

Annual Report

2020

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

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CVR. no. 66 59 01 19



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Management commentary

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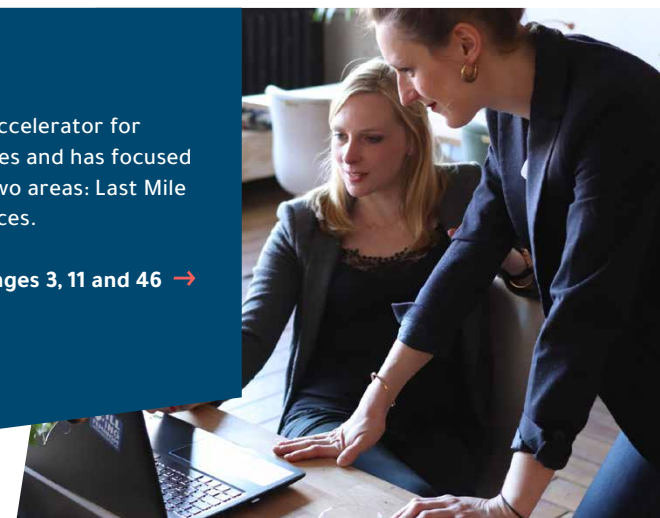
The Annual Report 2020 has been prepared in Danish and English.

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

At a glance

North Media is accelerator for growth companies and has focused its activities in two areas: Last Mile and Digital Services.

[Read more on pages 3, 11 and 46 →](#)



Our business

Guidance for 2021 and ambitions for 2022 and 2023

[Read more on pages 9 and 10 →](#)

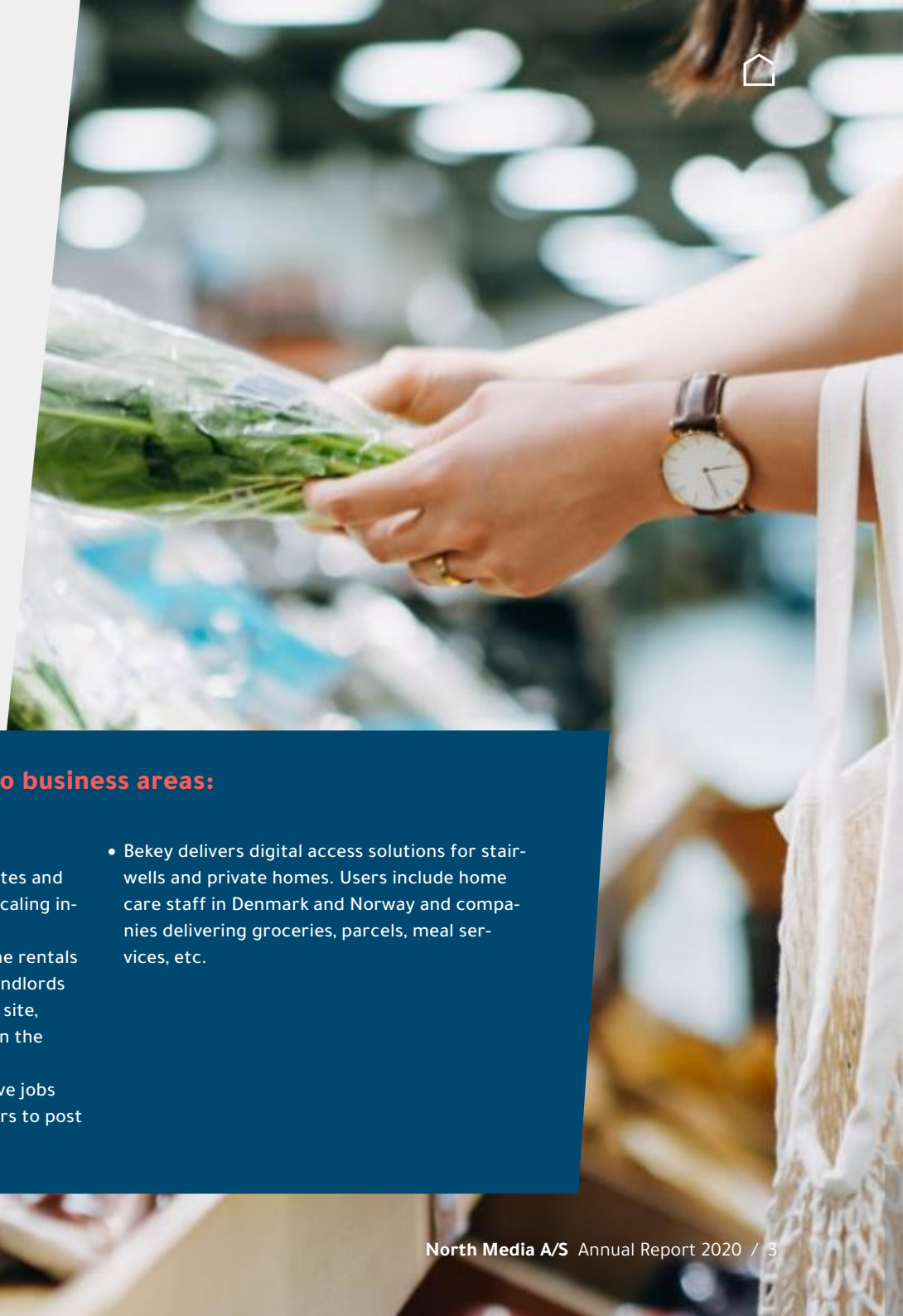




At a glance

Growth company accelerator

We develop 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 and access management solutions. Part of our strategy is to be an accelerator for growth companies, and we start off with the powerful businesses in our portfolio.



Effective from 2021, we have organised our operations into two business areas:

Last Mile

FK Distribution is a business with solid and stable earnings. FK Distribution is Denmark's leading distributor of leaflets and local newspapers and has unique expertise in sorting, packing and distributing printed matter in individualised bundles to named households. FK Distribution runs the minetilbud digital platform. FK Distribution also provides packing services for Danish customers and for Deutsche Post. Is currently exploring the potential for attracting further international business.

Digital Services

Businesses with double-digit growth rates and increasing earnings, the potential for scaling internationally:

- BoligPortal is Denmark's leading home rentals platform, offering services to both landlords and tenants. The company's Swedish site, BostadsPortal.se, is to be scaled up on the same platform.
- Ofir is Denmark's most comprehensive jobs universe, used by about 900 employers to post job vacancies.
- Bekey delivers digital access solutions for stairwells and private homes. Users include home care staff in Denmark and Norway and companies delivering groceries, parcels, meal services, etc.



Preface

A year of contrasts

For North Media, 2020 became a year of contrasts as well as a landmark year.

We delivered the best EBIT in company history.

We achieved that in a year when countries the world over were severely affected by the COVID-19. While we worked hard and have done well, we are also well aware that we were fortunate that only a few of our big customers were not heavily impacted by the pandemic. Our consolidated EBIT before special items improved to DKK 240m, a DKK 74m improvement on 2019. Divesting North Media Aviser was a landmark event in our Group's history and development. Richard Bunck had a strong vision when he launched Søndagsavisen in 1978. For many years, Søndagsavisen played a significant role both commercially and in society, growing to become Denmark's largest media by far in terms of readership and ads placed, especially when job adverts peaked.

Promotional leaflets synergising with brick-and-mortar retail

Local newspapers and leaflets still play a dominant role in bringing offers and information to the Danish population. The main media when it comes to attracting consumers to brick-and-mortar stores are, by order of importance, leaflets, TV adverts, local newspapers and daily newspapers. The online media is not sufficiently effective for neither mass marketing nor for promoting high-volume product offers. In other words, leaflets work in synergy with the brick-and-mortar shops of the retail sector and along with TV adverts, they constitute a powerful parameter of competition relative to the digital channels. In popular terms, you might say that as long

“We were fortunate that only a few of our big customers were not heavily impacted by the COVID-19”



as brick- and-mortar shops exist, there will be leaflets to be distributed.

The market for distributing leaflets will track trends in the number of chains in the retail sector, and that number has been declining in recent years. This has created a need for greater efficiency in the distribution of leaflets, and FK Distribution responded by reducing the number of weekly distribution rounds from two to one. The change produced a satisfactory result, and in 2020 FK Distribution grew its EBIT margin to 26%. We expect relatively flat market developments over the next couple of years, as the current consolidation trend in the retail sector slows and the number of retail chains using leaflets stabilises.

The platform builds competitive strength and efficiency

North Media is in prime shape going into 2021, and we have set clear-cut strategies and project timelines. We have divided our operations into two powerful business areas: Last Mile and Digital Services. We have taken a platform approach to shape the infrastructure that our businesses will use to scale their operations going forward. Automated platforms that integrate both customers and business partners are the source of a strong market position, creating multiple concurrent revenue streams and high financial efficiency.

FK Distribution applies an advanced logistical platform for Last Mile distribution that will ensure attractive earnings, but it also has the capacity to add more advanced products to its distribution services. We have for example begun offering packing services, initially to Deutsche Post.

In Digital Services, BoligPortal's, Ofir's and Bekey's platforms are ready to be upscaled, and we are diligently exploring the opportunities becoming available to our digital platforms.

BoligPortal and Ofir both generated double-digit revenue growth in 2020. BoligPortal trebled its earnings, while Ofir in the fourth quarter reported its first quarterly operating profit.

Bekey reduced its EBIT loss after recording double-digit growth in its homecare business and achieved continued construction of breakthrough in the stairwells segment.

A value and growth business

Today's North Media A/S combines the characteristics of a value business and a growth business. FK Distribution is a well-oiled and stable business set to generate substantial earnings in the years to come. Together with our growth businesses, BoligPortal, Ofir and Bekey, we therefore expect our earnings to rise in the coming years.

We are looking for 20+% revenue growth each from BoligPortal, Ofir and Bekey. The coming years will reveal the extent of the international scalability potential. We aim to accelerate growth by acquiring business areas that offer documented synergy potential when merged with our existing businesses, and we have allocated up to DKK 200m for that purpose during the period 2021-2023.

We see developing our growth businesses as a natural next step in creating value for North Media's shareholders.

Our ambition is for North Media to act as an accelerator for growth companies. We have

developed marketplaces and built infrastructure for our businesses, and they are now embarking on the exciting phase of upscaling their operations. Initially in Denmark and subsequently in international markets.

Shareholder return in 2020

We are pleased to note that our shareholders received a return on their investment of 88% in 2020 by way of dividends and capital gains, on top of the 42% return we delivered in 2019.

Clearly, the development of our businesses is the principal underlying driver of the value created. Next, our objective is to pay an attractive cash dividend supplemented by occasional share buybacks. At the same time, we maintain solid financial resources as a means of ensuring our independence and capacity to capitalise on opportunities that may arise.

The Board of Directors intends to recommend to the shareholders at the Annual General Meeting, that a dividend of DKK 5 per share be paid in respect of 2020. If the shareholders vote to adopt the recommendation, North Media will have distributed almost DKK 300m in dividends and share buybacks since 2017, equal to DKK 16.0 per share.

Guidance for 2021 and ambitions for the coming years

We plan to regularly update our strategy and financial targets over the coming years. In our guidance for 2021, we expect Digital Services to deliver double-digit growth once again and to increase its earnings. Earnings in the Last Mile business area are expected to drop slightly in 2021 due to uncertainty relating to how the COVID-19 situation will develop.

As a result, the overall guidance is for consolidated EBIT in 2021 in line with the figure for 2020.

For 2022 and 2023, we have set high ambitions. In achieving the expectations for 2021 and the ambitions for 2022 and 2023, our ambition is to pay dividends of DKK 5 per share for each of the 2021-2023 financial years.

Sustainability

Since our company was founded in 1965, we have always taken an interest in the communities in which we operate. We take an active role in contributing directly to heighten sustainability through the services we offer and to work diligently to achieve maximum sustainability in our role as a market player, an employer and a corporate citizen.

Thank you

I would like to conclude by thanking all our talented employees who make a difference to our businesses every single day. I would also like to extend a big 'Thank You' to our shareholders for their support and growing interest in North Media. Last, but not least, thank you to our valued customers, the foundation of our business.

