overall, all with respect to the four focal areas of the strategy:

- Day-to-day peace of mind
- Climate and the environment
- A stimulating workplace
- A responsible company

Four focal areas of the strategy

North Media continues the work to integrate sustainability across the Group and in all business units



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



**Climate and
the environment**



**A stimulating
workplace**



**A responsible
company**



The efforts to devise a sustainability strategy and determine long-term objectives will continue in 2022 for all Group business units.

North Media updated its CSR Policy in 2021 and also prepared a Tax Policy and a Policy of Data Ethics. The Tax Policy sets out our position on the payment of taxes and their importance to the Danish welfare society; the Policy of Data Ethics sets out the Group's principles for ethically correct, responsible and transparent data processing. During the year, we also implemented a whistleblower scheme for the entire Group. The policies are described in further detail in the section "A responsible company".

Our work on sustainability and corporate social responsibility will remain a top priority in 2022, and we will focus on enhancing and verifying the data intended to form the basis of our long-term targets. The work is expected to comprise initiating the preparation of climate accounts complying with the GHG protocol for our scope 1, scope 2 and substantial scope 3 emissions.



North Media implemented a whistleblower scheme in 2021



Materiality assessment 2021

As part of developing the new strategy on sustainability and corporate social responsibility, we prepared a report on the Group's and its business units' material impact on society and on society's influence on the North Media Group and its business units. The report was prepared in collaboration with an external adviser. North Media used the report to update the Group's materiality assessment in 2021.

The updated materiality assessment contains a number of changes relative to 2020. Climate and the environment will now get more attention across the Group, as these areas are considered to be material to our stakeholders and our local communities. In addition, at North Media A/S, we believe that putting more focus on climate and the environment is a prerequisite for running a sustainable and future-proof business in a setting where access to resources and materials will come under pressure and where our customers expect us to deliver solutions that incorporate climate and environmental considerations.

The same applies to a number of issues under the umbrella term 'responsible business operations', in which data security and personal data along with sustainable procurement and supply chains are all issues through which we have an impact on society and operate with great respect for basic human rights. These are also issues that may potentially impact North Media's activity and operations and our stakeholders' views of our business.

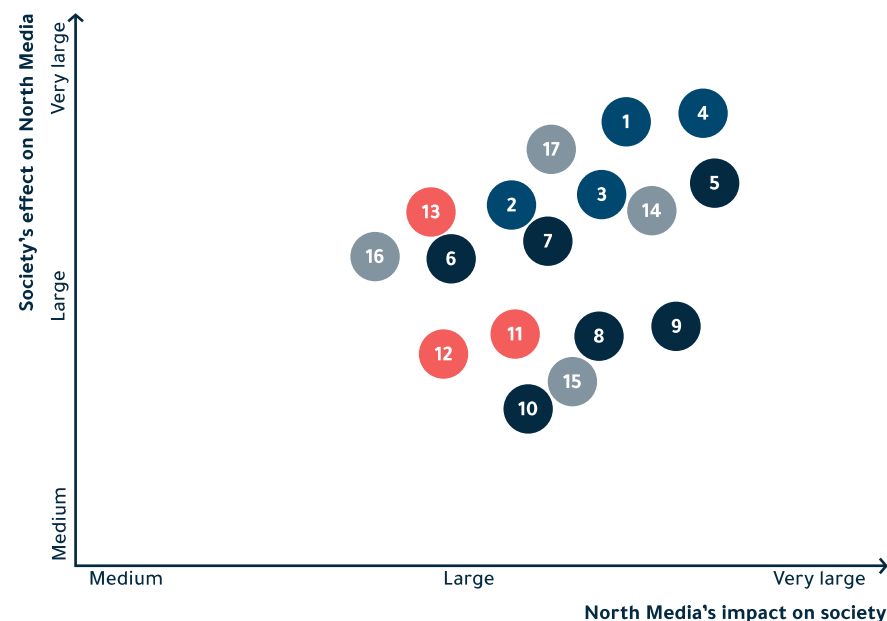
Reporting pursuant to article 8 of the EU Taxonomy Regulation

Being a listed company, North Media is subject to the EU Taxonomy Regulation and, pursuant to article 8 of said Regulation, the Company is required to report on the proportions of revenue, costs and capital expenditure for the reporting period subject to the taxonomy. In order to provide such reporting, the activities we perform as a listed company must form part of one of the currently two technical annexes describing how specific actions can support these two of the EU's six sustainable development goals, i.e. activities relating to climate change adaptation and activities relating to climate change mitigation.

None of the activities that the companies of the North Media Group currently perform are presently subject to the technical annexes and none of the companies' industry codes are listed, for which reason none of revenue, costs or investments are subject to the EU Taxonomy Regulation (0% eligibility in all three KPIs).

North Media intends to monitor developments when the remaining four technical annexes for the EU's other sustainable development goals are made public and will then review whether they apply to the Group. North Media will continue, independently of the EU Taxonomy Regulation, to work to reduce its climate footprint in all parts of the Group's businesses. See descriptions below.

Materiality assessment 2021



Day-to-day peace of mind

1. Sustainable local communities
2. Job creation
3. Young people in work
4. Customer satisfaction, sense of security and less stress

Climate and the environment

5. Transport
6. Energy consumption
7. Biodiversity
8. Sustainable packaging and materials

A stimulating workplace

9. Employee development
10. Working conditions
11. Diversity and inclusion

A responsible company

12. Data security and personal data
13. Consumer protection
14. Responsible taxpayer
15. Ethical business operations
16. Responsible supply chains
17. Responsible innovation



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 on the basis of relevant information from 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. All these solutions contribute to the peace of mind, sense of security and comfort of the general public in Denmark.

Through its activities and actions in the 'day-to-day peace of mind' focal area, North Media 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 one of our platforms.

When made in a store, impulse purchases often become buy-and-throw-away (or BATA) items, and that makes impulse buys more resource-intensive than planned purchases. In other words, another distinct 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 2021

FK Distribution

In 2021, 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 2021, FK Distribution delivered leaflets to 66% and local newspapers to 80% of Danish households, this was 2.9% and 2.6%, respectively, less than in 2020. FK Distribution saw a steady increase in the number of citizens opting to subscribe to its NoAds+ scheme, which is designed to ensure that consumers receive only those leaflets they find of value.

In 2021, FK Distribution increased its focus on recruiting and retaining young people as deliverers in the local communities by expanding a recruitment campaign and the follow-up dialogues with existing employees.

In 2021, we employed on average a week about 10,000 young people, primarily aged 13 to 17, as deliverers.

For many young people in Denmark, working for FK Distribution is the first job they hold, and we employ a total of 32% of young people in Denmark aged 13 or 14 and holding spare-time jobs. FK Distribution paid their young employees a higher wage in 2021 and improved their working conditions as part of the company's ongoing focus on providing good conditions for young people on the labour market.

BoligPortal

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

In 2021, BoligPortal also worked on a project dedicated 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 tools, BoligPortal is an active contributor to creating and maintaining an



environment with a solid legal framework for landlords and tenants where the risk of misunderstandings and scams are minimised.

In 2021, BoligPortal developed flatmate contracts with the same intention of creating a safe space for landlords and tenants. Flatmate contracts are not legally binding, but they set out matters such as cleaning, guests staying overnight and the like, which flatmates can discuss includes to perhaps avoid potential conflicts in future.

KPI	Unit	2020	2021
Households receiving leaflets from FK Distribution	%	68	66
Households receiving local newspapers from FK Distribution	%	82	80
Proportion of 13 or 14-year-olds holding spare-time jobs with FK Distribution	%	30	32
Number of digital authorised accesses to stairwells and homes with Bekey	in millions	12.1	14.4



Day-to-day peace of mind

Ofir

Ofir makes regular spot checks of job ads on its platform to ensure that ads comply with the company's guidelines and rules, including to avoid discriminatory language. No ads were found in 2021 that violated Ofir's guidelines. Diversity and inclusion in the jobs market are some of the areas where Ofir aims to make additional efforts going forward.

Bekey

Bekey focused on increasing the use of its solution for digital access to secured stairwells and homes in 2021. Every time a door is opened using Bekey's digital key, a log is created recording the user and the time of entry. This provides peace of mind for the residents.

In 2021, Bekey's systems were used 14.4m times to give digital authorised access to secured stairwells and people's homes, helping the company's customers and municipal services to provide service and deliver products to residents in a flexible and efficient manner.

Objectives for 2022

In 2022, the business units will strive to develop data and long-term objectives for the 'day-to-day peace of mind' focal area supporting the positive effects their solutions have for users and customers in their everyday lives.



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 2021

FK Distribution

In 2021, FK Distribution continued to map the overall climate and environmental footprint of printed matter by making a lifecycle assessment that sets out the climate and environmental impact of printed matter along the entire value chain. The lifecycle assessment has given us a better understanding of the areas that would benefit from additional climate and environmental initiatives, and it will be used to assess how FK Distribution can most effectively reduce its climate and environmental footprint along the entire value chain. A focal area for FK Distribution in 2021 was to check whether customers use printing companies with the required sustainability certifications. For printing companies, having sustainable certifications implies using paper produced under strict climate and environmental requirements ensuring that the paper

does not contribute to deforestation or other harmful processes. In 2021, 93% of our customers' printed matter was produced at sustainable printing companies.