Chairman
Mads Dahl Andersen



Group financial highlights

DKKm	2020	*2019	2018	2017	2016
Income statement					
Revenue	1,045.4	1,045.6	1,144.9	899.4	881.1
Gross profit	619.8	522.7	552.5	409.8	417.7
EBITDA before special items	270.4	193.2	137.2	28.4	10.9
Amortisation and depreciation	30.2	27.3	27.5	28.5	37.2
EBIT before special items	240.2	165.9	109.7	-0.1	-26.3
Special items, net	0.0	4.1	-15.7	-0.4	-41.1
Operating profit (EBIT)	240.2	170.0	94.0	-0.5	-67.4
Return on securities	154.5	122.1	5.2	34.7	-6.2
Financials, net	-5.5	-11.6	-27.0	-3.2	-20.6
Profit/loss before tax (EBT)	388.1	275.6	73.1	28.6	-69.7
Tax for the year, continuing operations	85.1	64.1	17.3	0.6	-6.0
Net profit, continuing operations	303.0	211.5	55.8	28.0	-63.7
Net profit, discontinued operations	3.5	-6.2	0.0	0.0	0.0
Net profit for the year	306.5	205.3	55.8	28.0	-63.7
Comprehensive income	306.8	205.1	66.1	30.2	-62.7
Net profit excluding return on securities	186.0	110.1	51.7	0.9	-58.9
Balance sheet, year end					
Total assets	1,189.1	967.8	825.4	784.7	765.7
Shareholders' equity incl. minorities	879.0	671.2	538.7	497.7	460.4
Net interest-bearing cash position	579.0	334.9	196.1	128.3	106.9
Properties	248.2	257.2	263.8	258.9	266.6
Mortgage Debt	-122.8	-127.5	-131.1	-145.2	-154.7
Capital resources	738.9	484.7	327.2	281.1	271.3
Net working capital (NWC)	-58.4	-41.3	-39.3	-36.2	-37.1
Invested capital	300.0	336.3	342.6	369.4	353.5
Investments in intangible assets and property, plant and equipment	16.4	13.9	26.1	32.4	7.8
Free cash flow before special items	291.3	177.8	108.3	-4.0	3.2

DKKm	2020	*2019	2018	2017	2016
Cash flow statement					
Cash flows from operating activities	218.6	132.1	104.7	23.0	-14.3
Cash flows from investing activities	-47.2	-31.3	-44.1	-38.2	-14.9
Cash flows from financing activities	-110.4	-83.0	-30.2	-1.0	-6.7
Total cash flows, continuing activities	61.0	17.8	30.4	-16.2	-35.9
Total cash flows, discontinued activities	7.8	-3.8	-	-	-
Other information					
Average number of employees, continued activities	445	461	575	560	548
Number of shares at year-end, in thousands of DKK5 nominal value	20,055	20,055	20,055	20,055	20,055
Treasury shares	2,100	1,600	1,100	1,205	1,485
Share price at year-end, DKK	79.8	44.5	33.5	35.2	13.2
Ratios					
Gross margin	59.3%	50.0%	48.3%	45.6%	47.4%
EBIT margin (before special items)	23.0%	15.9%	9.6%	0.0%	-3.0%
Equity ratio	73.9%	69.4%	65.3%	63.4%	60.1%
Return on equity (ROE)	39.5%	33.9%	10.8%	5.8%	-13.0%
Return on capital employed, before special items (ROIC)	75.5%	48.9%	30.8%	0.0%	-6.9%
Earnings per share (EPS)	16.9	11.0	3.0	1.5	-3.4
Diluted earnings per share (EPS-D)	16.7	11.0	3.0	1.5	-3.4
Earnings per share excluding return on securities (EPS-adj)	10.3	5.9	2.7	0.0	-3.2
Price/Earnings (P/E)	4.7	4.0	11.2	23.5	-
Price/Book Value (P/BV)	1.8	1.3	1.2	1.4	0.6
Cash flow per share (CFPS)	12.1	7.1	5.5	1.2	-0.8
Dividend paid in financial year	4.0	3.0	1.5	0.0	0.0

Reference is made to Note 3 for Ratio definitions.

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



Results

2020 results

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

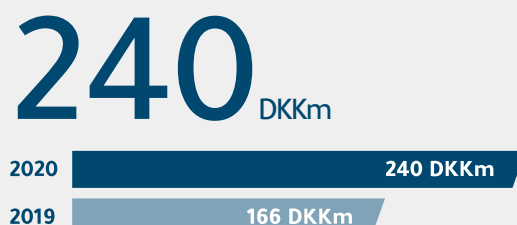
Revenue

Overall group revenue for 2020 came to DKK 1,045m, which was in line with last year's figure. FK Distribution recorded a 2% revenue decline, whereas North Media Online and Bekey reported 20% and 17% revenue growth, respectively.



EBIT before special items

The Group's 2020 EBIT before special items amounted to DKK 240m, an increase of DKK 74m year on year.



Better than expected

- FK Distribution's transition from two to one weekly distribution round was completed faster than anticipated.
- BoligPortal (North Media Online) reporting higher-than-expected revenue from product sales and advertising targeting landlords and tenants.
- Ofir (North Media Online) reported a profit for the final four months of 2020, which was slightly sooner than the target of achieving profitability in 2021.
- Bekey's homecare segment (homecare services provided by Danish municipalities) now profitable. Bekey now has contracts with 29 Danish municipalities.



As expected

- BoligPortal (North Media Online) met the target for the year in terms of developing new products directed at landlords and platform and data improvements.
- Ofir (North Media Online) increased volumes and raised prices of job adds.



Not as expected

- The COVID-19 pandemic has required extraordinary efforts in all corners of the Group's businesses in order to protect the employees while still keeping operations running.
- COVID-19 has to some extent delayed and made more difficult the process of obtaining new permits to install Bekey SmartRelays in locked stairwells in Greater Copenhagen.



Guidance in 2020	6 February**	18 March	7 May	25 June	19 August	5 November
Revenue	1,075-1,125	Suspended	-	990-1,040	1,005-1,045	1,020-1,045
EBIT before special items	160-190	Suspended	On a par with 2019	200-230	215-245	230-245

All businesses reported earnings improvements, with FK Distribution as the largest contributor thanks to substantial cost cuts following the transition from two to one weekly distribution round. North Media Online also reported a very positive performance with a threefold increase in full-year EBIT, and Bekey has continued to reduce its operating loss despite the costs of developing the stairwells market.

The original full-year guidance for 2020 included revenue and EBIT for North Media Aviser, which was divested at 1 May 2020. The reported full-year revenue and EBIT are in line with the most recent guidance, which was provided in the Q3 2020 interim report.

Return on securities

Return on the Group's securities was DKK 154.5m, corresponding to a return on investment of 37.9% in 2020. The value of the securities portfolio was DKK 585.4m at 31 December 2020.

Net profit for the year after tax

The net profit for the year was DKK 306.5m (2019: DKK 205.3m).

* Reference is made to Note 3 for Ratio definitions

** The original full-year guidance for 2020 included North Media Aviser, which was divested effective at 1 May 2020.

Earnings per share

Earnings per share (diluted) were DKK 16.7 in 2020 compared to DKK 11.0 in 2019.

Other matters

- Capital resources* at 31 December 2020 amounted to DKK 739m (31 December 2019: DKK 485m).
- At 31 December 2020, North Media had a market capitalisation of DKK 1,600m (31 December 2019: DKK 892m)

In connection with the divestment of North Media Aviser, these activities are presented as discontinued operations in both 2020 and 2019.

The North Media Group has not received any support from the Danish government's COVID-19 relief packages. The Group intends to either repay or donate to charity the amount of approximately DKK 3.8m received in connection with the government's COVID-19 compensation scheme in cover of North Media Aviser's loss of advertising revenue during the period until divestment.

Group financial highlights 2020

(2019)

Revenue

1.045 DKKm

(1.046 DKKm)

EBITDA before special items*

270 DKKm

(193 DKKm)

EBIT before special items*

240 DKKm

(166 DKKm)

PAS PÅ
HOLD
AFSTAND

PAS PÅ
HINANDEN
HOLD
AFSTAND



Guidance for 2021

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

Guidance for group financial highlights 2021

(2020)

Revenue

985-1,025

DKKm
(1,045 DKKm)

EBIT before special items

230-255

DKKm
(240 DKKm)

Last Mile

FK Distribution

- FK Distribution expects a slight revenue decline in 2021, mainly due to a drop in volumes of printed matter and local newspapers.
- Focus will be on product development by way of selected sales and packing services for third parties in adjacent markets.
- There is still uncertainty associated with the development and consequences of COVID-19. The continued lockdown of large parts of the retail sector will have a negative impact on North Media's guidance for revenue and EBIT.

Revenue

840-870

DKKm

EBIT before special items

210-230

DKKm

Digital Services

BoligPortal

- Launch of SaaS products to landlords, data products to property investors and service offerings to tenants when they take occupancy.
- Weaker growth expected in the first half of the year as revenue streams become more subscription-driven.
- EBIT margin to improve further.

Revenue: **93 - 97 DKKm**

EBIT before special items: **31 - 33 DKKm**

Ofir

- Strengthen market-leading position in social media and focus on new job segments.
- Set up data team to strengthen data and research capabilities involving job ads and job applicants.
- Increase revenue growth and profit.

Revenue: **24 - 27 DKKm**

EBIT before special items: **1 - 2 DKKm**

Bekey

- Increase the coverage of SmartRelays in secured multi-storey buildings in Copenhagen from 54% to 70%.
- Onboard subscription-paying customers for Bekey's stairwells solution.
- Increase the number of municipalities that use Bekey's key solution in Denmark and Norway.
- Break-even is expected during 2022.

Revenue: **28 - 31 DKKm**

EBIT before special items: **-7 to -5 DKKm**

Revenue

145-155

DKKm

EBIT before special items

25-30

DKKm



Ambitions for 2022-2023

The Group

- Revenue: About 3% annual organic growth.
- EBIT margin: About 24% by 2023.
- Investments/acquisitions: Up to DKK 200m during the period. Investments are primarily made in companies where there are positive synergies and scaling potential that match the Group's activities and competencies.
- Provided the above ambitions are achieved and assuming no other matters have a material impact on the Group's operations and financial position, our ambition is to pay dividends of DKK 5 per share for each of the 2021-2023 financial years.

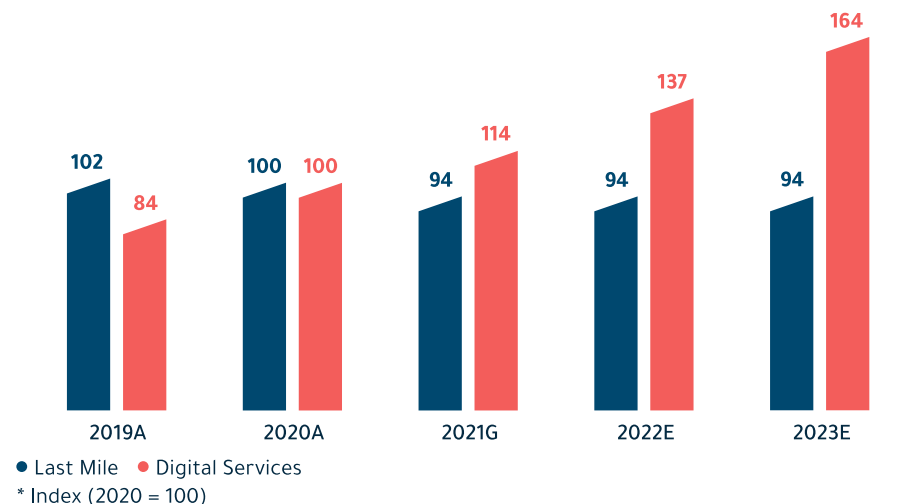
Last Mile

- Revenue: As in 2021.
- EBIT margin: Stable at about 24%.
- Potential for international expansion being explored by way of packing services at terminals in Taastrup/Tilst. Major investments not required.

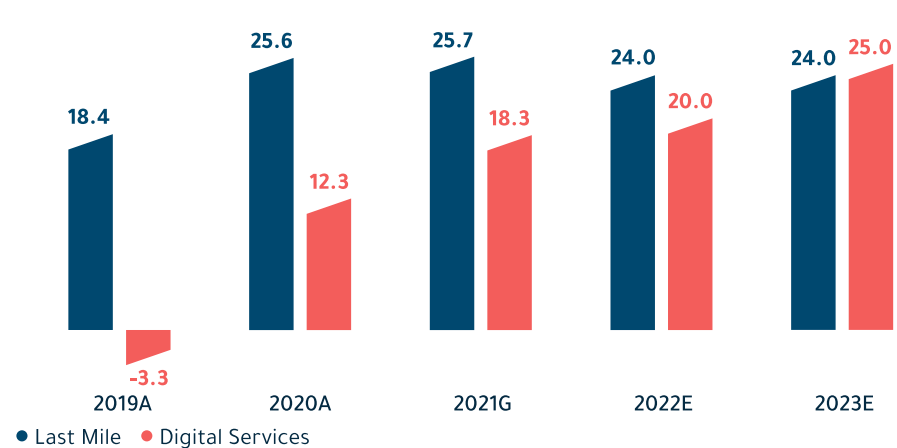
Digital Services

- Revenue: About 20% annual growth (ex. acquisitions).
- EBIT margin: Growing to about 25% by 2023 (ex. acquisitions)

Indexed revenue growth*

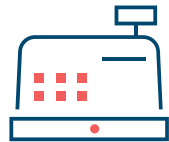


EBIT Margin (%)





Platforms for transactions



Retailers, other types of advertisers and local newspapers



Letting agents and landlords



Employers



Distributors, homecare staff etc.

FK Distribution

North Media Online


Bekey

Last Mile

Digital Services



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

Mediation of
>100,000
rented housing i DK

Home seekers

Dissemination of
>33,000
job postings



Job seekers

Digital acces solutions
>10m
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 (growth)

-2%

EBIT before special items (increase)

+36%





Advertising material and information from retailers to consumers

FK Distribution distributes advertising material and information from retailers to consumers and is Denmark's leading distributor of leaflets and local newspapers. The services provided by FK Distribution include the following:

- Distribution of leaflets to more than 68% of private households in Denmark or about 1.9 million households.
- Distribution of local newspapers to 82% of private households in Denmark or about 2.3 million households.
- Distribution of direct mail to about 2.8 million households.
- Digital distribution of offers via the minetilbud platform, which serves 650,000 highly frequent users every month. The minetilbud app has 1.9 million downloads.
- Logistical services, including packing leaflets for local Danish clients 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 Danish households. The entire production process is fully automated. Deliverers are able to optimise their own routes digitally by defining a preferred distribution order. Deliverers serve almost 18,000 different routes across Denmark.

FK Distribution reported a strong increase in earnings in 2020 on largely flat revenue despite the structural loss of volume in leaflets and local newspapers. The financial results exceeded the guidance provided in the Annual Report 2019 released in February. The actual performance was in the high end of the most recent guidance of revenue of DKK 895m to 910m and EBIT of DKK 225m to 235m provided in November.

Robust revenue

Revenue fell by 2% to DKK 914m, impacted to some extent by the COVID-19 pandemic. The March lockdown in Denmark had an immediate impact on weekly newspaper volumes as retailers cut back heavily on local advertising, and during the second quarter, the spread of COVID-19 amplified the general trend of dwindling volumes of both local newspapers and leaflets. FK Distribution recorded a 15% drop in overall volumes in the second quarter, before volumes normalised in the third and fourth quarters.

In 2020, FK Distribution distributed 1.3 billion leaflets, equal to a 10% volume drop relative to 2019. COVID-19 aggravated the volume decline slightly compared with previous years. During the period 2010-2019, volumes declined by an average of about 8% per year due to retail chain consolidation, closure of brick-and-mortar shops, trends in the NoAds scheme, and the mergers of local newspapers.

Revenue from leaflets, the largest product category, was almost unchanged in 2020, as the drop in volume was partly offset by price increases and because FK Distribution had an extra week for distribution relative to 2019. On the other hand, revenue from local newspapers fell sharply as volumes declined by 13%.