Work to mount and install solar panels at FK Distribution's packing terminal in Taastrup has commenced, and efforts are ongoing for a similar arrangement at FK Distribution's packing terminal in Tilst. The solar panels are expected to supply at about 39% of the overall electricity consumption at FK Distribution's two packing terminals.

Implementing efficiency improvements in production and transport operations is an ongoing process for FK Distribution. In 2021, the company rethought the paper wrapper used for printed matter, devising a new solution that requires considerably less paper to produce. The company also optimised the packing of printed matter in 2021, resulting in a significant reduction in kilometres driven, because the new solution allows for more efficient packing of lorries, in turn reducing the need for transport in distribution.

BoligPortal

BoligPortal identified two areas in 2021 where the company can best reduce its impact on climate and the environment. The first area is the

server capacity needed to run BoligPortal's online platform. By determining its server capacity, BoligPortal is able to explore how to increase the proportion of renewable energy. In addition, BoligPortal aims to nudge the housing market towards becoming more sustainable. The company did so in 2021 by giving tenants the option of a green electricity package through a BoligPortal partner when they signed a lease. People added the green electricity package in 27% of leases concluded in 2021.

Ofir

In 2021, Ofir made efforts to identify opportunities for having a positive effect on climate and the environment. Like BoligPortal, Ofir aims to increase its focus on ensuring a large proportion of renewable energy to run the server capacity being used.

Bekey

For Bekey, the most positive effect on climate and the environment lies not in reducing the company's own CO2 emissions, but rather in promoting the reduction of CO2 emissions achievable by Bekey customers and users through the Bekey solution. Applying the Bekey solution allows for more flexibility in deliveries and in gaining access to secured stairwells. This means Bekey's customers can avoid



Work to mount and install solar panels at FK Distribution's packing terminal in Taastrup has commenced

driving to secured properties in vain and better plan optimal delivery routes, in turn helping to reduce their climate footprint. In 2022, Bekey aims to explore in collaboration with customers what kind of CO2 reductions they can achieve by using the company's solution.

Key objectives for 2022

The main priority in 2022 for the focal area of climate and the environment will be to begin developing a system for climate accounting on a Group-wide basis so as to map Scope 1 and Scope 2 CO2 emissions in accordance with the principles of the GHG Protocol. The climate accounts are intended to provide the basis for a systematic and strategic approach to reducing the negative effects on climate and the environment going forward. North Media has also been working on replacing installations, reducing energy consumption and optimising transports, and these efforts will continue in 2022. In addition, North Media plans to increase the proportion of green power in its energy mix by installing solar panels at the Group's packing terminals in Taastrup and Tilst.

KPI	Unit	2020	2021
Distribution of printed matter by foot, bicycle or using other green means of transport	%	86	86
Printed matter from sustainable printing companies	%	-	93
Leases signed on the BoligPortal platform with 'green electricity package' opt-in	%	-	27
Number of secured stairwells with Bekey solution installed (zip code 1050 to 2990)	number	24,300	27,000



A stimulating workplace

Policies and risks

At the North Media Group, we are committed to providing a healthy, stimulating and safe working environment for all our employees, characterised by mutual respect and a strong focus on our values and views. Our corporate values – customer-driven operation, positive aggressiveness, responsibility, quality and fairness – are guiding principles for all employees of the Group's business units.

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, as that can minimise the risk of short and long-term absences due to illness.

Actions and results in 2021

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 2021, North Media conducted a workplace assessment and wellbeing survey involving all employees.

The number of industrial accidents in 2021 was 36, compared with 19 in 2020 and 25 in 2019. Most of the industrial accidents occurred among FK Distribution's some 10,000 deliverers (weekly average) and involved falls or dog bites, for example. Fortunately, most were minor accidents, but in order to further reduce the number of incidents, FK Distribution has produced a number of campaign videos intended to contribute to reducing the number of industrial accidents.

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

The Group has performed a health screening project in which all employees were given the opportunity to participate in a survey on their physical and mental health. The health screening showed good results, and the employees of North Media A/S are generally in good physical and mental health, as is also reflected in the low overall sickness absence rate. Going forward, North Media will 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.

Key objectives for 2022

Going forward, employee wellbeing surveys will be conducted on an annual basis and the results will be used to introduce initiatives within this focal area. We also plan to step up our efforts to reduce long-term absence due to illness across the organisation, while retaining our focus on reducing industrial accidents through information campaigns.

No. of industrial accidents

The number of industrial accidents in 2021 was 36, compared with 19 in 2020. Most of these industrial accidents occurring among our some 10,000 deliverers



3

Salaried employees



1

Production



32

Deliverers



A responsible company

Policies and risks

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

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 consistently work to provide the best protection of data and information 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 our focus is to screen and place clear demands on our suppliers and sub-suppliers. In addition, we face risks relating to the protection of our customers' and of consumers' private data.

Actions and results in 2021

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 Media published its Tax Policy in 2021 and calculated the Group's overall tax contribution to illustrate North Media's positive contributions to Danish society by way of taxes and excise duties paid by the Group. See more North Medias total tax contribution on the following page.

North Media introduced a whistleblower scheme in 2021 through which employees and other stakeholders can report perceived negative conduct or activities. No reports were received through the whistleblower scheme during the year.

Work on data ethics

All full-time staff received GDPR and IT security training in 2021. These efforts form part of our work and objectives of always protecting data and information relating to our customers and to consumers. In addition, North Media has prepared a Data Ethics Policy (pursuant to section 99d of the Act) laying down the overall principles for ethically correct, responsible and transparent processing of data in the North Media Group, and which also applies to business partners, suppliers and third parties.

North Media's compliance organisation monitors and advises the business units 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. The policy is posted on our website.

<https://www.northmedia.dk/governance/>.

Our work on diversity in upper layers of management

North Media's diversity policy was revised and approved by the Board of Directors in 2021. The policy sets out the guidelines for the Group's approach to ensuring diversity in upper layers of management.

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.

Efforts to increase diversity were further supported in 2021 by the ongoing efforts to ensure the successful integration of first or second generation immigrants at the Group's two packing terminals and through a focus on the pool of talent for executive positions being based on skills, regardless of gender, age or other background criteria.



A responsible company

North Media has a target for women to make up at least 20% of the Board of Directors by the end of 2025 (as prescribed by sections 99b and 107d of the Danish Financial statements Act). When it is considered necessary to bring new competencies to the Board, or if a member does not wish to continue serving on the Board, North Media aims for the underrepresented gender to make up at least 25% of the candidates for vacant positions on the Board.

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

In 2021, North Media's Board of Directors consisted of one woman (14%) and six men (86%). At other management levels, the gender distribution was 28% women and 72% men. In 2020, women accounted for 31% of other management levels. Accordingly, we experienced a drop in the proportion of the underrepresented gender at other management levels.

In 2021, 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 management positions is for male and female candidates to be considered on an equal footing.

In 2021, the number of shareholder-elected Board members rose from six to seven. A woman was elected for the seventh board membership. As the other six Board members were all re-elected, the goal of 20% of Board members being women by the end of 2025 has not yet been achieved.

Objectives for 2022

North Media intends to continue to focus on sustainable procurement and supplier management in 2022. North Media demands high standards from its suppliers in terms of their ethical and responsible conduct. It is essential that our suppliers comply with these requirements and that our procurement reflects our values.

The Group will also focus on continuing to implement its diversity policy. Under the North Media procurement policy, 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 that persecute minorities or specific individuals on account of their views or that fail to respect the individual's right to self-determination. This policy applies regardless of whether it will cause us to incur additional costs.

Specifically, this procurement policy has already had the effect that the components and batteries we bought for the solar panels being installed at FK Distribution in Taastrup and

later at FK Distribution in Tilst, will be manufactured in western Europe. Despite the fact that the decision drove up the cost price.

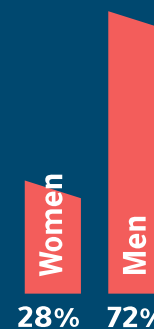
Diversity

The proportion of women serving on the Board increased during 2021 from zero to 14%.

Diversity on the Board of Directors



Gender diversity in upper layers of management





A responsible company

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 2021 resulted in tax payable of DKK 75m. In addition, the Group paid indirect taxes, such as VAT and other taxes, amounting to DKK 161m. Lastly, the Group's some 400 employees and about 10,000 deliverers paid approximately DKK 118m in personal income tax on the wage income they earned in their jobs with North Media.

Accordingly, the total amount of taxes paid for 2021 amounted to DKK 354m (2020: DKK 359m).

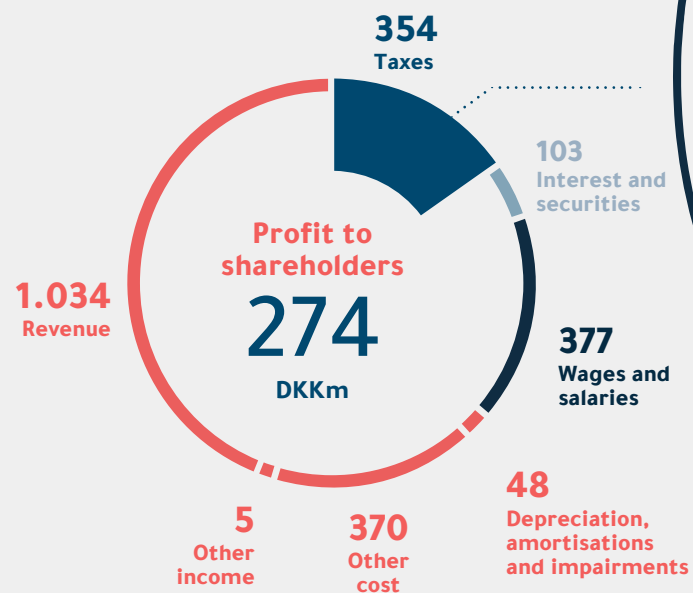
In other words, the total amount of tax paid to the Danish state in respect of the Group's activities exceeded the net profit for the year by DKK 80m (2020: DKK 52m).

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.

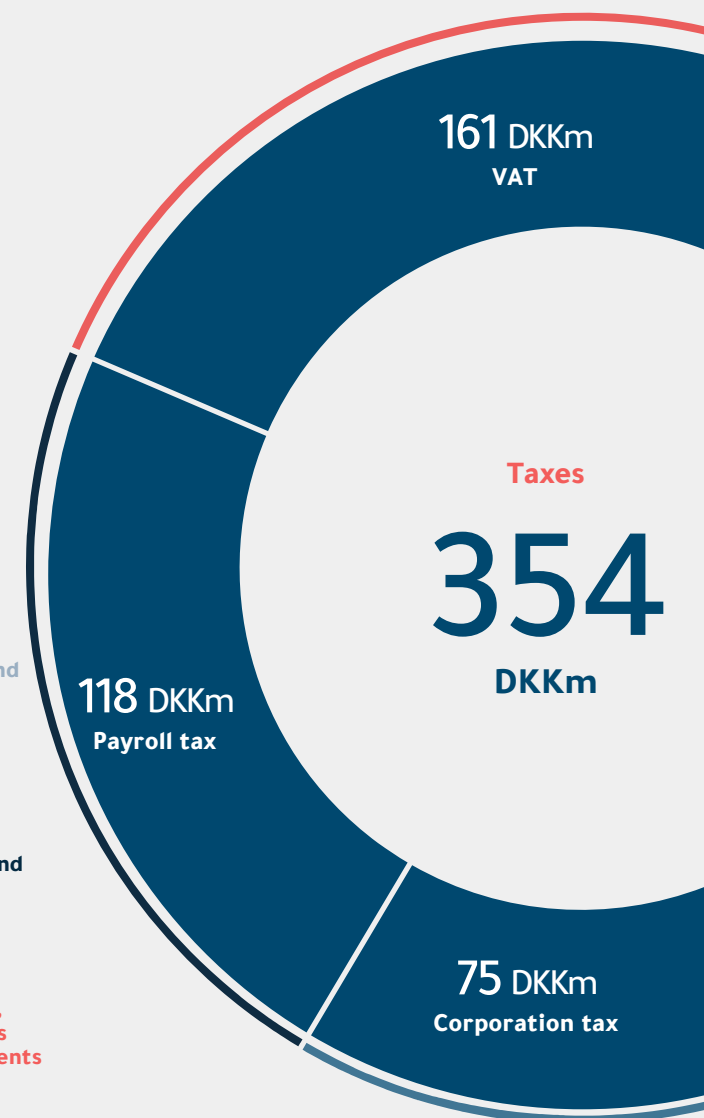
 Read more about income tax in Note 11 at page 80.

 34%

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



● VAT ● Payroll tax ● Corporation tax



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)

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 risks

	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
Risks	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. 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 risks	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.



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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 2021.

The consolidated financial statements are presented 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 2021 and of their financial performance and the Group's cash flows for the financial year 1 January to 31 December 2021.

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 2021, with the file name NORTHM-2021-12-31-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 9 February 2022

Executive Board

Kåre Stausø Wigh
Group Executive Director & CFO

Lasse Ingemann Brodt
CEO, Forbruger-Kontakt A/S

Henrik Løvig Jensen
Executive in charge of acquisitions &
business development

Jannik Bray Christensen
CEO, Bekey A/S

Board of Directors

Ole Elverdam Borch
Chairman

Richard Gustav Bunck
Vice-Chairman

Ulrik Holsted-Sandgreen

Mads Dahl Møberg Andersen

Thomas Weikop

Ulrik Falkner Thagesen

Ann-Sofie Østberg Bjergby

Adoption

As presented and adopted at the Annual General Meeting of shareholders on 25 March 2022.

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2021 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 2021 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 2021 comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement 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 3 years including the financial year 2021.

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 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming

Key audit matter Revenue

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 consists 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 23 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 obtained an understanding of the Group's internal controls for recognition of revenue and tested randomly relevant controls, relevant IT systems, controlling of the contractual basis and verification of data.

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.

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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2021 with the filename NORTHM-2021-12-31-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.

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 ele-

ments 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,

- 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 Statement.

In our opinion, the annual report of North Media A/S for the financial year 1 January to 31 December 2021 with the file name NORTHM-2021-12-31-da.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup 9 February 2022

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	2021	2020
Revenue	4, 21, 35	1,033.6	1,045.4
Direct costs	16, 35	236.7	245.4
Direct staff costs	5, 35	176.4	180.2
Gross profit		620.5	619.8
Staff costs	5, 6, 35	221.0	225.8
Other external costs	7, 35	112.2	131.7
Amortisation, depreciation and impairments etc.	8, 14, 35	47.8	30.2
Other operating income	35	4.9	8.1
Operating profit (EBIT)		244.4	240.2
Share of profit/loss in associates	15	4.2	-1.1
Return on securities	9	103.2	154.5
Financial income	10	0.5	0.1
Financial costs	10	5.3	5.6
Profit before tax		347.0	388.1
Tax for the year	11	73.4	85.1
Net profit, continuing operations		273.6	303.0
Net profit, discontinued operations	29	0.0	3.5
Net profit for the year		273.6	306.5
Attributable, net profit/loss			
Shareholders in North Media A/S		273.6	306.5
		273.6	306.5
Earnings per share, in DKK	12		
Earnings per share (EPS) - total		15.0	16.9
Diluted earnings per share (EPS-D) - total		14.7	16.7
Earnings per share excluding return on securities (EPS-adj)		10.6	10.3

DKKm	Note	2021	2020
Net profit for the year		273.6	306.5
<i>Financial statement items that may later be reclassified to the income statement:</i>			
Translation adjustments, foreign companies		-0.3	0.3
Other comprehensive income		-0.3	0.3
Comprehensive income		273.3	306.8
Attributable, comprehensive income			
Shareholders in North Media A/S		273.3	306.8
		273.3	306.8



Consolidated balance sheet

Assets

DKKm	Note	2021	2020
Goodwill		39.1	39.1
Other intangible assets		8.9	10.1
Software		1.4	6.9
Intangible assets	14	49.4	56.1
Land and buildings		233.6	236.7
Investment property		16.9	17.4
Plant and machinery		29.1	39.6
Operating equipment, fixtures and fittings		10.0	12.0
Property, plant and equipment	14	289.6	305.7
Investments in associates	15	8.1	6.1
Other securities and investments		2.2	1.9
Deferred tax asset	18	0.1	0.0
Other receivables		1.2	1.2
Other non-current assets		11.6	9.2
Total non-current assets		350.6	371.0
Inventories	16	5.6	3.7
Trade receivables	17	57.5	60.6
Income tax receivables		6.3	0.0
Other receivables		1.5	0.6
Prepayments		16.3	14.3
Securities		753.1	585.4
Cash at bank and in hand		129.7	153.5
Total current assets		970.0	818.1
Total assets		1,320.6	1,189.1

Equity and liabilities

DKKm	Note	2021	2020
Share capital	19	100.3	100.3
Reserve, translation adjustments		-2.9	-2.6
Retained earnings		982.6	781.3
Total equity		1,080.0	879.0
Deferred tax	18	0.0	11.4
Financial institutions	20	113.3	118.1
Lease debt	27	3.3	6.3
Total non-current liabilities		116.6	135.8
Financial institutions	20	4.8	4.7
Lease debt	27	3.4	3.6
Trade payables		44.7	34.3
Income tax payable		0.0	9.0
Contract liabilities	21	5.4	8.6
Other payables	22	65.7	114.1
Total current liabilities		124.0	174.3
Total liabilities		240.6	310.1
Total equity and liabilities		1,320.6	1,189.1



Consolidated statement of changes in equity

DKK m	Share capital	Reserve, translation adjustments	Retained earnings	Total equity
Equity at 1 January 2020	100.3	-2.9	573.8	671.2
Change in equity 2020				
Net profit for the year	0.0	0.0	306.5	306.5
Translation adjustments, foreign companies	0.0	0.3	0.0	0.3
Other comprehensive income after tax	0.0	0.3	0.0	0.3
Total comprehensive income	0.0	0.3	306.5	306.8
Purchase of treasury shares	0.0	0.0	-29.2	-29.2
Share-based payment	0.0	0.0	2.0	2.0
Extraordinary dividend paid	0.0	0.0	-80.2	-80.2
Dividend on treasury shares	0.0	0.0	8.4	8.4
Total changes in equity in 2020	0.0	0.3	207.5	207.8
Equity at 31 December 2020	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