Revenue from other operations (digital offering solutions, distribution of direct mail and other products and packing for third parties) im-

proved, but continued to make up a small percentage of the overall revenue. FK Distribution won market share in the direct mail segment in 2020 and began a promising business relationship involving eco-friendly packing of printed matter for Deutsche Post. In addition, the number of digital views of leaflets and catalogues on the minetilbud platform topped the 100 million mark, doubling since 2017.

Number of households in Denmark receiving leaflets in 2020 was 1.9 million.

In July, following a decision by the Danish Competition Council, FK Distribution decoupled minetilbud from the physical distribution of leaflets. The decision had only a minor effect on minetilbud, as almost all customers elected to stay with the platform, and the decision had no impact on the physical distribution. Nevertheless, FK Distribution decided to appeal the decision to the Competition Appeals Board, as the matter is of general interest to Danish advertising distributors and their ability to compete effectively against global online giants. The appeal is scheduled for hearing in 2021.

Strong growth in earnings

EBIT before special items improved sharply, from DKK 172m in 2019 to DKK 234m in 2020, lifting the EBIT margin to 25.6%. The improvement was driven especially by the transition from two to one weekly distribution round,

Highlights (DKKm)

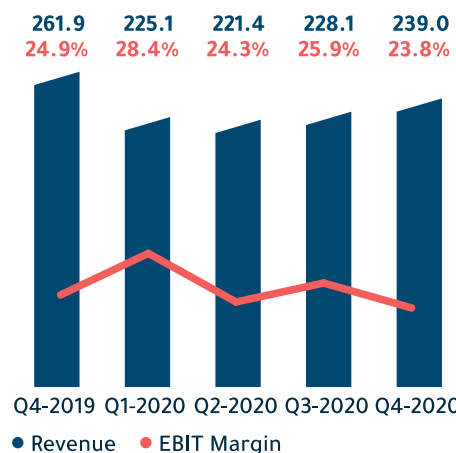
	2020	2019	2018
Revenue	913.6	934.9	933.4
EBITDA	249.2	187.3	153.6
EBIT before special items	233.7	172.4	138.7
Special items, net	0.0	0.0	-4.2
EBIT	233.7	172.4	134.5
EBITDA-margin %	27%	20%	16%
EBIT-margin %	26%	18%	15%
Average number of employees	331	345	351



which was implemented faster than expected and produced considerable costs savings for packing, transport and distribution. The ongoing optimisation and efficiency enhancements of operations also contributed to lifting earnings.

FK Distribution discontinued the development of the dayli.dk platform in 2020. The project was halted after tests had shown that a sustainable business model had not been achieved. The costs of closing the project

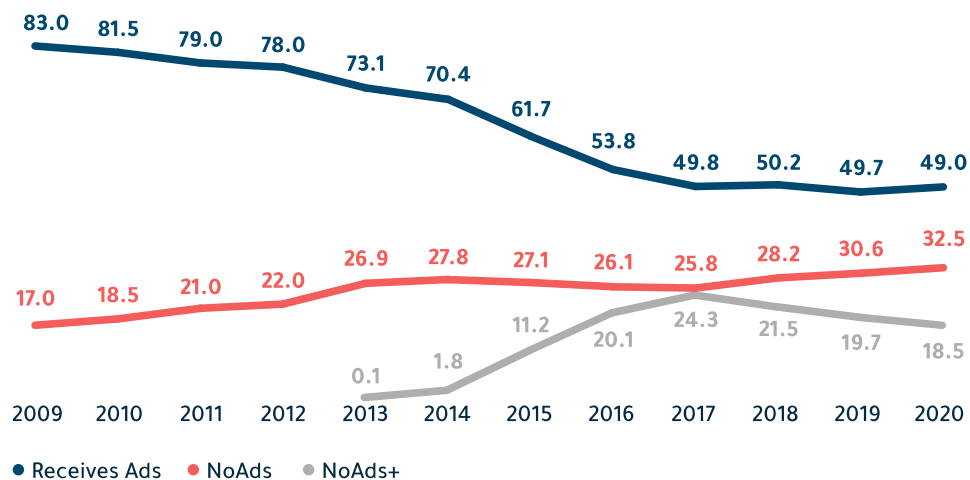
Strong earnings despite COVID-19



were expensed during the year. FK Distribution continues developing digital offering solutions on minetilbud as a supplement to its core business of distributing leaflets.

Almost 70% of all private households receive both physical leaflets and local newspapers. This ratio has remained fairly constant in recent years. Another 14% receive either physical leaflets or local newspapers. Only 16% of private households in Denmark do not receive leaflets or local newspapers. About 1,390,000 households - or about 50% - receive all leaflets distributed in their local community. A further 525,000 - about one in five - households choose the printed matter they want to receive using the NoAds+ solution. Some 2,325,000 households - or about 82% - receive local newspapers.

Development in the households advertising scheme (%)



The Danish Ministry of Economic and Business Affairs launched a study in 2020 to analyse possible changes to the NoAds scheme, including a scheme of mandatory acceptance that would see households only receiving leaflets from the advertisers they have actively selected.

The Danish Chamber of Commerce on behalf of the retail industry, Grakom (the Danish Association for Graphic Communication & Media) on behalf of its graphic design members, the Danish Media Association on behalf of the local newspapers, the Danish association of distribution businesses, the Danish Forest Association and several other parties have contributed to the study. There was a particular focus on providing the following facts in order to correct the misunderstandings held by some politicians about the carbon footprint of leaflets:

- Leaflets are eco-labelled and typically made from recycled paper, residual products from sawmills and recycled paper and wood from certified forests in which areas cleared are replanted.
- Newspapers are collected and reused at least seven times and turned into newspapers, egg trays or kitchen rolls.
- Leaflet volumes have declined by 57% over the past ten years, and individual leaflets have shrunk in weight by 25%, bringing the total volume reduction to 67.5%. In other words, the market is self-regulatory, and the retail industry has no interest in printing and distributing leaflets that will not be read.

The organisations emphasised that leaflets make the market more competitive. For many new or small shops as well as other businesses with small marketing budgets, leaflets and local newspapers are often the only channel

Follow-up on 2020 targets

2020 targets

Progress

Implementation of the change from two to one weekly distribution round.



Sales of new products that fit the production flow, e.g. magazines and direct mail.



Continual optimisation of the production set-up with a view to maintaining costs low.



Development of new services across the board, including both physical and digital dissemination of special offers and information.





with reach and impact. Consumers would make the safe choice in an AdsYesPls scheme with mandatory subscription, selecting the large, well-known chains at the expense of small or new shops. That would lead to even more shop closures in less populated areas and favour brands with large online marketing budgets even more.

The organisations also stressed that distributing local newspapers together with leaflets makes the cost more attractive due to scale benefits. A drop in the volume of leaflets would eliminate the scale benefits of shared distribution, which might squeeze out the local newspapers and lead to a situation where local communities would be left without a local voice and a cohesive force in the community. Lastly, the production, packing and distribution of leaflets and local newspapers generate 5,000 jobs and every year help 10,000 young deliverers to enter the labour market.

The Ministry's study is still ongoing. In FK Distribution's assessment, the ongoing dialogue with Danish civil servants and politicians as well as the European Commission has built a much better understanding of the benefits of the existing scheme. FK Distribution continues to believe that a mandatory AdsYesPls scheme as originally proposed by the Socialist People's Party would negatively impact consumers and especially large families, which is one group that frequently read leaflets as a guide for their household shopping. Also, an AdsYesPls scheme would violate EU law, according to legal opinions.

Market stabilisation

After several years of annual volume declines about 8%, demand for FK Distribution's core

product, i.e., packing and distribution of leaflets, is now believed to be stabilising reducing the volume decline going forward. Sign-ups for NoAds and NoAds+ are expected to match recent years' patterns.

The management of FK Distribution believes there is a permanent market for shared distribution of local newspapers of at least one weekly newspaper per household. This estimate is underpinned by the broad political support for retaining local newspapers as a cohesive force in local communities through the national media subsidy scheme. The current distribution volume is about 1.3 local newspapers per household per week.

FK Distribution's forecast on leaflets is confirmed by the ongoing dialogue with supermarket chains, electronics chains, builders' merchants, homeware/hardware retailers and other retail businesses along with customers' own expectations for 2021. The forecast is based in the main on the following three factors:

First of all, advertisers will get more value from leaflets. According to research firm DataIntelligence, leaflet return on investment (ROI) increased from 1.8 in the 2016/18 period to 2.2 in the 2017/19 period. In other words, the value to advertisers rose by 22%, even though FK Distribution raised its prices of distribution during that period. According to DataIntelligence, leaflets account for 42% of media-driven sales in shops, so leaflets are the strongest driver of sales to chains making use of leaflets.

One of the reasons for the higher ROI is FK Distribution's unique packing and distribution system, which allows the company to sort, pack and distribute printed matter individualised for, in principle, every single household in Denmark. FK Distribution is able to specifically target its distribution, increasing the impact of advertisers:

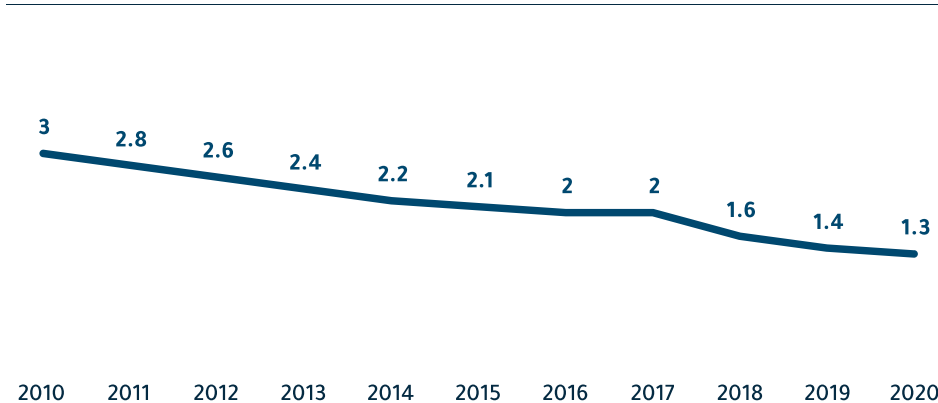
- The NoAds+ Scheme allows every household to choose the leaflets they want to receive. According to TNS Gallup, 96% of NoAds+

households open the printed matter they receive every time or almost every time. Compared with ordinary recipients of un-addressed printed matter, NoAds+ households spend 59% longer reading a leaflet, and they are twice as likely to visit an advertiser's store.

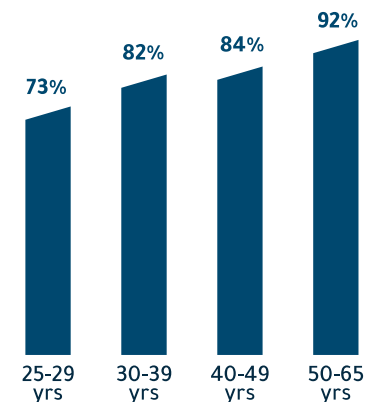
- Through segmentation at household level, FK Distribution distributes only to households with the biggest estimated effect for a given advertiser based on customer profile analyses.

Compared with ordinary unaddressed printed matter, FK Distribution's solution also offers better delivery assurance, gives customers access to individualised marketing material, campaigns during holiday seasons and many other value-adding options.

Total volume of unaddressed printed matter (billion printed matter)



86% of recipients read at least one leaflet they receive (Source: Kantar Gallup, March 2020)





Secondly, leaflets are still the best marketing channel for getting customers into stores. According to Kantor Gallup (2020), 70% of respondents prefer leaflets when looking for offers and information, whereas much fewer people look for offers by going online, for example. About 86% of recipients read at least one leaflet, and 64% go shopping after having read a leaflet. When it comes to groceries, leaflets are clearly the preferred source of information and offers for Danish consumers.

Thirdly, leaflets are an integral part of the retailing infrastructure, and leaflet volumes match the structure of the brick-and-mortar retail trade. There is nothing to indicate that physical retailers will reduce their use of leaflets. In the supermarket segment, for which leaflets play a crucial role for both consumers and advertisers, some chains plan to strengthen their brick-and-mortar network. Several supermarket chains reach some 1.5 million readers with their leaflets every week.

Value creation 2021-23

During the period 2021-23, FK Distribution will continue to strengthen its core business and develop new offerings, for example combining physical and digital services that are extra effective. Digital services increase customers' share of voice among the one million plus unique users of the minetilbud platform, of which 650,000 are highly frequent and spend on average 30 minutes on the platform per month. minetilbud had more than 100 million digital views of leaflets and catalogues in 2020, divided into 18 categories of which groceries is the largest. The platform reaches consumers that otherwise say no to physical leaflets. According to Index Danmark (Gallup, 2019/2020), 60% of users of minetilbud have registered for NoAds.

In addition, FK Distribution aims to develop new products that will easily fit with the existing packing and distribution flow. A main focus is on continuing to win market share in door-to-door direct mail and unaddressed magazines.

With regard to international markets, the goal is to expand the relationship with Deutsche Post. That business relationship began in 2020 after FK Distribution had developed an environmentally-friendly paper banderols to replace the plastic wrap Deutsche Post otherwise uses to pack printed matter for 22 million households. As a spin-off from that project, FK Distribution began packing printed matter distributed to 143,000 households in Flensburg, and the parties are currently negotiating to extend the business relationship that could see FK Distribution packing printed matter for even more households in northern Germany. FK Distribution's terminals in Tilst and Taastrup both have the capacity to significantly expand their volume outputs.

FK Distribution will also be exploring the potential for applying its unique technology to pack printed matter and offer its services to a few other adjacent markets.

Efforts to optimise and make operations more efficient continue across the company. A number of potential improvements have been identified and will be implemented in 2021-23.

FK Distribution aims to use these initiatives to keep earnings high in 2021-23



**Guidance for 2021**

FK Distribution expects a slight drop in revenue in 2021 compared with 2020. EBIT before special items is expected to be a bit lower than in 2020 due to uncertainty relating to how the COVID-19 situation will develop.

The main factors of uncertainty in 2021 will be the COVID-19-related impact on advertising in the retail and supermarket segments and potential changes to the media market. The outcome of the appeal being heard by the Competition Appeals Board is expected to have only moderate effect.

Key objectives for 2021

- 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

minetilbud – a strong digital platform**650,000**

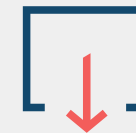
highly frequent users per month

**+100_m**

views of leaflets and catalogues in 2020

**+6_m**

visits to website and app per month

**1.9_m**

app downloads

**30 minutes**

average time spent per user on platform per month



North Media Online

North Media Online develops, operates and invests in data-driven digital platforms used to market rented housing and jobs.

Revenue (growth)

+20%

EBIT before special items (increase)

+238%





Focus on scalable, digital platforms

North Media Online develops, operates and invests in data-driven digital platforms used to market rented housing and jobs. The platforms match up home seekers with landlords and job seekers with employers. North Media Online develops new value-driving services and products for platform users on a regular basis.

- **BoligPortal** operates Denmark's leading home rentals platform at BoligPortal.dk. The BostadsPortal.se platform in Sweden is to be scaled up on the same platform. BoligPortal was used to arrange more than 100,000 home rentals in 2020. More than 3,100 professional letting agents and more than 30,000 private landlords use the platform.
- **Ofir** is Denmark's most comprehensive jobs universe and runs a jobs platform via portals and social media. The broad coverage makes it possible to reach both active and passive job seekers. Ofir was used to post

32,600 job vacancies in 2020. The platform was used by about 900 public and private sector employers in 2020.

North Media Online applies its capabilities across the platforms, aiming for close cooperation on strategy, development and optimisation. The goal is to generate annual 20+% growth rates in all operations.

North Media Online reported sharply improved financial results for 2020 and delivered its best EBIT performance ever. BoligPortal and Ofir both contributed to the improvement. The financial results exceeded the guidance of revenue of DKK 93m to 97m and EBIT before special items of DKK 10m to DKK 14m, provided in the Annual Report in February. The actual results were slightly better than the most recent guidance, released in August, of revenue of DKK 98m to 102m and EBIT before special items of DKK 19m to 22m.

Highlights (DKKm)	2020	2019	2018
Revenue	103.2	86.2	81.1
EBITDA	25.9	9.7	-2.7
EBIT before special items	23.0	6.8	-4.1
Special items, net	0.0	4.1	0.0
EBIT	23.0	10.9	-4.1
EBITDA-margin %	25%	11%	-3%
EBIT-margin %	22%	8%	-5%
Average number of employees	67	71	90

High double-digit growth rate

North Media Online generated double-digit growth throughout the year, including during the first wave of the COVID-19 pandemic in the spring. Revenue in 2020 was up by 20% to DKK 103m.

Progress in both BoligPortals and Ofirs EBIT

BoligPortal improved its revenue by 19%, based on 15% growth in Denmark and 60% growth in the Swedish business. The performance was driven by an increase in the supply of rental homes in Denmark and Sweden, and by new value-adding advertising and service offerings to landlords in particular. The COVID-19 pandemic did not impact operations. In fact, the supply of rental homes in Denmark has increased.

Ofir grew its revenue by 23%, driven by the core business of posting job vacancies. While experiencing a brief drop in the number of job postings during the COVID-19 pandemic in April, May and June, Ofir still outperformed the market during the period. For the year as a whole, Ofir successfully raised unit prices and grew the number of job postings, which combined with an improved job ad effect served to support and help the company in closing 2020 on a strong note.

Earnings improvement

EBIT improved for the third consecutive year. North Media Online reported EBIT before special items of DKK 23m, up from DKK 7m in 2019. As a result, the EBIT margin rose from 7.9% to 22.3%.

BoligPortal increased its EBIT 72% to DKK 27m, thanks to strong top-line growth and rising sales of value-driving services at good margins. Ofir also reported improved earnings and became profitable in the fourth quarter of the year. Still, the full-year EBIT was a slight loss of DKK 2m, compared with the 2019 loss of DKK 7m.

Revenue (DKKm)	2020	2019
BoligPortal	82.3	69.4
Ofir	20.9	16.8
Total	103.2	86.2

EBIT (DKKm)	2020	2019
BoligPortal	27.2	15.8
Ofir	-1.9	-6.9
Other*	-2.3	-2.1
Total	23.0	6.8

* North Media Online specific shared cost



BoligPortal and Ofir both focused on profitability along with an increased use of data, differentiated services and an improved infrastructure, aiming to strengthen the customer and user experience.

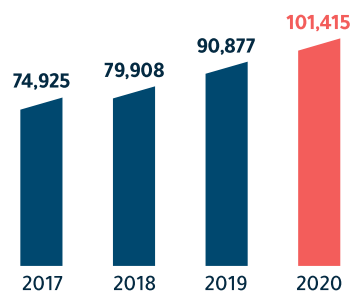
Strong growth potential

North Media Online's businesses operate in attractive growth markets that all have the potential for double-digit top-line growth.

BoligPortal is the closest of the three to achieving this potential. Based on its marketplaces for rental housing, BoligPortal is evolving into a provider of integrated services that create value for landlords and users and secure stable income and cash flows for the company.

The BoligPortal.dk and BostadsPortal.se marketplaces match tenants with landlords renting out rooms, flats, student accommodation as well as terraced and detached houses. The solutions allow landlords to rent out their properties easily and efficiently on a recognised platform offering a strong brand, and tenants can easily find a new home because all landlords and housing units are fully validated.

Mediation of rented housing on BoligPortal

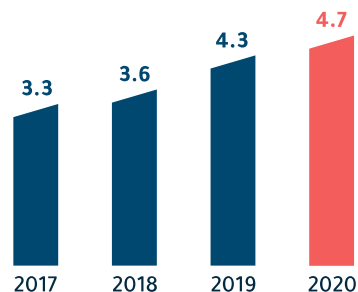


BoligPortal expanded its market-leading position in Denmark in 2020 and added new services to the marketplace, such as digital showings. BostadsPortal is being scaled up on the same platform and won market share in Sweden thanks to strong growth in 2020, albeit from a low starting point.

BoligPortal uses data from the marketplace to develop new services that create value for users and enable them to forge closer ties with the marketplace. In 2020, for example, BoligPortal grew its overall revenue from landlords by 98%. During the year, BoligPortal finished developing a new platform for landlords that combines advertising rentals, value-adding services and market data covering local areas with rentals management solutions. The new platform was launched in January 2021.

Boligportal offer tenants solutions relevant when moving in. e.g. the agreement with the provider of electricity. In 2021, the company will focus on providing more relevant offers to tenants, such as broadband services or insurance, which may be offered to tenants who found their new homes via BoligPortal.

Visitors to Ofir.dk (million)



BoligPortal sees a potential for double-digit growth in all three market segments in Denmark: the marketplace, landlord services and service providers. The new services and service agreements will also be rolled out in Sweden, as this market is also believed to hold a substantial growth potential.

Ofir has completed a multi-year turnaround and is now starting a phase of profitable growth. Costs have been trimmed during the transition, unprofitable operations have been discontinued, and the company's main focus has been on providing a jobs portal. Management has invested heavily in infrastructure, developing Denmark's most comprehensive jobs universe, with job vacancies being posted on a number of job portals and on social media, such as Facebook and LinkedIn. Via this broad and comprehensive universe, Ofir makes it possible to reach both active and passive job seekers.

Ofir holds a strong position with public sector organisations, such as local and regional authorities. Backed by a strong, data-driven approach, high job ad effect in terms of quantity and quality and competitive prices, Ofir aims to win market share by developing new customer groups. The company intends to strengthen its sales and will step up its brand investments in support of that effort.

Follow-up on 2020 targets

2020 targets

Progress

BoligPortal

Develop new, differentiated services that create unique value for tenants and landlords



Enhance tracking and use of data



Offer supplementary services through service providers



Focus on Denmark and Sweden



Ofir

Increase supply of jobs in core segments



Increase focus on advertising through social media



Enhance infrastructure and reduce the time from posting to hiring





Guidance for 2021

BoligPortal and Ofir both intend to strengthen continually their respective platforms by enhancing the value proposition to both customers and users. The goal is to be achieved through constant focus on impact and quality supported by strong data from the rental housing market and the jobs market. Both companies aim to increase revenue by at least 20% annually, while consistently delivering increase in EBIT margin.

BoligPortal expects to repeat the double-digit revenue growth. Recurring subscription income is expected to account for a growing proportion of revenue, and the marketplaces for rental housing are expected to grow in both Denmark and Sweden. The EBIT margin is expected to improve, driven by revenue growth.

Ofir expects double-digit revenue growth in 2021. Growth is expected to be driven by increased volume of job postings, whereas income from software licences is expected to drop. Following the transition of recent years, Ofir is now expected to deliver an EBIT profit that will be driven by revenue growth.

Key objectives for 2021

BoligPortal

- Double-digit revenue growth
- Further improvement in EBIT
- New, value-adding services

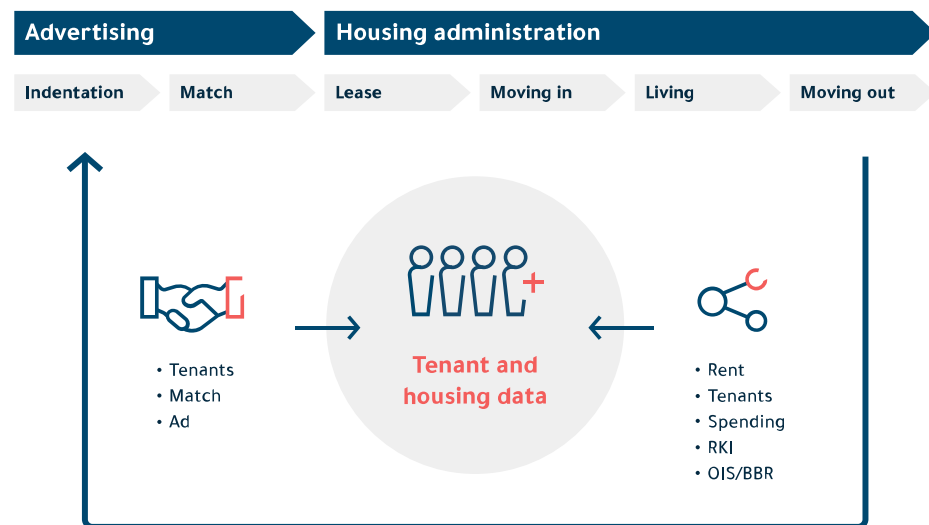
Ofir

- Double-digit revenue growth
- Positive EBIT
- More job postings





BoligPortal expanding its value chain

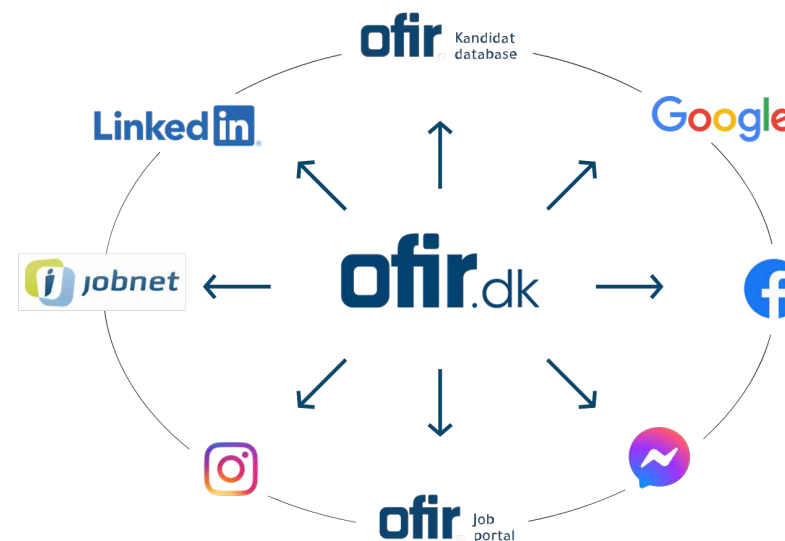


Lead Supply (50%-owned)

Lead Supply is a platform that assists consumers in finding the right loans by connecting them with banks and other loan providers. Lead Supply is an active player in 11 countries and focuses particularly on Denmark, Sweden and Finland. The Lead Supply platform provided borrowers to more than 200 loan providers in 2020.

Lead Supply is focused on its core markets of Denmark, Sweden and Finland. The goal is to win market share by developing closer relationships with banks, optimise leads and improve the value proposition to borrowers. Lead Supply saw its level of business activity drop slightly relative to 2019 due to COVID-19 and the tightened credit policies implemented by banks and loan providers.

Ofir mediates the same job across platforms



Lead Supply reported an EBIT loss of DKK 2.0m, of which DKK 1m has been recognised in North Media's consolidated financial statements under Share of profit/loss in associates.



Bekey

Bekey develops and supplies digital access solutions which currently give some 32,000 approved users easy access to secured multi-storey buildings and private homes.

Revenue (growth)

+17%

No. of doors opened
(increase)

+25%





Secure digital access solutions

Bekey develops and supplies digital access solutions which currently give some 32.000 approved users easy access to secured multi-storey buildings and private homes.

Access control is provided by NetKey, a cloud-based access management system, which allocates encrypted digital keys to users, enabling them to open doors using Bluetooth® Smart and 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 at the door lock. The SmartKeyBox is also opened using a mobile phone.

With digital keys, users avoid the hassle of managing and carrying physical keys or having to drive to a secured property in vain. As an extra safety feature, the digital keys cannot be copied or lost, and a complete log of all activity on any Bekey solution provides a full

overview of place, date and time of all users gaining access and leaving. User access may be allocated/revoked with immediate effect.

Bekey is currently focused on two market segments:

- 'Stairwells' caters to home delivery services dropping off groceries, parcels and post as well as property administrators or others with legitimate business in secured multi-storey buildings (currently only in the Greater Copenhagen area).
- 'Homecare' assists home care services (currently in 73 Danish and Norwegian municipalities) in getting access to people living in their own homes needing care.