Consolidated cash flow statement

DKKm	Note	2021	2020
Net profit for the year, continuing activities		273.6	303.0
Adjustments for non-cash items	23	19.7	-30.6
Changes in working capital	24	-42.8	33.0
Cash flow from operating activities before net financials		250.5	305.4
Interest received		0.5	0.1
Interest paid		-4.9	-5.2
Cash flow from ordinary activities before tax		246.1	300.3
Income tax paid	11	-90.0	-81.7
Cash flow from operating activities, continuing operations		156.1	218.6
Cash flow from operating activities, discontinued operations		0.0	-2.1
Cash flow from operating activities, total		156.1	216.5
Investments in intangible assets and PP&E	25	-25.5	-16.4
Disposals of PP&E		0.5	2.1
Dividend from associates	15	2.2	0.0
Investment in securities		-185.7	-61.2
Divestment in securities		118.4	27.2
Dividend from securities		2.9	3.0
Purchase/investments in other non-current assets		-0.9	-1.9
Sale of other non-current assets		-0.1	0.0
Cash flow from investing activities, continuing operations		-88.2	-47.2
Cash flow from investing activities, discontinued operations		0.0	10.9
Cash flow from investing activities, total		-88.2	-36.3

DKKm	Note	2021	2020
Repayment of non-current liabilities	26	-8.0	-9.4
Purchase of treasury shares	19	0.0	-29.2
Sale of treasury shares		7.0	0.0
Dividend paid	13	-90.7	-71.8
Cash flow from financing activities, continuing operations		-91.7	-110.4
Cash flow from financing activities, discontinued operations		0.0	-1.0
Cash flow from financing activities, total		-91.7	-111.4
Total cash flows' for the year		-23.8	68.8
Cash and cash equivalents at 1 January		153.5	84.7
Cash and cash equivalents at 31 December		129.7	153.5



Notes to the consolidated financial statement

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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.

As announced in the 2020 Annual Report (Announcement no. 1-2021 of 10 February 2021), the Group changed its segment structure effective on 1 January 2021 and now has two business areas: Last Mile and Digital Services. Last Mile consists of the segment FK Distribution, while Digital Services consists of the segments BoligPortal, Ofir and Bekey. Comparative figures in the quarterly highlights table on page xx and in note 4 have been restated accordingly. The change has not affected segment revenue, whereas there is a slight shift in shared online costs, which are now recognised under the item "unallocated income and expenses". Comparative figures have been restated to reflect the new segments where relevant.

Changes to accounting policies

Costs of a special nature and non-recurring costs are no longer classified as "special items" in a separate item in the income statement. Special items are henceforth recognised in the relevant line items of the income statement and in the line item EBIT. Comparative figures in consolidated financial highlights and key figures have been restated accordingly.

In addition, accounting policies are unchanged compared with 2020.

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 2021.

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 investments 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 discontinued 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.



Note 2 Accounting policies (continued)

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.

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 in-

stalled 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.



Note 2 Accounting policies (continued)

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.

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.



Note 2 Accounting policies (continued)

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.

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



Note 2 Accounting policies (continued)

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 pre-paid 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 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the assumptions and estimates that led to recognition of the impairment loss. An impairment loss is reversed only to the extent that the asset's new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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.



Note 2 Accounting policies (continued)

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).

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.



Note 2 Accounting policies (continued)

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 and BostadsPortal.se
- 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	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
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	=	$\frac{\text{EBIT} \times 100}{\text{Revenue}}$
Equity ratio	=	$\frac{\text{Equity at the end of the period incl. min. interests} \times 100}{\text{Total assets}}$
Return on equity (ROE)	=	$\frac{\text{Profit after tax} \times 100}{\text{Average equity incl. minority interests}}$
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	=	$\frac{\text{EBITA} \times 100}{\text{Average capital employed incl. goodwill}}$
Free cash flow before and tax (CFFO)	=	EBITDA adjusted for changes in operational balance sheet items excl. tax and minus investments
Earnings per share (EPS)	=	$\frac{\text{Parent's share of net profit/loss for the year}}{\text{Average numbers of shares in circulation}}$
Diluted earnings per share (EPS-D)	=	$\frac{\text{Parent's share of net profit/loss for the year}}{\text{Average numbers of diluted shares in circulation}}$
Earnings per share excl. return on securities (EPS-adj)	=	$\frac{\text{Net profit for the year - return on securities after tax}}{\text{Average number of shares in circulation}}$
Price/Earnings (P/E)	=	$\frac{\text{Share price}}{\text{EPS}}$
Price to book value (P/BV)	=	$\frac{\text{No of shares, 31 December} \times \text{market price}}{\text{Parent's share of equity}}$
Cash flows per share (CFPS)	=	$\frac{\text{Cash flow from operating activities}}{\text{Average number of diluted shares}}$
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

DKK m	Last Mile FK Distribution		Digital Services Total		BoligPortal		Ofir		Bekey		Unallocated costs/ elimi. *)		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Segment revenue	888.8	913.6	150.7	138.2	84.8	82.3	36.4	21.1	29.5	34.8	0.0	0.0	1,039.5	1,051.8
Internal revenue	0.0	0.0	-5.9	-6.4	0.0	0.0	-0.4	-0.2	-5.5	-6.2	0.0	0.0	-5.9	-6.4
External revenue	888.8	913.6	144.8	131.8	84.8	82.3	36.0	20.9	24.0	28.6	0.0	0.0	1,033.6	1,045.4
Revenue recognition														
Immediately	888.8	913.6	51.0	42.6	0.0	0.0	36.0	20.9	15.0	21.7	0.0	0.0	939.8	956.2
Over time	-	-	93.8	89.2	84.8	82.3	0.0	0.0	9.0	6.9	0.0	0.0	93.8	89.2
External revenue	888.8	913.6	144.8	131.8	84.8	82.3	36.0	20.9	24.0	28.6	0.0	0.0	1,033.6	1,045.4
Direct costs	406.2	419.7	12.4	12.1	0.9	0.8	5.9	3.2	5.6	8.1	-5.5	0.1	413.1	431.9
Gross profit	482.6	493.9	138.3	126.1	83.9	81.5	30.5	17.9	23.9	26.7	-0.4	-0.1	620.5	619.9
Other external costs	231.3	259.2	112.1	103.0	55.1	52.2	24.8	19.8	32.2	31.0	-10.2	-4.6	333.2	357.6
EBITDA	263.8	249.2	27.0	23.7	29.6	29.9	5.7	-1.9	-8.3	-4.3	1.4	-2.5	292.2	270.4
Amortisation, depreciation and im- pairments	14.8	15.5	23.9	5.3	2.8	2.7	0.1	0.1	21.0	2.5	9.1	9.4	47.8	30.2
EBIT	249.0	233.7	3.1	18.4	26.8	27.2	5.6	-2.0	-29.3	-6.8	-7.7	-11.9	244.4	240.2
Share of profit/loss in associates	-	-	-	-	-	-	-	-	-	-	-	-	4.2	-1.0
Return on securities	-	-	-	-	-	-	-	-	-	-	-	-	103.2	154.5
Net financials	-	-	-	-	-	-	-	-	-	-	-	-	-4.8	-5.6
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	347.0	388.1
Gross margin	54.3%	54.1%	95.5%	95.7%	98.9%	99.0%	84.7%	85.6%	99.6%	93.4%	-	-	60.0%	59.3%
EBITDA margin	29.7%	27.3%	18.6%	18.0%	34.9%	36.3%	15.8%	-9.1%	-34.6%	-15.0%	-	-	28.3%	25.9%
EBIT margin	28.0%	25.6%	2.1%	14.0%	31.6%	33.0%	15.6%	-9.6%	-122.1%	-23.8%	-	-	23.6%	23.0%

* 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 96.5% (2020: 96.4%) 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 863.3 million (2020: DKK 878.3 million) and online sales of DKK 25.5 million (2020: DKK 35.3 million).

BoligPortal's revenue consists of subscription-based income from the company's marketplace and income from various subscription-based SaaS solutions, amounting to DKK 84.8 million (2020: DKK 82.3 million).

Ofir's revenue consists mainly of transaction-

based job and banner ads, amounting to DKK 36.0 million (2020: DKK 20.9 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 24.0 million (2020: DKK 28.6 million)



Note 5 Employees and staff costs

Number	2021	2020
Average number of employees	411	445
Average number of deliverers	825	874

The average number of deliverers 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	2021	2020
Wages and salaries, including holiday pay	352.3	364.6
Defined contribution plans	16.0	16.2
Other social security costs	3.9	3.1
Remuneration of the Parent's Board of Directors	3.4	3.3
Share-based payment	1.2	2.0
Other staff costs	20.6	16.8
Total staff costs	397.4	406.0

Total staff costs are included in the following items of the statement of comprehensive income:

Direct staff costs	176.4	180.2
Staff costs	221.0	225.8
Total staff costs	397.4	406.0

Remuneration of the Board of Directors and Executive Board

2021, DKKm

	Board of Directors of Parent Company	The Parent Executive Board	Total
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

2020, DKKm

Wages, salaries and bonus	3.8	14.2	18.0
Pension (defined contribution plans) and usual staff benefits	0.0	1.5	1.5
Share-based payment	0.4	0.7	1.1
Remuneration of the Board of Directors and Executive Board	4.2	16.4	20.6
Number of members (average)	6	5	11

Reference is made to the section on corporate governance on page 41.

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 A/S

No share options were granted in 2021, other than to a newly elected board member. The awards were made in reference to the 2018 share option programme and at the share price applied in that programme, i.e. DKK 101.92 per share.

A total of 191,500 of 200,000 share options were exercised in the 2021 financial year (2020: 0 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 2021 the following is outstanding:

- Tranche 1 consists of 8,500 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 2021.