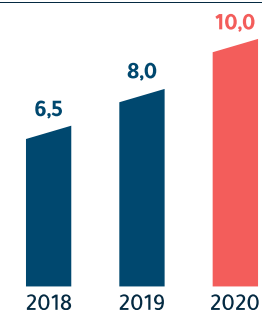
Bekey's EBIT before special items improved in 2020, exceeding the February guidance of revenue of DKK 25m to 30m and EBIT before special items of a DKK 10m to 7m loss provided in the Annual Report 2019. The actual results were in line with the most recent guidance, released in November, of revenue of DKK 25m to 30m and an EBIT before special items loss of DKK 8m to 6m.

High double-digit growth rate

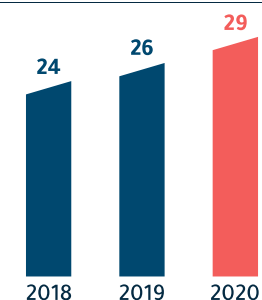
Bekey generated double-digit growth throughout the year, including during the first wave of the COVID-19 pandemic in the spring. Revenue was up by 17% to DKK 29m, driven by an increase in business activity among both existing and new customers. Bekey facilitated the opening of a total of 10 million doors in 2020, a 25% increase over 2019.

The homecare segment in Denmark was the main contributor to growth, accounting for about 80% of revenue. Revenue from Danish municipalities was up by about 20%, as Bekey successfully capitalised fully on all contracts signed in 2019, especially the company's largest contract to date, with the City of Copenhagen, which took full effect at the beginning of 2020. In addition, Bekey won three new municipal tenders held in 2020 and continues to be the market leader in the homecare segment in Denmark.

Number of doors open (million)

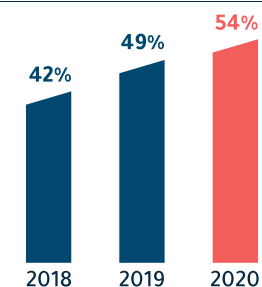


Danish municipality customers



44 norwegian municipalities via retailers

Coverage of Greater Copenhagen (part of stairwells with SmartRelays)



App. 45,000 locked stairwells in Greater Copenhagen area

Highlight (DKKm)	2020	2019	2018
Revenue	28.6	24.5	23.7
EBITDA	-4.3	-10.0	-10.1
EBIT before special items	-6.8	-10.4	-10.2
Special items, net	0.0	0.0	-1.0
EBIT	-6.8	-10.4	-11.2
EBITDA-margin %	-15%	-41%	-43%
EBIT-margin %	-24%	-42%	-43%
Average number of employees	31	27	24



At the end of the year, Bekey served 73 municipalities in Denmark and Norway, which was six more than at the end of 2019.

Earnings improvement

The operating loss (EBIT before special items) was reduced to DKK 6.8m from a DKK 10.4m loss in 2019. An increase in licence fees and the signing of additional municipalities made the homecare profitable for the first time. Bekey recognised costs of DKK 5.9m and capitalised assets of DKK 9.3m in connection with the installation of SmartRelays and software.

Stairwells segment holds great potential

Bekey sees a great potential in the stairwells market segment, especially based on the growing interest in home deliveries of parcels, groceries, meal services and other shipments as well as post. According to data from the Danish E-Commerce Association (FDiH) and other sources, home delivery has become consumers' preferred method of delivery following the COVID-19 pandemic.

Consumers' preferred form of delivery (Source: FDiH, 2020)

#1 Home deliveries



#2 Parcel pickup shops



#3 Parcel machine



#4 Delivery at work



#5 Webshop pickup



At the end of 2020, Bekey solutions were used for access to 54% of the approximately 45,000 secured stairwells in Greater Copenhagen (covering more than 200,000 multi-storey units), and the company has a great value proposition for distributors, suppliers and end users:

- Flexible delivery 24/7, directly to the front door, and the resident/end user need not be at home
- Optimising routes, no failed deliveries, saves time during delivery
- No capacity limits, unlike parcel boxes and parcel pickup shops
- Smaller environmental footprint for suppliers and end users
- Safe and secure access management: Only people with legitimate business allowed to enter building

The current stairwells customer base consists of mainly municipal home care services, but it also includes Bekey's sister company FK Distribution, Aarstiderne (private meal service) and a leading online retailer and distributor that

signed up in the second half of 2020 and is expected to start using the solution in the second quarter of 2021. This new agreement is expected to generate growth in the stairwells segment in 2021, and income is set to grow as Bekey expands coverage to more stairwells.

After successfully completing pilot projects for several major property administrators in the second half of 2020, Bekey plans to intensify its marketing efforts targeted at property administrators, property owners as well as owners' and rental associations. Bekey offers these customer groups easy and secure access for janitors, property administrators, craftsmen, cleaners, lift repair services, etc. In addition, the solution reduces the risk of vandalism or distraction burglaries and gives residents the benefits of home delivery.

Bekey will continue to install SmartRelays in the Greater Copenhagen area in order to support growth. The company is also making great strides in the process of building a pipeline of customers - in both the distributor and the property segments - so as to make market entries feasible in other major cities during 2021.

Solid potential in municipal segment

Bekey sees a potential for continuing growth in the homecare segment. The growing number of elderly people who live longer and stay longer in their own homes supports the current favourable demographic trends. Bekey delivers a proven solution in a market where operating stability, uptimes and user-friendliness are critical factors. In surveys among administrators and carers, Bekey is generally rated highly on user-friendliness, and NetKey is believed to provide a strong competitive edge thanks to its intuitive user interface and functionality.

Bekey currently has contracts with 30% of Denmark's municipalities, and the plan is to continue adding customers to the municipal segment. Contracts with municipalities typically run for four-year terms with a two-year extension option, but the contract with the City of Copenhagen is for ten years. Municipalities pay Bekey a licence fee based on the number of active units (SmartLocks, SmartRelays and SmartKeyBoxes) and, in some cases, for support.

Follow-up on 2020 targets

2020 targets

Progress

Extend coverage to at least 70% of secure stairwells in the Greater Copenhagen area



Establish a trading relationship with selected distributors



Retain existing customers through a high level of service and further development of products and the access management system.



Increase the number of contracts with municipalities using the Bekey solution.





Bekey's growth path	Key initiatives
Stairwells in Denmark	<ul style="list-style-type: none"> • Increase coverage in Greater Copenhagen area • Set up coverage in other major cities • Contracts with distributors and home delivery services • Contracts with property owners, administrators, etc.
Homecare in Denmark and Norway	<ul style="list-style-type: none"> • Win and re-win municipal tenders in Denmark • Strengthen agent concept in Norway • Bekey to set the market standard • High customer satisfaction and user-friendliness
Internationalisation	<ul style="list-style-type: none"> • Explore potential for introducing stairwells concept outside Denmark • Set up agent concept in homecare segment

Bekey has a smaller market share in Norway (12% calculated on the number of municipalities), and that market is served through agents (primarily ATEA). 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 digital access to elderly citizens' homes.

Guidance for 2021

Bekey expects to continue generating revenue growth and to further improve EBIT before special items in 2021 despite the costs of the stairwells project.

Bekey expects to continue to grow the homecare segment as the municipal contracts won in 2020 take full effect and as more municipal tenders are won and implemented. New agreements with distributors are expected to be a contributor to growth in the stairwells

segment in the last part of the year and will send a strong signal to potential customers. The 2021 EBIT will be impacted by continued investments in the stairwells project and related depreciation charges.

Profitability is expected to improve further in the homecare segment, driven by an increase in users and scale benefits. In the stairwells segment, growing revenue is expected to be partially offset by an increase in the cost of installing SmartRelays in multi-storey buildings. Bekey expects to recognise DKK approx. 6m for installing SmartRelays and to capitalise costs of approx. DKK 7m in 2021.

The main factors of uncertainty in 2021 will be COVID-19-related delays in municipal tenders and the implementation of contracts, the pace of SmartRelay rollouts in secure stairwells and the timing of new agreements in the stairwells market.



Key objectives for 2021

- Revenue growth and improve EBIT further
- Win more contracts with distribution companies
- Sign initial contracts with property administrators
- Win more municipal tenders
- Further develop products and access management system



Group quarterly financial highlights

DKKm	Revenue									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2020	2019	2020	2020	2020	2020	2019	2019	2019	2019
FK Distribution	913,6	934,9	239,0	228,1	221,4	225,1	261,9	215,8	240,4	216,8
<i>Index relative to same period last year</i>	97,7	101,2	91,3	105,7	92,1	103,8	103,2	101,5	102,6	97,1
North Media Online	103,2	86,2	26,6	26,8	26,0	23,8	21,2	22,6	21,6	20,8
<i>Index relative to same period last year</i>	119,7	106,3	125,5	118,6	120,4	114,4	107,1	105,1	104,3	108,9
Bekey	28,6	24,5	8,9	5,7	6,2	7,8	8,3	5,0	4,6	6,6
<i>Index relative to same period last year</i>	116,7	103,4	107,2	114,0	134,8	118,2	159,6	61,0	93,9	122,2
Group revenue	1.045,4	1.045,6	274,5	260,6	253,6	256,7	291,4	243,4	266,6	244,2
<i>Index relative to same period last year</i>	100,0	101,6	94,2	107,1	95,1	105,1	104,5	100,4	102,6	98,6

DKKm	EBIT before special items									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2020	2019	2020	2020	2020	2020	2019	2019	2019	2019
FK Distribution	233,7	172,4	56,8	59,0	53,9	64,0	65,2	33,6	43,8	29,8
<i>EBIT margin</i>	25,6%	18,4%	23,8%	25,9%	24,3%	28,4%	24,9%	15,6%	18,2%	13,7%
North Media Online	23,0	6,8	5,7	6,0	7,0	4,3	1,6	2,7	1,3	1,2
<i>EBIT margin</i>	22,3%	7,9%	21,4%	22,4%	26,9%	18,1%	7,5%	11,9%	6,0%	5,8%
Bekey	-6,8	-10,4	-1,5	-2,0	-1,9	-1,4	-2,3	-2,7	-3,6	-1,8
<i>EBIT margin</i>	-23,8%	-42,4%	-16,9%	-35,1%	-30,6%	-17,9%	-27,7%	-54,0%	-78,3%	-27,3%
Unallocated income/cost	-9,7	-2,9	-3,1	-2,6	-2,9	-1,1	0,0	-0,9	-0,9	-1,1
EBIT before special items	240,2	165,9	57,9	60,4	56,1	65,8	64,5	32,7	40,6	28,1
<i>EBIT margin</i>	23,0%	15,9%	21,1%	23,2%	22,1%	25,6%	22,1%	13,4%	15,2%	11,5%



Capital structure and dividend policy

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

Our capital structure aims to ensure:

- That the Group maintains a sufficiently resilient financial foundation to ensure maximum flexibility and independence.
- Sufficient financial flexibility to exploit market potential and meet strategic objectives.
- Independence relative to structural changes in the markets in which we operate.
- Being a financially sound workplace for our employees.
- Distribution of dividend to shareholders and occasional share buybacks.

The Group's capital structure is designed for a long-term perspective and parts of the capital resources are placed in securities, 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 of investing in securities is that securities provide a positive return over time and that it is not possible for us as an investor to time the market. For that reason, North Media takes a long-term and consistent investment approach, while also accepting that the value of the security portfolio

- and by extension, the capital resources - may fluctuate considerably in either direction. Accordingly, the capital resources must be of an amount that ensures flexibility and independence during periods when the value of the security portfolio may be declining.

Our strategy and objectives for the capital structure:

- Maintaining powerful capital resources (cash and securities).
- A significant proportion of the capital resources is invested in listed shares and share-based investment associations with high liquidity, such as C25 or similar international indices.
- Debt is only raised in the form of long-term mortgage credit loans financing the Group's properties, mainly fixed-interest. North Media wishes to be independent of bank debt.
- Investments are made in existing activities by developing these.
- Investments are made by means of acquiring businesses that hold the potential of positive synergies and scalability that match the activities and skills of North Media A/S.
- We aim to make attractive regular distributions of dividend to shareholders.

The objectives for the capital structure and dividend distribution are the basis for the

Board of Directors' recommendation for distribution of dividend submitted to the company in general meeting. These objectives will be reassessed as the business develops.

In its recommendation, the Board of Directors takes into consideration the forecast financial results and the Group's investment plans. The dividend policy may be suspended if the Board of Directors takes the view that developments in profit, future guidance, strategic matters - market trends, acquisitions, investments or other considerations warrant such suspension.

Provided the guidance for 2021 and our ambitions for 2022-2023 are met and assuming no other matters have a material impact on the Group's operations and financial position, we have the ambition to pay dividends of DKK 5 per share for each of the 2021-2023 financial years.

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

Recommendation to distribute dividend of DKK 5 per share in respect of the 2020 financial year

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 2020 financial year. Total div-

idend distribution will thus be DKK 89.8m, excluding the holding of treasury shares, compared with DKK 73.8m last year.

The Board of Directors' proposal implies a payout ratio of 48% to the shareholders for the 2020 financial year (exclusive of the return on securities), whereas the payout ratio last year was 67% (excluding share buybacks). The recommended dividend for the 2020 financial year represents a direct yield (dividend yield) of 6.3% relative to the share price at 31 December 2020.

Recommend to pay
out dividend per share:

5 DKK.



Selected balance sheet items and capital resources

North Media A/S strengthened its capital resources in 2020, also after paying dividends and buying back shares. The capital resources stood at DKK 739m at 31 December 2020, of which DKK 154m was in cash bank deposits and DKK 585m was in securities. By comparison, capital resources at 31 December 2019 amounted to DKK 485m.

The DKK 254m increase recorded in 2020 was mainly due to three factors:

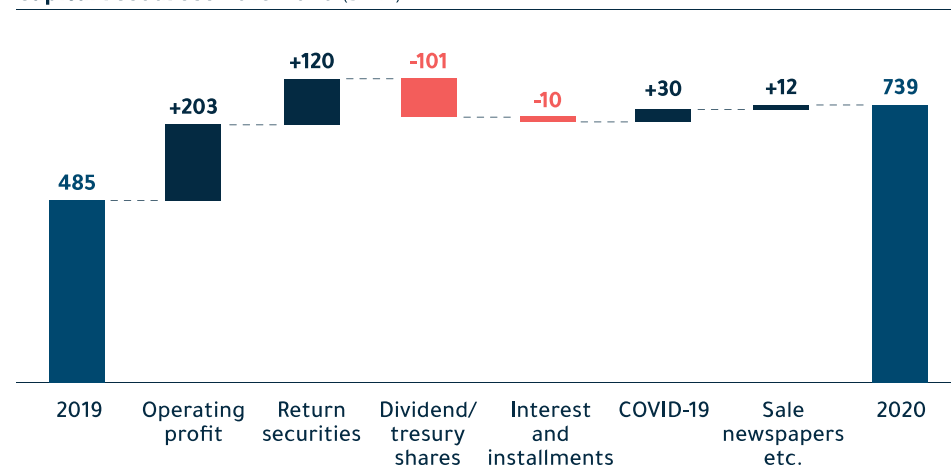
- Substantial growth in EBIT and cash flows from operations,
- A high return on the securities portfolio

- COVID-19-related extensions of deadlines for paying employee income taxes about DKKm 30 of which the main part is due in the first quarter of 2021.

The portfolio yielded a net return (realised as well as unrealised) for the year of DKK 155m, equal to 37.9%, as compared with DKK 122m (45.6%) in 2019.

At 31 December 2020, the securities portfolio consisted of 15 stocks or share-based investment associations.

Capital resources 2019-2020 (DKKm)



Securities portfolio market value

(DKKm)	31.01.2021	31.12.2020	31.12.2019
Amazon	78.2	78.5	49.1
Ørsted	58.4	62.2	34.5
Genmab	61.5	61.8	37.2
SimCorp	47.8	54.3	45.5
DSV	48.0	51.0	38.4
Teradyne	41.7	43.6	27.3
MasterCard	36.6	40.8	37.6
Sea	39.8	36.2	-
Microsoft	35.5	33.7	-
Visa	-	33.1	31.4
MercadoLibre	32.7	30.4	-
Novo Nordisk	25.5	25.6	23.2
Fundamental Invest ABD	12.1	12.4	9.8
Fundamental Invest ABC	12.0	12.3	9.5
NVIDIA Corp	9.6	9.5	-
Paypall	28.7	-	-
Vestas	-	-	31.6
Facebook	-	-	24.9
Total	568.1	585.4	400.0

The portfolio carries a risk calculated at 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 104.6m.

At 31 January 2021, the value of the portfolio was DKK 568.1m, and the return on the

portfolio in January was negative at DKK 13.9m, (-2.4%).

Since 2016, the securities portfolio has appreciated from DKK 196m to DKK 585m at 31 December 2020. About 80% of this value accretion was driven by capital appreciation, equivalent to DKK 310m, while 20% was due to net share purchases for a total of DKK 79m.



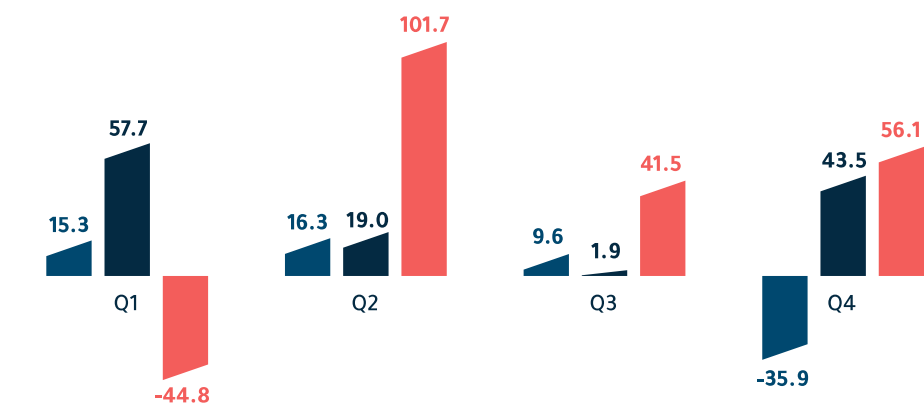
The Group's properties

North Media wishes to be independent of bank debt and will only raise debt in the form of long-term mortgage loans secured against real property, primarily against the domicile properties in Søborg, Taastrup and Tilst. The properties are recognised at a carrying amount of DKK 248m and have been mortgaged against long-term, fixed-rate loans at a total of DKK 123m.

The business areas pay rent on market terms for the use of the properties. Operating profit on the property portfolio is recognised in the item "unallocated income and expenses". The item also includes costs not charged to operating companies, such as board members' fees and certain shared group functions.

Properties and outstanding mortgaging (DKKm)	Carrying amount	Outstanding mortgage
Gladsaxe Møllevej, Gladsaxe	94.9	61.9
Bredbjergvej, Taastrup	78.5	33.9
Blomstervej, Tilst	55.0	27.0
Klostermosevej, Helsingør	17.5	0.0
Energivej, Esbjerg	2.5	0.0
Total	248.4	122.8

Quarterly return on securities



● 2018 ● 2019 ● 2020

Return, DKKm

Purpose of capital resources

- To maintain sufficient financial strength to exploit market opportunities and meet strategic objectives
- To have the financial strength to carry out potential business acquisitions; of businesses holding a potential for positive synergies and scalability and matching our existing businesses
- To become sufficiently robust to withstand society lockdowns during periods of COVID-19 and similar crises
- To pay stable, attractive dividends and make occasional share buy-backs

Security investments

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



Shareholder information

Dividend increased for 2020

The Board of Directors proposes to the general meeting a dividend for 2020 of DKK 5 per share. The dividend would result in a total amount to be distributed of DKK 100.3 million and DKK 89.8 million exclusive of the holding of treasury shares. The recommended dividend represents a payout of 48% of the profit for the year exclusive of the return on securities, and a direct yield (dividend yield) of 6.3% relative to the share price at 31 December 2020.

By comparison, North Media paid DKK 4 per share in respect of the 2019 financial year, for a payout of DKK 71.8 million exclusive of the holding of treasury shares. The dividend amounted to a 67% payout ratio exclusive of the return on securities.

The dividend for 2019 was originally intended to be paid out in March 2020, but the Board suspended the dividend due to the negative and unpredictable guidance at the time caused by the COVID-19 situation. However, in August, the Board ascertained that North Media remained relatively unscathed by the COVID-19 pandemic and therefore elected to pay out the DKK 4 per share in August as an interim dividend.

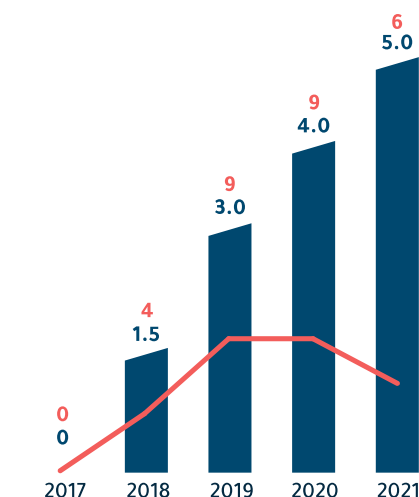
The parent company's income statement for 2020 shows a profit of DKK 307.4 million. Based on the proposed dividend, the profit is allocated as follows:

(DKKm)	2020
Amount available for allocation	
Retained earnings at 1 January 2020	526.5
Profit for the year	307.4
Share-based remuneration	2.0
Dividends distributed	-80.2
Dividend on treasury shares	8.4
Purchases of treasury shares	-29.2
Translation adjustments	0.2
Total amount available for distribution	735.1
Recommended allocation of profit	
Dividend to shareholders	100.3
Retained earnings at 31 December 2020	635.1

The Annual General Meeting will be held on Friday, 26 March 2020 at 3.00 pm.

Including the proposed dividend, North Media will have returned a total of DKK 300 million to the shareholders through dividends and share buybacks since 2017.

Shareholder returns



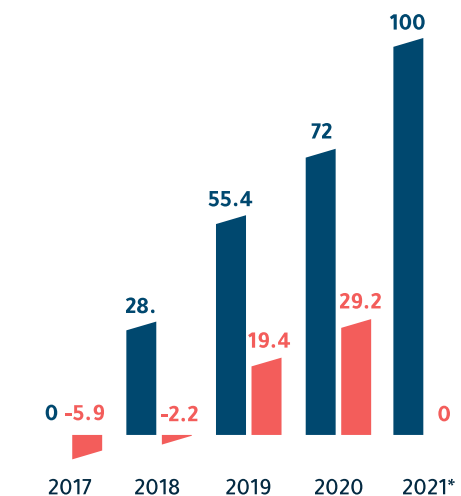
- Dividend per share: Distributed in the following year
- Dividend yield: Dividend relative to share price at 31 December of prior year

Increasing market capitalisation and trading in North Media shares

The North Media share opened 2020 at a price of 44.50 and closed the year at 79.8 for a return for the year of 79%. Including the dividend paid in August, the return to shareholders in 2020 was 88%. By comparison, the OMX Copenhagen Small Cap index provided a return of 45% excluding dividends.

North Media had a market capitalisation of DKK 1,600 million at 31 December 2020 compared with DKK 892 million at 31 December

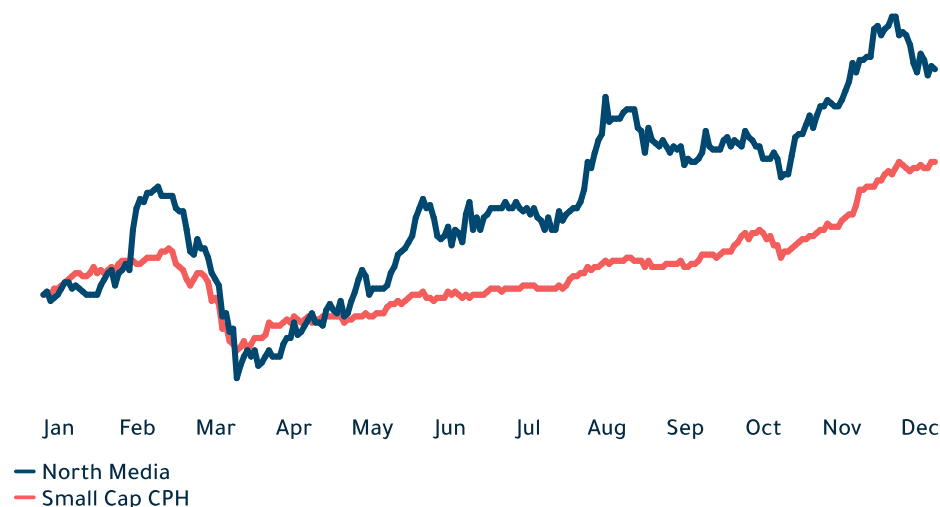
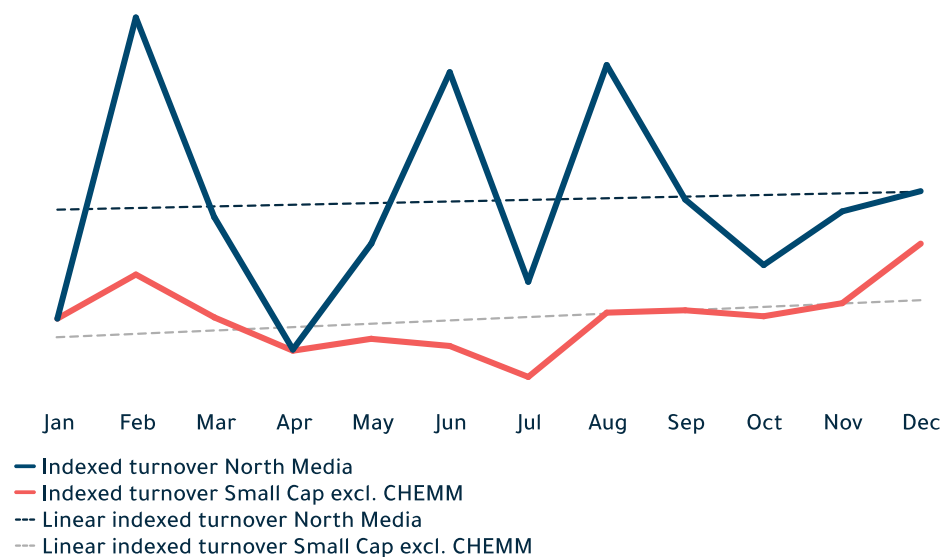
Amounts distributed in last five years



- Dividend
 - Buybacks
- * includes dividend being proposed for 2020

2019. The market capitalisation less the value of treasury shares increased from DKK 812 million to DKK 1,433 million.

Liquidity in the share also improved. A total of 9,092,718 North Media shares were traded in 2020, for an average daily turnover of 36,371 shares. Relative to 2019, the turnover volume increased by 257% measured by the number of shares and by 399% measured by market value.

**Indexed share price development** (1 January 2020 - 31 December 2020)**Indexed turnover per month** (excl. Buyback programs)**Share capital unchanged**

The Company's share capital was unchanged at DKK 100.3 million, distributed on 20,055,000 shares of DKK 5 nominal value, which has been fully paid up. All shares have been listed on the NASDAQ Copenhagen stock exchange since 1996. 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 require at least half of the voting share capital to be represented at the General Meeting.

Authority granted to the Board of Directors

The Board of Directors is authorised to increase the share capital once or several times by up to DKK 25 million by way of cash or otherwise. Capital increases may be effected without pre-emption rights to the Company's 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 shareholders are entitled to subscribe for new shares in proportion to their existing shareholdings. The authorisation is valid until 31 March 2022.

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 take place 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.

North Media bought back 500,000 treasury shares in 2020 - equal to the number bought back in 2019 - at an average price per share of DKK 58.16, for a total market value of DKK 29.1 million. The share buyback was effected in a structured programme with Danske Bank as lead manager. As a result, the Company held 2,100,000 treasury shares at 31 December 2020, equal to 10.47% of the share capital.

The Company's holding of treasury shares serves to cover the current and any future obligations under share option programmes. In 2020, North Media awarded a total of 98,000 share options to the new members of the Board of Directors, and one leading employee, bringing the total number of outstanding share options to 906,000, equal to 4.5% of the share capital.