- Tranche 2 consisting of 286,000 options vesting during the period to the publication of the financial statements for 2021. Tranche 2 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 2022.

- Tranche 3 consisting of 355,500 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 1,908,500 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:

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 650,000 shares remain outstanding, equalling 3.24 % of the share capital.

In 2021, DKK 1.2 million (2020: DKK 2.0 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.

Option	First exercise date	Last exercise date	Lives of options	Risk free interest	Expected volatility	NPV of dividend	Option value/each
Tranche 1	Feb-2021	Mar-2022	2,5 yrs	-0,52 %	45.2 %	3 kr.	8.08
Tranche 2	Feb-2022	Mar-2023	3,5 yrs	-0,40 %	46.1 %	5 kr.	8.75
Tranche 3	Feb-2023	Mar-2024	4,5 yrs	-0,27 %	45.2 %	7 kr.	8.71



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 2021, 7,500 share options were awarded to a newly-elected board member, while 72,000 share options were cancelled due to the termination of employment. The tables below show developments in outstanding share options and distribution per tranche.

Developments in outstanding share options can be specified as follows:

Number	Number of share options	
	2021	2020
Outstanding share options, 1 January	906,000	939,000
Exercised during financial year	-191,500	0
Expired during financial year	0	0
Cancelled due to termination of employment	-72,000	-131,000
Options granted, 2018-programme	7,500	98,000
Outstanding share options, 31 December	650,000	906,000
Number of share options which can be exercised at the balance sheet date	8,500	0

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 2021	Number expired in 2020	Unexercised options at 31.12.2021	Exercise price
Board of Directors							
Granted 2018, tranche 1	2021	20,000	1	-20,000	0	0	36.30
Granted 2018, tranche 2	2022	42,000	4	0	0	42,000	36.30
Granted 2018, tranche 3	2023	75,000	4	0	0	75,000	36.30
Granted 2018, tranche 3	2023	0	1	7,500	0	7,500	101.92
Executive Board							
Granted 2018, tranche 1	2021	68,000	4	-68,000	0	0	36.30
Granted 2018, tranche 2	2022	104,000	5	0	0	104,000	36.30
Granted 2018, tranche 3	2023	130,000	4	0	-25,000	105,000	36.30
Other managerial staff							
Granted 2018, tranche 1	2021	48,000	4	-39,500	0	8,500	36.30
Granted 2018, tranche 2	2022	60,000	3	0	-15,000	45,000	36.30
Granted 2018, tranche 3	2023	80,000	3	0	-20,000	60,000	36.30
Other staff							
Granted 2018, tranche 1	2021	64,000	7	-64,000	0	0	36.30
Granted 2018, tranche 2	2022	95,000	8	0		95,000	36.30
Granted 2018, tranche 3	2023	120,000	7	0	-12,000	108,000	36.30

The fair value of the unexercised share option programme was DKK 46.1 million at 31 December 2021, calculated based on the year-end share price (2020: DKK 39.4 million).

The average share price of the 191,500 share options exercised was DKK 97.04.



Note 7 Fees to the auditors appointed by the General Meeting

DKKm	2021	2020
PwC		
Statutory audit services	1.8	1.5
Other assurance engagements	0.1	0.1
Tax services	0.3	0.3
Other services	0.5	0.5
Total fees to the auditors appointed by the General Meeting	2.7	2.4

Fees for other assurance engagements provided for the Group by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.9m in 2021 (2020: DKK 0.9 m), which is included in the above numbers.

The assistance consists primarily of other assurance statements as well as other services in general.

Note 9 Return on securities

DKKm	2021	2020
Dividend	2.9	3.0
Net capital gains on shares	100.3	151.5
Total return on securities	103.2	154.5

Note 8 Amortisation, depreciation and impairment

DKKm	2021	2020
Amortisation intangible assets, ct. note 14	2.1	1.9
Depreciation property, plant and equipment, ct. note 14	25.6	27.7
Impairment intangible assets, ct. note 14	11.3	0.0
Impairments property, plant and equipment, ct. note 14	8.8	0.0
Loss from sale of assets	0.0	1.6
Depreciation, discontinued activities	0.0	-1.0
Total amortisation and depreciation	47.8	30.2

Note 10 Net financials

DKKm	2021	2020
Interest income etc	0.1	0.1
Exchange gains	0.4	0.0
Total financial income	0.5	0.1
Interest expenses etc	4.7	5.1
Exchange losses	0.0	0.5
Fair value adjustment of other investments	0.6	0.0
Total financial expenses	5.3	5.6

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	2021	2020
Tax on profit/loss for the year		
Current tax charges	74.6	84.6
Changes in the deferred tax	-1.2	1.1
Adjustment of tax concerning prior years	0.0	-0.7
Total tax on profit/loss for the year	73.4	85.0
Tax on profit/loss for the year		
Computed tax on the profit/loss before tax 22.0% (2020: 22.0%)	76.3	85.4
Tax effect of:		
Used tax loss carry-forward not previously been capitalized	-0.9	-0.3
Other non-deductible expenses	0.1	0.0
Share-based payment	-1.2	0.4
Share of profit/loss after tax of associates	-0.9	0.2
Adjustment of tax concerning prior years	0.0	-0.7
Total tax on profit/loss for the year	73.4	85.0
Effective tax rate	21.2%	21.9%

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	2021	2020
Net profit for the year - total	273.6	306.5
The North Media Group's share of net profit for the year	273.6	306.5
Net profit excluding return on securities	193.1	186.0
Average number of shares (in millions)	20.1	20.1
Average number of treasury shares (in millions)	1.9	2.0
Average number of shares in circulation (in millions)	18.2	18.1
Average dilution effect of outstanding share options	0.4	0.3
Average number of diluted shares in circulation (in millions)	18.6	18.4
Earnings per share (EPS) - total	15.0	16.9
Diluted earnings per share (EPS-D) - total	14.7	16.7
Earnings per share excluding return on securities (EPS-adj)	10.6	10.3

The outstanding share options were in-the-money on average during 2021. The calculation of diluted earnings per share included 0.4 million share options (2020: 0.3 million share options).

Note 13 Recommended dividend per share

The Board of Directors recommends to the Annual General Meeting to be held on 25 March 2022 that a dividend of DKK 5.00 per of DKK 5 nominal value be paid for the financial

year 2021. This is equivalent to a total distributed amount of DKK 100.3m (2020: DKK 5.00 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 39.1 million includes DKK 19.6 million attributable to FK Distribution and DKK 19.5 million attributable to BoligPortal. 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
- Bekey

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 respect for FK Distribution and BoligPortal, whereas impairment of capitalised assets for an amount of DKK 20.1 million was identified in Bekey.

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.

As expected, FK Distribution's EBITDA has been surging further in 2021 and amounts to close on DKK 260 million. Guidance for 2022 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 2021, and it is expected to remain low in 2022 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 2022 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 2021 (2020: 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 2022 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 (2020: 2%). A large number of new product developments are expected to continue to drive profit performance during the period

Bekey

A commercial breakthrough for Bekey is still pending despite attempts made in various areas over the past many years. The past three years' attempts to develop both infrastructure and software for the Distributors and the Properties customer groups have proven more difficult than anticipated. While customers are showing an interest in the products, this has proven to be a much slower process than anticipated, raising uncertainty as to when and to which extent it will be possible to generate positive cash flows. The potential is still believed to be considerable, but the short-term investment requirement exceeds the expected cash flows from new customer groups. Accordingly, a decision was made to write off intangible and tangible costs for a total amount of DKK 20.1 million.



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

The most important assumptions for the write-down are based on a cautious estimate of the future development in revenue, profit and investment needs, including the historical development

The impairment model for Bekey is based on the budget 2022, which is projected for four years on the basis of estimates of developments in the CGU.

For the subsequent terminal period, a growth factor of 2%, justifiable by earnings from the new products, was applied in 2021 (2020: 2%).

Against this background, it is assessed that future cash flows are negative

Assumptions underlying impairment models

The tax rate used in the model is 22.0% (2020: 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 BoligPortal/ Distribution Bekey	
2021 after tax	8,0%	10,5%
2021 before tax	10,2%	13,5%
2020 after tax	7,5%	10,0%
2020 before tax	9,6%	12,8%

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 2020	108.9	110.4	86.6	305.9	390.8	74.2	220.9	94.5	780.4
Additions for the year	0.0	0.0	5.8	5.8	0.0	0.0	7.0	5.6	12.6
Disposals for the year, discontinued operations	53.7	76.9	3.0	133.6	5.7	0.0	0.0	3.7	9.4
Disposals for the year	0.0	0.0	15.1	15.1	0.0	0.0	1.2	3.0	4.2
Cost at 31 December 2020	55.2	33.5	74.3	163.0	385.1	74.2	226.7	93.4	779.4
Amortisations, depreciation and impairment losses at 1 January 2020	69.8	99.2	83.5	252.5	140.8	56.3	175.6	82.4	455.1
Amortisations and depreciation for the year	0.0	1.1	0.8	1.9	10.8	0.5	11.5	4.9	27.7
Disposals for the year, discontinued operations	53.7	76.9	2.4	133.0	3.2	0.0	0.0	3.7	6.9
Disposals for the year	0.0	0.0	14.5	14.5	0.0	0.0	0.0	2.2	2.2
Amortisations, depreciation and impairment losses at 31 December 2020	16.1	23.4	67.4	106.9	148.4	56.8	187.1	81.4	473.7
Carrying amount at 31 December 2020	39.1	10.1	6.9	56.1	236.7	17.4	39.6	12.0	305.7
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
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
Depreciated over (years)	-	10	3		20-50	35	5-10	3-5	



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

In 2021, 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 (2020: DKK 2.9 million).

Land and buildings and fixtures and fittings include lease assets for a total of DKK 6.8 million at 31 December 2021 (2020: DKK 10.0 million). See notes 25 and 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 million using a return-based cash flow model based on expected net cash flows, 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.

The result for 2021 was to a slight extent affected by the renovation and by related additional costs of refurbishing the property.

DKKm	2021	2020
Rental income	1.9	1.9
Direct operating expenses of rented areas	-1.2	-1.2
Direct operating expenses of non-rented areas	0.0	0.0
Renovation costs	-0.2	-0.1
Profit/loss before interest and tax	0.5	0.6

Note 15 Investments in associates

DKKkm	Registered office	Equity interest	
		2021	2020
Associates			
Lead Supply ApS	Aarhus	50.0%	50.0%

	2021	2020
Investments in associates		
Net asset value at 1 January	6.1	7.0
Additions for the year	0.0	0.2
Share of profit/loss before tax	5.4	-1.3
Share of tax	-1.2	0.2
Dividend received	-2.2	0.0
Net asset value at 31 December	8.1	6.1

DKKm	2021	2020
Share of profit/loss before tax	5.4	-1.3
Share of tax	-1.2	0.2
Total share of profit/loss in associates	4.2	-1.1



Note 15 Investments in associates (continued)

Key figures for individual, significant associates

DKKm	2021 Total	2020 Total
Lead Supply, Equity interest	50.0%	50.0%
Revenue	63.2	38.6
Net profit for the year	8.4	-1.9
Comprehensive income	8.4	-1.9
The Group's share of comprehensive income	4.2	-1.0
Balance sheet		
Non-current assets	1.8	1.3
Current assets	16.3	8.4
Current liabilities	-9.1	-4.8
Net assets (equity)	9.0	4.9
The Group's share of equity in associates (book value)	8.1	6.1
Transactions with associates		
Dividend received from associates	2.2	0.0
Capital increases/acquisition of equity interests	0.0	0.0
Investments transferred to subsidiary	0.0	0.0
Contingent liabilities	2.6	0.0

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	2021	2020
Manufactured goods and goods for resale	5.8	4.1
Write-down of finished goods	-0.2	-0.4
Total inventories	5.6	3.7

DKK 1.2 million worth of finished goods exist that are expected to be sold more than 12 months after the balance sheet date (2020: DKK 0.0m). DKK 5.5 million in cost of sales has

been recognised in direct costs (2020: DKK 6.5m).

Note 17 Trade receivables

DKKm	2021	2020
Trade receivables	57.7	60.9
Write-downs	-0.2	-0.3
Trade receivables, net	57.5	60.6

Bad debts has historically been insignificant.



Note 18 Deferred tax

DKKm	2021	2020
Deferred tax at 1 January, liabilities / liabilities	11.4	9.5
Deferred tax included in net profit for the year	-1.2	1.1
Deferred tax share options not included in P&L	-10.3	0.0
Deferred tax included in discontinued activities	0.0	-0.5
Deferred tax in divested company	0.0	1.3
Deferred tax at 31 December, assets / liabilities	-0.1	11.4

DKKm	2021			2020		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Intangible assets	0.0	5.7	-5.7	0.0	7.1	-7.1
Property, plant and equipment	0.0	2.3	-2.3	0.3	3.6	-3.3
Current assets	0.8	1.9	-1.1	0.8	1.8	-1.0
Share options	9.2	0.0	9.2	0.0	0.0	0.0
Total	10.0	9.9	0.1	1.1	12.5	-11.4
Set-off of deferred tax assets and deferred tax liabilities within the same legal tax units and jurisdictions	10.0	10.0	0.0	1.1	1.1	0.0
Deferred tax assets / liabilities at 31 December	0.0	-0.1	0.1	0.0	11.4	-11.4



Note 19 Equity

	Number in thousands		Nominal value DKK'000	
	2021	2020	2021	2020
Share capital				
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

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

	2021			2020		
	Number in thousands	Nominal value DKK'000	% of share capital	Number in thousands	Nominal value DKK'000	% of share capital
Treasury shares						
At 1 January	2,100	10,500	10.47%	1,600	8,000	7.98%
Purchase	0	0	0.00%	500	2,500	2.49%
Sale	-191	-955	-0.95%	0	0	0.00%
At 31 December	1,909	9,545	9.52%	2,100	10,500	10.47%

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 2021 financial year, North Media A/S sold 191,500 treasury shares for the amount of DKK 7.0 million as part of the exercise of the share option program described in note 6. (2020: purchased 500,000 treasury shares at an average price of 58.16 per unit).

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 for foreign currency translation adjustments includes all exchange adjustments resulting from the translation of financial statements of entities using a functional currency other than DKK as well as exchange adjustments relating to assets and liabilities which represent part of the Group's net investments in such entities.



Note 20 Debt to financial institutions etc.

DKKm	2021	2020
Mortgage debt, fixed rate	118.1	122.8
Carrying amount	118.1	122.8
Debt to financial institutions is included under the following items in the balance sheet		
Non-current liabilities	113.3	118.1
Current liabilities	4.8	4.7
Carrying amount	118.1	122.8
Nominal value	118.1	122.8
Fair value	119.2	127.6

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	2021	2020
A tax (PAYE) etc payable to public authorities	0.3	27.7
VAT liability	14.8	17.1
Holiday pay, frozen	0.0	18.2
Holiday pay obligation	13.3	11.0
Other debt	37.3	40.1
Total other payables	65.7	114.1

Other payables decreased by approximately DKK 30 million 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	2021	2020
Share of profit/loss in associates	-4.2	1.1
Tax on profit/loss for the year	73.4	85.1
Amortisation and depreciation of assets	27.7	28.6
Gain/loss on disposals of assets	0.0	1.6
Share-based payment	1.2	2.0
Impairments Intangible and tangible assets	20.1	0.0
Net financials	4.7	5.5
Value adjustments, securities	-103.2	-154.5
Total adjustments (non-cash)	19.7	-30.6



Note 24 Changes in working capital

DKKm	2021	2020
Changes in receivables etc.	-1.8	16.3
Changes in current liabilities	-41.0	16.7
Changes in working capital	-42.8	33.0

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

DKKm	2021	2020
Investment in software	-6.7	-5.8
Investment in land and buildings	-6.8	0.0
Investment in plant and machinery	-8.6	-7.0
Investment in fixtures and fittings	-3.4	-5.6
Total investments	-25.5	-18.4
Investments with a cash effect hereof	-24.7	-16.4
IFRS 16 investments hereof (no cash effect)	-0.8	-2.0

Investments for the year included DKK 7.2m relating to Bekey's stairwells project. 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 ele-

ments 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 2021 amounted to approximately DKK 10m (2020: approximately DKK 15m).

Note 26 Development in interest-bearing debt

DKKm	2021	2020
Non-current liabilities at 1 January, financial institutions and lease debt	124.4	132.2
Current liabilities at 1 January, financial institutions and lease debt	8.3	10.9
New lease commitments	0.7	1.7
Leasing debt is deducted in connection with divestment	0.0	-1.7
Repayment of non-current liabilities	-8.6	-10.4
Interest bearing debt at 31 December	124.8	132.7
Of this short-term debt	8.2	8.3
Of this long-term debt	116.6	124.4
Interest bearing debt at 31 December	124.8	132.7



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 at 31 December 2021 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 2.0 million has been recognised in the income statement (2020: DKK 2.0 million), and remaining lease payments amount to DKK 0.7 million.

DKKm	2021	2020
Rental agreements are recognised in 'Land and buildings, Note 14	4.0	5.8
Leased cars are recognised in 'Fixtures and fittings', Note 14	2.8	4.2
	6.8	10.0

Note 28 Accounting estimates and judgements

No material accounting estimates and judgements were made in preparing the North Media A/S consolidated financial statements for 2021.

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 Discontinued operations

The sale of North Media Aviser at 1 May 2020 has resulted in the following financial items relating to the discontinued operations being summarized and presented in 'Profit/loss, discontinued operations':

At 31 December 2021, the balance sheet contained no outstanding assets or liabilities relating to the discontinued operations.