Larger investor base

At 31 December 2020, North Media had 2,015 registered shareholders, an increase of 450 from the beginning of the year. The increase was primarily based on the addition of private investors from the Nordic region as well as international asset managers and family offices. The percentage of international shareholders more than trebled from 3.2% to 10.3%.

Baunegård ApS, Fredensborg Kongevej 49, DK-2980 Kokkedal remains the Company's principal shareholder and continues to hold 55.75% of the share capital. Baunegård is wholly owned and controlled by the Company's



founder, Richard Bunck. Baunegård prepares consolidated financial statements that include North Media.

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 10.47% treasury shares.

At 31 December 2020, the 30 largest shareholders, including Baunegård and North Media, held 84.5% of the shares in aggregate. The group of the 30 largest shareholders consists mainly of Danish institutional investors, asset managers, executives of the Group, investment companies as well as international asset managers and family offices.

At 31 December 2020, the Company's Board of Directors and Executive Board, including Baunegård ApS, owned by the vice chairman of the Board, Richard Bunck, held a total of 11,465,804 shares, equal to 57.17% of the share capital.

Investor relations strengthened

North Media expanded its ongoing dialogue with shareholders, prospective investors, analysts and other stakeholders in 2020. The Company attended about 75 individual investor meetings and participated in about 15 group presentations and seminars, many of which were virtual events.

During the year, the Company engaged HC Andersen Capital on Digital IR for investor events

and research coverage and signed an agreement with AktiInfo on equity research targeting private investors. In addition, North Media continues to work with ABGSC on research coverage, investor events and market making. Equity research and presentations are made available continuously on the website, which was re-designed during the year.

North Media pursues an open and consistent dialogue with investors and analysts so as to provide the stock market with optimum and adequate information about the Company.

Investor contact:

Kåre Stausø Wigh, Group Executive Director & CFO: Telephone: (+45) 39 57 70 00, investor@northmedia.dk

Company information

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

The Board of Directors' and the Executive Board's shareholdings in North Media A/S	Shares held		
	1 January 2020	Change in 2020	31 December 2020
Board of Directors			
Mads Dahl Andersen	221,904	-51,519	170,385
Richard Bunck (v/ Baunegård ApS)	11,179,832	-	11,179,832
Ulrik Holsted-Sandgren	0	-	
Thomas Weikop	0	+4,082	4,082
Ulrik Falkner Thagesen	0	+2,750	2,750
Ole Elverdam Borch	0	-	
Board of Directors, total	11,401,736	-44,687	11,357,049
Executive Board			
Kåre Stausø Wigh	80,000	-	80,000
Lasse Ingemann Brodt	30,000	-10,000	20,000
Henrik Løvig Jensen	8,755	-	8,755
Jannik Bray Christensen	0	-	0
Lasse Wulff Hansen	0	-	0
Executive Board, total	118,755	-10,000	108,755



Corporate governance

Duties of the Board of Directors

The Board of Directors is responsible for the overall governance of North Media and for ensuring that the company is managed appropriately and in accordance with the 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 also appoints and acts as a sounding board for the Group Executive Board.

The Board held 18 meetings in 2020, compared with 14 in 2019. The frequency of Board meetings increased during the COVID-19-induced lockdown in Denmark during the spring, as the Board focused specifically on the Executive Board's efforts to keep employees safe and on contingency plans, the day-to-day operations, risk management and the potential financial consequences of the pandemic. Another important item on the Board's 2020 agenda was a new three-year strategy for the Group.

The Board performed its annual self-evaluation in November, as board members completed a questionnaire focused on 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 clear focus on the areas that actually contribute to value creation at North Media. The Board also identified new themes that it intends to pursue in 2021.

Board committees

The Board of Directors continued to have an audit committee and an Infrastructure committee, and established in 2020 a sustainability committee.

The Audit Committee has two members, Ulrik Holsted-Sandgreen and Ulrik Falkner Thagesen. The chairman of the audit committee is Ulrik Holsted-Sandgreen. The Audit Committee monitors the financial reporting, internal controls and audits. The organisation and tasks of the Audit Committee are specified in its terms of reference, which are posted on the website. The Audit Committee held six meetings in 2020, compared with five in 2019.

The Infrastructure Committee has three members: Mads Dahl Andersen, Richard Bunck and Ulrik Holsted-Sandgreen. 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 one meeting in 2020, compared with one in 2019. Its terms of reference are available on the website.

At the end of 2020, the Board of Directors resolved to establish a sustainability committee consisting of Thomas Weikop, Ole Elverdam Borch and Ulrik Falkner Thagesen. A terms of

Management structure



reference will be prepared for the committee and posted on the website.

Composition of the Board of Directors

Members of the Board of Directors are elected at a general meeting, which is the supreme authority of the Company. At the Annual General Meeting held in March 2020, the Board was increased from four to six members, with three

new members elected and one existing member resigning. The three other board members were all re-elected.

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, financial reporting and financial management, risk management, acquisition and divestment of businesses, entrepreneurship, digital transformation and scaling organisations for growth. The Board of Directors is composed of individuals with a mix of these competencies. The specific competencies of each Board member are posted on the website.

The three members first elected to the Board in March 2020, Thomas Weikop, Ulrik Falkner Thagesen and Ole Borch are all considered to be independent as per the definitions applied by the Committee on Corporate Governance. The other three members are not independent as defined by the Committee.

- Mads Dahl Andersen previously served on the Company's Executive Board. The Board sees a great advantage in its Chairman 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.
- Richard Bunck is the Company's founder. He served for many years as CEO and remains the principal shareholder. 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 plays no role in decisions that may involve engaging Horten Advokatpartnerselskab for legal advisory services. Ulrik Holsted-Sandgreen has served on the Board for a period exceeding 12 years, being first elected to the Board in 2008.

Group Executive Board

No changes were made to the Group Executive Board in 2020, but following the divestment of North Media Aviser, Lasse Brunnenberger Wulff Hansen was appointed to a new position as Group Executive in charge of business development, focusing specifically on digital expansion. Accordingly, The Group Executive Board still has five members: the Group Executive Director & CFO, Mr Wulff Hansen and the three chief executive officers of the Group's business areas.

As a general rule, the Group Executive Board meets ten times a year and otherwise as the need arises. An important part of the Group Executive Board's responsibilities is 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, such as external reporting, internal and external communications, core values. The chief executive officers of the three business areas each report to an independent board of directors, consisting of the six current members of the Board of Directors of North Media A/S. The three chief executive officers are in charge of the business concept and day-to-day management, including execution of strategy and plans for their respective business segments.

The Group Executive Board participates in all board meetings of North Media A/S, and each chief executive officer has a right to attend the board meetings of any business area.

Corporate Governance

As required under the Danish Financial Statements Act §107b, North Media has prepared a statutory report on corporate governance 2020, which is available at <https://www.northmedia.dk/governance-cfm/>

The report sets out the Board of Directors' position on the Danish recommendations on corporate governance issued by the Committee on Corporate Governance. Together with applicable law and North Media's company policies, these recommendations form the basis of the Company's practices and procedures. Following the changes made to the composition of the Board of Directors in 2020 and the implementation of the new remuneration policy, including the remuneration report, North Media now complies fully with 43 of the 47 recommendations. The Company complies in part with one recommendation and does not comply with three of the recommendations, see below:

Independence of board committee members

Recommendation 3.4.2 that the majority of the members of board committees should be independent is complied with in part only, as only some of the committee members are independent. The Board of Directors believes that the individual committee members' qualifications and backgrounds outweigh the concept of independence as defined by the Committee on Corporate Governance.

Share options offered to the Board of Directors

The Company does not comply with recommendation 4.1.3 that members of the board of directors are not remunerated with share options or warrants. On the contrary, the Board of Directors believes that it is in the shareholders' interests for board members also to have an interest in long-term value creation as well as an increase in the share price. 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 of the Board of Directors

Recommendation 4.2.2 concerning shareholders' approval of proposed remuneration of the Board of Directors is not followed. The total remuneration of the Board of Directors is disclosed in the Annual Report and this is considered sufficient to determine the reasonableness at the directors fees. North Media A/S's general remuneration policy, which was approved at the Annual General Meeting in 2020, aims to ensure that the Company offers competitive remuneration, which is based on efforts and performance, and which is on a par with remuneration offered by comparable listed companies. Remuneration of board members is therefore determined and approved by the Board of Directors.

Whistle-blower scheme

The Company does not comply in 2020 with recommendation 5.2.1 to establish a whistle-blower scheme. Instead, the Company has always maintained an open dialogue encouraging all staff or others who might have something to report to contact any member of the Executive Board or the Board of Directors, whatever is considered the most appropriate and/or effective in the circumstances. In early 2021, the Board of Directors resolved to introduce a whistle-blower scheme through Horten Advokatpartnerselskab to be implemented in 2021.

Remuneration report

North Media has prepared its first remuneration report covering the 2020 financial year. The report, in Danish, will be included with the documents accompanying the notice convening the Annual General Meeting and will also be posted on the Company's website at <https://www.northmedia.dk/vederlagsrapport/>.



Board of Directors

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



Mads Dahl Møberg Andersen

Chairman



Richard Gustav Bunck

Vice-Chairman



Ulrik Holsted-Sandgreen

Board member



Thomas Weikop

Board member

Member of the Board since:

13 April 2018

Born:

1962

Executive positions held outside the North Media Group:

- None, apart from a personally owned business

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)

Member of the Board since:

4 April 2008

Born:

1970

Executive positions held outside the North Media Group:

- Aktiv Wind ApS under voluntary liquidation, liquidator

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)
- Go Dogo ApS (C)
- SUBSERO A/S (BM)
- Vertigo.ai IVS (C)
- Weikop Project (CEO)

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



Board of Directors

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



Ulrik Falkner Thagesen

Board member



Ole Elverdam Borch

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

Member of the Board since:

27 March 2020

Born:

1956

Executive positions held outside the North Media Group:

- AktieUgebetet Invest A/S (C)
- AktieUgebetet Invest Administration A/S (C)
- AIAYU ApS (BM)
- Alfred Priess Holding A/S (BM)
- Borch & Elverdam Advokatanpartsselskab (CEO)
- FFH Invest A/S (C)

- Jazzhus-Montmartre Fonden (BM)
- LHFO A/S (C)
- LHFO B P/S (C)
- LHFO D P/S (M, CEO)
- LHFO K ApS (CEO)
- Sirena Group A/S (VC)
- Per Stakemann's Familiehjælpefond (C)
- Stakemann Holding A/S (BM)

External managerial positions are stated at 10 February 2021. Additional information including board members' special competencies relevant to North Media, their educational backgrounds, previous positions held, etc. can be found at <https://www.northmedia.dk>



Executive Board

C = Chairman, VC = Vice-Chairman, M = Member



Kåre Stausø Wigh

Group Executive Director & CFO,
North Media A/S



Lasse Ingemann Brodt

CEO of Forbruger-Kontakt A/S



Henrik Løvig Jensen

CEO of North Media Online A/S



Jannik Bray Christensen

CEO of Bekey A/S



Lasse Brunnenberger Wulff Hansen

Group Director,
Business Development

Joined the Executive Board:

1 September 2006

Born:

1969

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

- Travelmarket A/S, (M)
- Bedrebilist.dk ApS, (M)

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:

- None

Joined the Executive Board:

8 November 2019

Born:

1990

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

- None

External managerial positions are stated at 10 February 2021. Additional information about executive board members including their educational backgrounds, previous positions held, etc. can be found at <https://www.northmedia.dk>



Statutory report on corporate social responsibility and the underrepresented gender

Sustainability

This section is North Media's report on corporate responsibility and the underrepresented gender prepared pursuant to sections 99a and 99b of the Danish Financial Statements Act, and report on diversity prepared pursuant to section 107d of the Financial Statements Act.

North Media is driven by strong core values, which make up the foundation from which the business is run. The business model is described in further detail on pages 12-27 of this Annual Report. The basic principles of North Media are to show respect for Danish values and culture and responsibility to society, customers and employees. Responsibility, fairness and quality being among its core values. North Media's work on corporate responsibility and sustainability is inherently anchored with the management and the employees and is an integral part of the Group's processes.

Efforts in this field were accelerated during 2020 by way of an analysis of the North Media Group's business processes. This process has provided added insights into how the Group can best be a positive contributor to society and to the achievement of the UN Sustainable

Development Goals and into identifying risks that should be addressed.

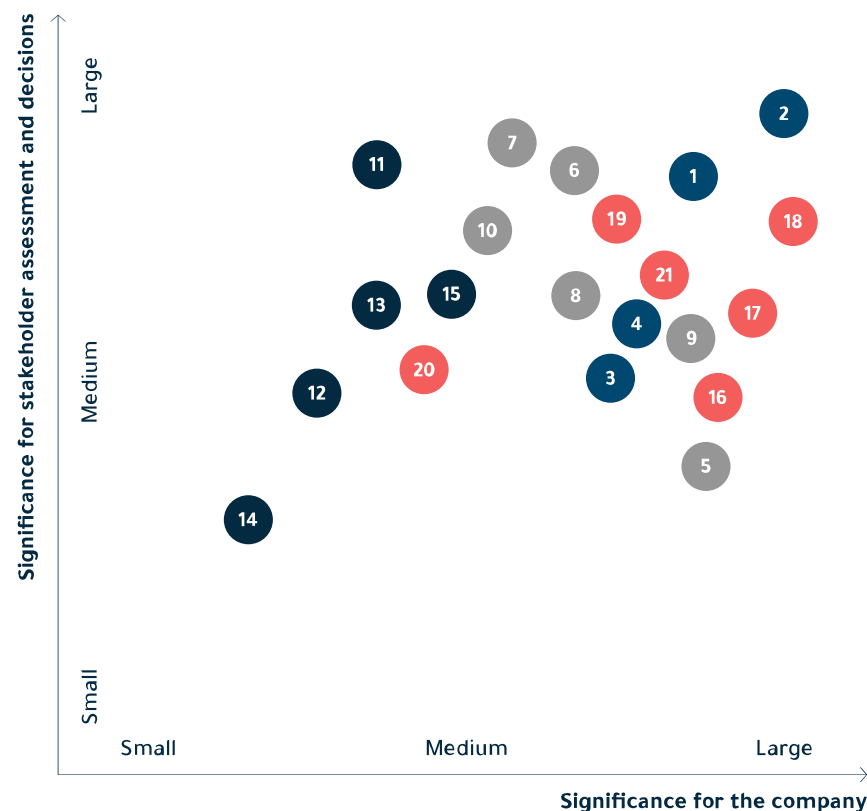
Materiality assessment 2020

North Media has performed a general mapping of the way each business unit and the Group overall perform the role as employer, market player and corporate citizen within the fields of human rights, social matters, human resources, environment and climate as well as in combatting corruption and bribery. The assessment includes both factors that may constitute a risk to the Company or its stakeholders and opportunities for value creation.