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



Note 30 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 2021, 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 0.36m, which amount has been

recognised in other securities and investments. The remaining amount, EUR 1.64m, 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 31 Security for loans

DKKm	2021	2020
Carrying amount for mortgaged properties provided as security for the Group's mortgage debt	227.2	228.4

Note 32 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 2021, Horten invoiced the Group total fees of DKK 5.6 million (2020: DKK 3.5 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	2021	2020
Transactions with associates		
Sale to Lead Supply A/S	0.2	0.4
Total	0.2	0.4



Note 33 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 understanding 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 129.7 million (2020: DKK 153.5 million). In addition, the Group has readily negotiable securities of DKK 753.1 million (2020: DKK 585.4 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	2021	2020
0.5%, 20-year annuity loan maturing on 31 December 2039, cash loan	57.9	60.9
1.5%, 30-year annuity loan maturing on 30 September 2048, cash loan	60.2	61.9
Total mortgage debt	118.1	122.8

The Group's financial liabilities are due as follows:

2021, DKKm	Carrying amount	Contractual cash flow	Within 3 months	Within 3-12 months	2-5 years	After 5 years
Financial liabilities						
Financial institutions	118.1	147.1	1.7	5.2	27.7	112.5
Lease debt	6.7	6.8	0.9	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	235.9	77.9	14.5	31.0	112.5
2020, DKKm						
Financial liabilities						
Financial institutions	122.8	154.3	1.8	5.3	27.8	119.4
Lease debt	9.9	9.9	0.9	2.7	6.3	0.0
Trade payables	34.3	34.3	34.3	0.0	0.0	0.0
Other payables	40.1	40.1	36.1	4.0	0.0	0.0
Liabilities at 31 December 2020	207.1	238.6	73.1	12.0	34.1	119.4

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 9.5 million. Conversely, a decline in the interest rate level by 1% would only increase the fair value of the debt by DKK 3.5 million, since the cash loan can be redeemed by purchasing the underlying bonds (for 2020, an increase in the interest-rate level by 1% would reduce the fair value of the debt by DKK

4.8 million whereas a decline would have increased the fair value of the debt by DKK 0.2 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 2021.
- 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 %.



Note 33 Financial risks (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.

Security risk (shares)

A major portion of the Group's capital resources is placed in 18 different Danish and foreign shares and share-based investment funds, see description in the Financial review on page 34. A 10% change in the share price of the securities would influence pre-tax profit or loss for the year and equity by DKK 75.3 million (2020: DKK 58.5 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2021 would isolated influence profit or loss for the year and equity by DKK 35.0 million (2020: DKK 30.6 million). Please refer to page 34 in the Financial review for a more detailed description of returns and value at risk.

Currency risks

App. 97% 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 2021 and 2020.

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 0.031%, 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 2021, total receivables of DKK 47.6 million were credit-insured with a maximum credit risk of DKK 8.9 million (2020: DKK 51.7 million credit-insured, and a maximum credit risk of DKK 9.4 million).

Capital management

Please refer to the section on capital resources in the management commentary, capital structure and dividend policy, page 37.

Financial assets and liabilities end 2021 DKKm	Within 1 year	Between 2 - 5 years	After 5 years	Total	Average duration
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	-

Financial assets and liabilities end 2020 DKKm	Within 1 year	Between 2 - 5 years	After 5 years	Total	Average duration
Bank deposits	153.5	0.0	0.0	153.5	1
Mortgage debt, fixed rate	-4.7	-19.4	-98.7	-122.8	4
Lease debt	-3.6	-6.3	0.0	-9.9	-
31 December 2020	145.2	-25.7	-98.7	20.8	-



Note 34 Carrying amount, financial assets and liabilities

DKKm	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables*	57.5	57.5	60.6	60.6
Other receivables**	2.7	2.7	1.8	1.8
Cash at bank and in hand	129.7	129.7	153.5	153.5
Financial assets, measured at amortised cost	189.9	189.9	215.9	215.9
Other securities and investments	2.2	2.2	1.9	1.9
Securities	753.1	753.1	585.4	585.4
Financial assets, measured at fair value	755.3	755.3	587.3	587.3
Financial institutions	118.1	119.2	122.8	127.6
Lease debt	6.7	6.7	9.9	9.9
Trade payables	44.7	44.7	34.3	34.3
Financial liabilities, measured at amortised cost	169.5	170.6	167.0	171.8

*) 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 2021 and 31 December 2020, respectively, for the individual securities (Level 1).

The fair value for credit institutions has been calculated based on the market price at 31 December 2021 and 31 December 2020, 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 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 explained below:

	2021	2020
Income statement Items		
Direct costs	-236.7	-245.4
Direct staff costs	-176.4	-180.2
Staff costs	-221.0	-225.8
Other external costs	-112.2	-131.7
Other operating income	4.9	8.1
Total	-741.4	-775.0
These items are classified by nature:		
Other operating income	4.9	8.1
Cost of raw materials and consumables	-20.4	-21.6
Other external costs	-328.5	-355.5
Staff cost, cf note 5 and 6	-397.4	-406.0
Total	-741.4	-775.0

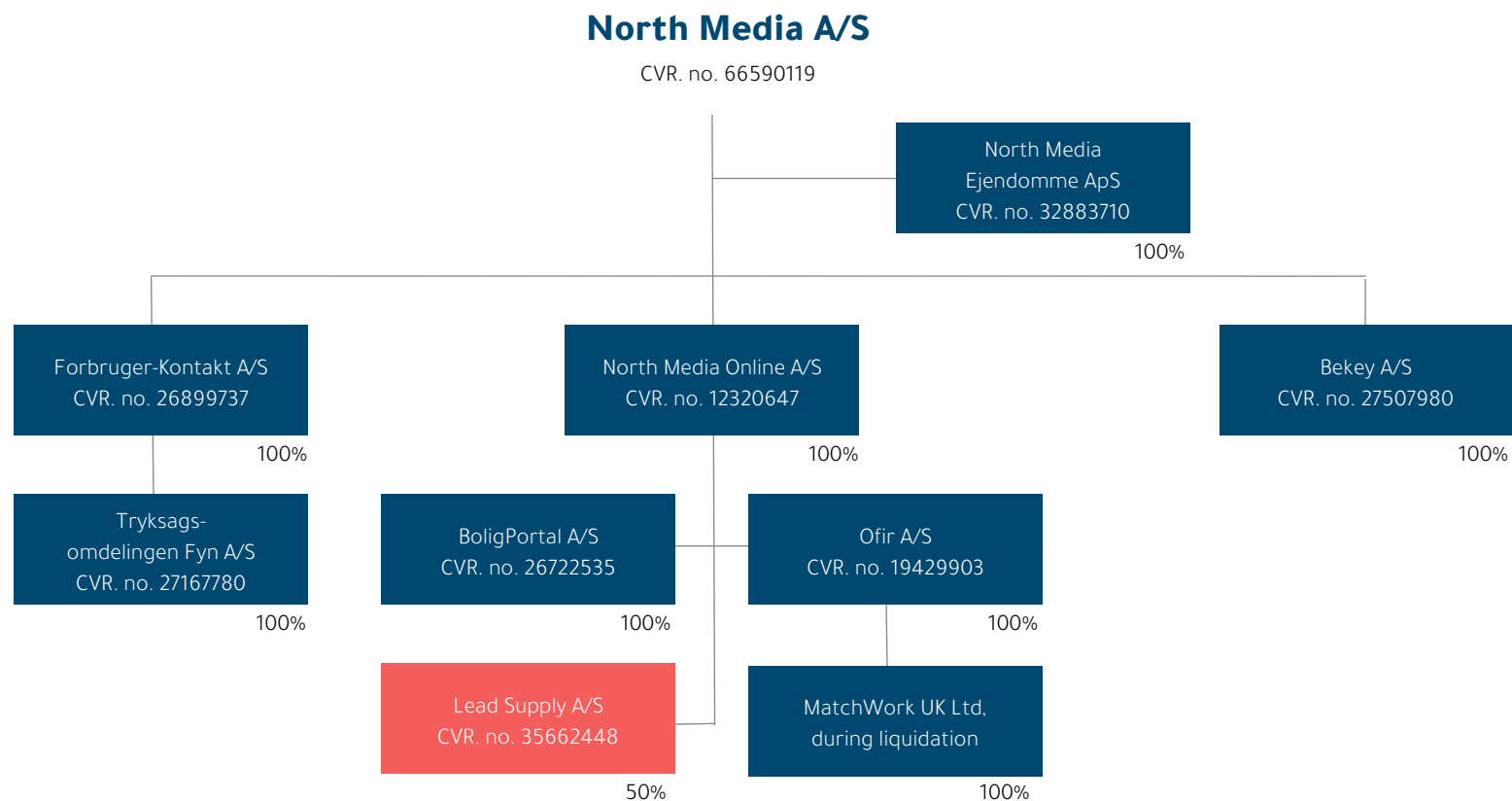
Note 36 Subsequent events

North Media's subsidiary BoligPortal has acquired 51% of the shares in Boligmanager ApS, see Announcement no. 1-2022 of 27 January 2022. The takeover date is 1 February 2022. BoligPortal has paid the two founders DKK 4 million and will contribute DKK 8 million to Boligmanager in support of the company's future growth.

No other events had occurred at the release of this Annual Report on 9 February 2022 which will affect users' interpretation of the Annual Report.

Note 37 Authorisation of the consolidated financial statements

At the Board meeting on 9 February 2022, the Board of Directors authorised this Annual Report for publication. The Annual Report will be submitted for approval at the Annual General Meeting on 25 March 2022.

**Note 38** Group chart at 31 December 2021

Consolidated company

Associates



Parent financial statements

Financial statement 1 January - 31 December 2021

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Parent income statement

DKKm	Note	2021	2020
Revenue		17.0	16.0
Staff costs	42	18.3	22.8
Other external expenses	41	11.8	15.8
Amortisation and depreciation		0.1	0.0
EBIT		-13.2	-22.6
Share of profits/losses in subsidiaries	43	204.6	206.7
Financial income	44	103.2	154.5
Financial expenses	44	1.9	1.7
Profit/loss before tax		292.7	336.9
Tax for the year	45	18.2	29.5
Net profit/loss for the year		274.5	307.4



Parent balance sheet at 31 December

Assets

DKKm	Note	2021	2020
Operating equipment, fixtures and fittings		0.9	0.8
Property, plant and equipment	46	0.9	0.8
Investment in subsidiaries	47	473.8	451.4
Securities		2.2	1.9
Deferred tax asset	48	10.1	1.0
Other receivables	49	3.8	3.8
Other non-current assets		489.9	458.1
Total non-current assets		490.8	458.8
Receivables from subsidiaries		61.7	59.6
Income tax receivable	50	6.3	0.0
Prepayments		0.3	0.4
Total receivables		68.3	60.0
Securities		753.0	585.4
Cash		103.9	140.3
Total current assets		925.2	785.7
Total assets		1,416.0	1,244.5

Equity and liabilities

DKKm	Note	2021	2020
Share capital	51	100.3	100.3
Retained earnings	52	836.7	634.9
Proposed dividend	52	100.3	100.3
Shareholders' equity		1,037.3	835.4
Trade payables		1.7	0.5
Payables to subsidiaries		365.0	386.7
Income tax payable	50	0.0	9.0
Other payables		12.0	12.9
Total current liabilities		378.7	409.1
Total liabilities		378.7	409.1
Total equity and liabilities		1,416.0	1,244.5
Rental obligations	53		
Contingent liabilities	54		
Related parties	55		
Subsequent events	56		



Parent statement of changes in equity

DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020	100.3	446.3	80.2	626.8
Changes in equity in 2020				
Foreign currency translation adjustments, foreign subsidiaries and associate	0.0	0.3	0.0	0.3
Net profit/loss for the year	0.0	207.1	100.3	307.4
Extraordinarily dividend paid	0.0	0.0	-80.2	-80.2
Dividend on treasury shares	0.0	8.4	0.0	8.4
Sales of treasury shares	0.0	-29.2	0.0	-29.2
Share-based payment	0.0	2.0	0.0	2.0
Total changes in equity in 2020	0.0	188.6	20.1	208.6
Equity at 31 December 2020/1 January 2021	100.3	634.9	100.3	835.4
Changes in equity in 2021				
Foreign currency translation adjustments, foreign subsidiaries and associate	0.0	-0.3	0.0	-0.3
Net profit/loss for the year	0.0	174.2	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 of share-based 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	201.8	0.0	201.9
Equity at 31 December 2021	100.3	836.7	100.3	1,037.3



Notes to the parent financial statements

Note 39 Basis of accounting

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

The Annual Report is presented in Danish kroner.

Accounting policies are unchanged compared with 2020.

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 intercompany management fees.

Profits or losses from investments in subsidiaries

The Parent's profit or loss includes the proportionate 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 income 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	2021	2020
PwC		
Statutory audit services	0.5	0.5
Non-assurance engagements	0.0	0.1
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	1.1

Fees for other assurance engagements provided for the Company by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.5m in 2021 (2020: 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

	2021	2020
Average number of employees	7	16

DKKm	2021	2020
Total amount of wages, salaries and remuneration for the year:		
Wages and salaries including holiday pay	12.1	16.0
Defined contribution plans	0.6	0.9
Other social security costs	0.1	0.3
Fee to the Board of Directors	3.4	3.3
Other staff costs	2.1	2.3
Total staff costs	18.3	22.8

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

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

2020, DKKm	Board of Directors	Executive Board	Total
Wages and salaries	3.8	14.2	18.0
Defined contribution plans	0.0	1.5	1.5
Share-based payment	0.4	0.7	1.1
Total remuneration	4.2	16.4	20.6
Number of members	6	5	11



Note 43 Share of profits/losses in subsidiaries

DKKm	2021	2020
Share of profits/losses before tax	260.1	251.8
Share of tax	-55.5	-54.4
Gains on sale of shares in subsidiary	0.0	9.2
Total share of profits/losses in subsidiaries	204.6	206.7

Note 44 Financial income and expenses

DKKm	2021	2020
Financial income		
Dividend	2.9	3.0
Net capital gains on shares	100.3	151.5
Total financial income	103.2	154.5
Financial expenses		
Other financial expenses	1.9	1.7
Total financial expenses	1.9	1.7

Note 45 Income tax

DKKm	2021	2020
Income tax for the year is composed as follows:		
Current tax charges, incl. financing charges	17.1	30.1
Adjustment relating to prior years	0.0	0.2
Changes in the deferred tax charge	1.1	-0.8
Total tax on profit/loss for the year, income	18.2	29.5

Note 46 Property, plant and equipment

DKKm	2021	2020
Cost at 1 January	2.1	2.1
Additions for the year	0.2	0.0
Cost at 31 December	2.3	2.1
Depreciation and impairment losses at 1 January	1.3	1.3
Depreciation for the year	0.1	0.0
Depreciation and impairment losses at 31 December	1.4	1.3
Carrying amount at 31 December	0.9	0.8
Depreciated over (years)	3-5	3-5



Note 47 Investments in subsidiaries

DKKm	2021	2020
Cost at 1 January	699.5	783.4
Additions for the year	15.0	15.0
Disposals for the year	0.0	-98.9
Cost at 31 December	714.5	699.5
Net write-down according to the equity method at 1 January	-248.0	-348.9
Translation adjustments	-0.3	0.3
Share of profit/loss for the year	204.6	197.4
Dividend received	-197.0	-190.4
Disposals for the year	0.0	93.5
Net write-down according to the equity method at 31 December	-240.7	-248.0
Carrying amount at 31 December	473.8	451.4
Of which, goodwill	0.0	0.0

Ownership

DKKm	Registered office	2021	2020
Forbruger-Kontakt A/S	Taastrup	100.0%	100.0%
North Media Online A/S	Søborg	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 Deferred tax

DKKm	2021	2020
Deferred tax at 1 January	-0.9	-0.1
Deferred tax for the year included in net profit/loss for the year	1.1	-0.8
Deferred tax of share-based options	-10.3	0.0
Deferred tax at 31 December, net	-10.1	-0.9

Specification of deferred tax:

	Asstes	Liabilities	Total 2021
Property, plant and equipment	0.2	0.0	-0.2
Share-based options	-0.1	-9.2	-9.1
Current liabilities	0.0	-0.8	-0.8
	0.1	-10.0	-10.1

	Asstes	Liabilities	Total 2020
Property, plant and equipment	0.1	0.0	-0.1
Receivables	-0.1	0.0	0.0
Current liabilities	0.0	-0.8	-0.8
	0.1	-0.8	-0.9

Note 49 Other receivables

DKKm	2021	2020
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 50 Income tax payable

DKKmn	2021	2020
Income tax payable at 1 January	9.0	6.7
Current tax for the year	17.1	30.1
Adjustments for prior years	0.0	0.2
Tax payable under the joint taxation arrangement	57.5	52.7
Income tax paid for the year	-89.9	-80.7
Income tax payable at 31 December	-6.3	9.0

Note 51 Share capital

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

Note 52 Attributable, net profit/loss

DKKmn	2021	2020
Attributable, net profit/loss	174.2	207.1
Proposed dividend	100.3	100.3
Net profit/loss for the year	274.5	307.4

Note 53 Rental obligations

DKKmn	2021	2020
Future total expenses related to rental obligations:		
Due within 1 year	0.6	0.6
Due within 1 and 5 years	0.0	0.0
Total	0.6	0.6
With respect to rental obligations, the following amounts have been recognised in the income statement:	0.6	1.0

Note 54 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 30 to the consolidated financial statements for a description of the investment in Copenhagen Infrastructure Partners.

Note 55 Related parties

Reference is made to Note 32 to the consolidated financial statements for a description of related party transactions.

Note 56 Subsequent events

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



Group addresses



Parent

North Media A/S

Gladsaxe Møllevvej 28
DK-2860 Søborg
CVR. no. 66 59 01 19
Telephone: +45 39 57 70 00
www.northmedia.dk

Subsidiaries

Forbruger-Kontakt A/S FK Distribution A/S

Bredebjergvej 6
DK-2630 Taastrup
CVR. no. 26 89 97 37
Telephone: +45 43 43 99 00
www.fk.dk

North Media Online A/S

Gladsaxe Møllevvej 26
DK-2860 Søborg
CVR. no. 12 32 06 47

Ofir A/S

Gladsaxe Møllevvej 26
DK-2860 Søborg
CVR. no. 19 42 99 03
Telephone: +45 36 95 95 95
www.ofir.dk

Bekey A/S

Gladsaxe Møllevvej 28
DK-2860 Søborg
CVR. no. 27 50 79 80
Telephone: +45 43 43 99 90
www.bekey.dk

Associates

Lead Supply A/S

Dalgas Avenue 2 F, niveau 4
DK-8000 Aarhus
CVR. no. 35 66 24 48
www.leadsupply.dk

Tryksagsomdel. Fyn A/S FK Distribution Fyn A/S

Ryttermarken 4B
DK-5700 Svendborg
CVR. no. 27 16 77 80
Telephone: +45 62 22 22 22
www.fk.dk

BoligPortal A/S

Paludan-Müllers Vej 40B
DK-8200 Aarhus N
CVR. no. 26 72 25 35
Telephone: +45 70 20 80 82
www.boligportal.dk

North Media Ejendomme ApS

Gladsaxe Møllevvej 28
DK-2860 Søborg
CVR. no. 32 88 37 10
Telephone: +45 39 57 70 00

North Media A/S

Gladsaxe Møllevej 28
DK - 2860 Søborg
Telephone: +45 39 57 70 00
E-mail: investor@northmedia.dk
www.northmedia.dk
CVR. no. 66 59 01 19

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