In that process, North Media identified a number of themes of particular importance to the Group's activities. A theme is considered to be important if it is of significant importance to our business or has a material impact on key stakeholders' view of North Media or a combination of the two.

During this process, North Media sought inspiration from global guidelines such as the UN Global Compact and the Global Reporting Initiative. The chart shows a matrix of the principal themes grouped according to the four key areas of a new sustainability strategy.

North Media - Materiality matrix 2020



Focus on the individual

1. Data security and personal data
2. Sustainable communities
3. Less red tape
4. Safety and security

A sustainable labour market

5. Job creation
6. Diversity
7. Inclusion
8. Health and safety in the workplace
9. Young people at work
10. Working conditions

Reduced environmental footprint

11. Transport
12. Choice of materials
13. Packaging
14. Recycling
15. Energy consumption

Responsible market player

16. Quality control
17. Responsible marketing
18. Fair competition
19. Pricing
20. Supplier management
21. Consumer protection



A new sustainability strategy

In autumn 2020, based on the materiality assessment, North Media defined four key areas and a number of general long-term Group targets that each business unit is required to consider and implement. Supervision at group level will ensure that a comprehensive effort is being launched to cover all four key areas of the sustainability strategy:

- Focus on the individual
- Contributing to a sustainable labour market
- Acting as a responsible market player
- Operating the business with a minimal environmental footprint

In 2021, the Company's sustainability efforts will be further strengthened with the aim of firmly anchoring targets and KPIs in the new sustainability strategy, while also strengthening the basis of data and management involvement. In 2020, the Company was focused on its own activities. The ambition is to expand the efforts to involve other parts of the value chain in the course of 2021.

A report on selected actions and results in the four key areas is provided below.

Focus on the individual

North Media always puts people first: the Group serves as a connecting link between businesses and consumers and is in direct contact with more than two million households. Grocery shopping, choice of housing, jobs, home care or financing - all activities that may have a great impact on the everyday lives of consumers and citizens. Accordingly, North Media makes a positive contribution to achieving basic human rights, such as access to housing and jobs, while the Group's digital

solutions protect users against fraud and cybercrime. The principal risks are related to abuse of personal data.

Action

North Media contributes to sustainable communities through FK Distribution's distribution of leaflets and local newspapers that serve to support the local business communities and local clubs and associations.

The digital solutions offered by North Media Online contribute to a high level of safety and security for the users of BoligPortal and Ofir by running extensive background checks on providers and landlords. Bekey helps to increase the level of safety and security for the weakest citizens in our society by creating secure access solutions that allow entry into private homes and stairwells for home care services.

The risk of fraud and deceit is reduced in connection with renting homes from private landlords and in connection with access to private homes. Digitised solutions enhance the level of transparency and accessibility on the job and loan markets through easier access to information. Also, time previously spent on burdensome, administrative processes can now be invested in value-creating activities.

North Media works to avoid an AdsYesPls scheme for the distribution of printed matter, as the Group believes that this could lead to even more shop closures in less populated areas. This would also cause local newspapers to shut down, thus weakening local democracy. This is described on page 14-16 of this annual report.

At North Media, we take the processing of personal data seriously and have adopted extensive privacy policies, which are available on the websites of the Group and the individual business units. We ensure fair and transparent data processing in accordance with applicable data protection rules, and we do not disclose personal data to business partners without consent.

Results

FK Distribution distributes leaflets to 69% and local newspapers to 84% of the private households in Denmark. The platform minetilbud, for digital distribution of offers, has more than 650,000 visitors every month, and the activities of North Media Online and Bekey are seeing strong growth. This serves to strengthen the impact of North Media's business, to the benefit of local communities and Danish households. See pages 12-27 for information on the results for the year of the three business units.

The access solutions offered by Bekey are used by home care services in 73 Danish and Norwegian municipalities.

A sustainable labour market

North Media mainly operates in Denmark and is therefore focused on the Group's contribution to the Danish labour market. Our activities as an employer primarily relate to job creation, health and safety at work and working conditions. The principal risks are industrial accidents, although the incidence at North Media is below the industry average, and working conditions in the value chain.

Employing more than 10,000 deliverers, FK Distribution is Denmark's largest employer of young people. For more than 15% of a given

year group of young people, the job as a deliverer is often the first encounter with the labour market. This places an extra responsibility on North Media as an employer. At our packing terminals, we offer many meaningful jobs for unskilled workers, which is a good opportunity for us to offer employment to young people, to new Danes, people with no education and people on the edge of the labour market. North Media's constant focus on innovation and digitisation also makes the Group an attractive workplace for salaried employees who - apart from our team of deliverers - constitute our largest staff group.

Diversity policy and the underrepresented gender

The Group sees diversity as a strength that helps the Company attract and retain the most talented individuals. Career opportunities are open to all employees at North Media: candidates are exclusively considered a given vacant position on the basis of his or her competences, experience and attitude.

North Media aims to be an inclusive workplace where discrimination of any form is not tolerated. Political or religious expressions of allegiance are not accepted in the workplace. The Group has a declared goal that its work force should consist of equal numbers of men and women of all ages and for the equal distribution to apply at all levels of the organisation, from the Board of Directors, the Executive Board, managers and to the youngest staff member.

Action

Job creation and young people at work

Being the first employer of many young people, the Group is highly committed to ensuring that the introduction to the job as a deliverer



with FK Distribution takes place in close dialogue with the deliverer and his or her parents. We provide thorough instructions and follow-up, and we have prepared extensive material introducing the young deliverer to the job in collaboration with dedicated employees. The local head of distribution and the deliverer are in regular contact, and a physical workplace assessment (APV) is performed every second month. A close dialogue between the deliverer and the employer, coupled with the deliverer's own influence on route planning, for example, ensures that the employee's individual pay reflects his or her work efforts.

Health and safety at work

Health and safety at work is given high priority. We do not accept industrial accidents. As a result of our systematic efforts to prevent industrial accidents and sickness absence, we have only few industrial injuries and a low level of sickness absence compared with the industry average.

Diversity

North Media aims to have a diverse staff mix in terms of gender, age and general background, for example in terms of educational background and work experience. All regardless of ethnic background, nationality or sexual orientation.

The Group requires everyone to be able to express themselves in and understand Danish so that everyone can join in the conversation and no one feels left out. Danish language tuition is provided mandatory for new members of staff who do not speak Danish.

In the composition of the supreme governing bodies, an assessment of diversity is taken into account in the overall evaluation of the Board of Directors and the Executive Board with regard to age, gender, educational and professional background and nationality.

At North Media, male and female candidates are considered on equal terms when it comes to in-house career development and external recruitment. Only a candidate's qualifications relative to the requirements for a given position are given consideration. North Media makes use of employee surveys and performance evaluations to identify management potential among the Group's employees with a view to developing staff and encouraging qualified employees to apply for an executive position within the Group. A key element of the Group's efforts to develop staff is to ensure that all candidates regardless of gender are considered on equal terms and identified in connection with the internal and external recruitment of executives, and that no one is excluded from the North Media Group's pool of talent for executive positions.

Moreover, North Media conducts employee surveys and performance evaluations systematically to identify any barriers that might stand in the way of equal opportunities for individuals wanting to pursue a career at the executive level.

Results

Job creation and young people at work

North Media had 445 full-time employees at 31 December 2020, an decrease of 3,5% on 2019, when adjusting for the divestment of

North Media Aviser. A total of 11.305 deliverers were employed.

In 2020, North Media had seven trainees compared to six in 2019. A total of nine internships were completed. Over the coming years, the Group will seek to increase the proportion of trainees and explore how North Media can help even more young new graduates to enter the labour market. BoligPortal received Business Academy Aarhus' best internship company award for 2020. BoligPortal was nominated for the award by one of the many students who have completed an internship with the company.

Health and safety at work

A total of 16 industrial accidents were registered in 2020, against 25 in 2019. The incidence rate has dropped substantially in recent years as a result of improved training of deliverers and increased attention to health and safety at work. Work injuries primarily consist of minor accidents among deliverers on foot or on bicycles, such as a sprained ankle.

Diversity

FK Distribution's focus on and hiring of first or second generation immigrants has resulted in the successful integration of the many new Danes at the Group's two packing terminals. This in itself provides for self-reinforcing and good integration, and only very seldom do conflicts arise in the workplace despite the many different cultures working together.

In North Media, in 2020 there was a gender distribution of 41% women and 59% men in the organization as a whole. At management levels, the distribution was that 31% were women and 69% were men. All five members of the Executive Board are men, as are the six

members of the Board of Directors. During the next four years, North Media aims to have the underrepresented gender make up at least 25% of the candidates for vacant positions on the Board of Directors and for at least 20% of the members of the Board of Directors to be women, by 2025 at the latest.

Group Management has assessed that the current composition of the Board of Directors and the Executive Board as regards age, educational and professional background and nationality to be satisfactory, considering the geographical delimitation and the activities of the Company.

Responsible market player

North Media acts as a responsible market player in compliance with the Group's values. The Group is a connecting link between businesses and consumers and therefore gives high priority to consumer protection and responsible marketing. The principal risks are irresponsible conduct along the value chain. Obviously, North Media does not tolerate unethical conduct, such as corruption, whether at business partners or within the Group, and does not distribute materials of a discriminatory or offensive nature.

Action

For the past many years, households have had two options with respect to door-to-door distribution of leaflets: either a household received everything being distributed in a given week, or it could register for the NoAds scheme, meaning that it would receive no leaflets. However, FK Distribution introduced the NoAds+ scheme. The scheme enables households to choose the leaflets from the advertisers they would like to receive and dese-



lect others. FK Distribution continues to collaborate with customers and suppliers on sustainable and innovative solutions, e.g. in order to reduce the volume of packaging or to have digital and physical services interact. Moreover, the Group has developed segmentation solutions that make it possible to distribute printed matter in selected areas in which the level of interest is expected to be particularly high.

Transparency is pivotal to our activities. When residential units are listed online via BoligPortal, or jobs are posted via Ofir, they become visible to everyone with internet access. Through the distribution of printed matter, the prices of grocery goods become visible across the market. This helps intensify competition, leading to better prices and terms for the consumer.

Results

In 2020, the distribution of printed matter was transitioned from two to one weekly distribution round in order to strike a better balance between supply and demand for printed matter.

In June, the Danish Competition Council decided that FK Distribution was not entitled to couple digital offering solutions at minetilbud with the physical distribution of leaflets. The decision has been appealed to the Danish Competition Appeals Board, as the matter is of general interest to Danish advertising distributors and their ability to compete effectively against global online giants. The appeal is scheduled for hearing in 2021.

The Group has never had any known cases of bribery or other form of corruption and

therefore has not taken any specific initiatives to that effect.

Climate and environment

The environmental impact of North Media's own operations primarily relate to CO₂ emissions generated by the transportation of printed matter from FK Distribution's two packing terminals in Taastrup and Tilst to private households around Denmark as well as CO₂ emissions from own facilities' purchases of heat and electricity. Packaging and the choice of materials have also been identified as relevant focus areas in certain parts of the business. Measured by revenue, FK Distribution represents 87% of the Group and exclusively engages in packing and distribution activities and has no direct influence on the production of the printed matter, including forestry, types of paper, volume, printing, etc. The principal risks in terms of climate and the environment are unnecessary CO₂ emissions from transport or energy consumption as well as environmental aspects in the supplier chain.

Action

Potential solar cell solutions for the Group's packing terminals are currently being explored, and the Group continuously works to renew and optimise installations and machinery in order to reduce electricity consumption. The Group's entire electricity consumption in Denmark is sourced from Ørsted and derives from European wind turbines.

A life cycle assessment of the environmental impact of printed matter is currently being conducted. The assessment will help identify which parts of the value chain have the greatest environment and climate impact in connection with the production and distribution

of leaflets. The results of the assessment are expected to be available in the first half of 2021 and will be used to prioritise North Media's environmental initiatives going forward.

An agreement has been signed with Deutsche Post to package leaflets for 143,000 households in the Flensburg area, Germany. An expansion of the partnership, based on plastic-free packaging, is currently being discussed.

Results

North Media has a limited environmental impact, but in 2020, the Group gained a better insight into its CO₂ emissions and other climate and environmental impacts. In 2021, this information will be used to systematise efforts going forward. The annual CO₂ emissions from the Group's own operations is approximately 2,400 tonnes. This is a decrease from 3,100 tonnes of CO₂ in 2019 and is primarily due to a change from two to one weekly distribution round. About 90% of these emissions occur from vehicles transporting printed matter from distribution centres and community locations to Danish households. Some 10% comes from energy consumption for heating purposes. The Group's electricity consumption is climate-neutral, being sourced through sustainable energy from Ørsted.

Activities were carried out to reduce energy consumption from the Group's installations, including ventilation and cooling systems, and charging points for electric and hybrid vehicles were installed at the Group's premises in Søborg, Taastrup and Tilst.

Organisation

The Executive Board is responsible for defining the Group's sustainability strategy and

sustainability targets. The CEOs of the individual business units are members of the Group Executive Board and are all responsible for ensuring that the Group's sustainability strategy and sustainability targets are implemented in their own business, with due regard for any special circumstances in the business unit.

In late 2020, the Board of Directors set up a sustainability committee consisting of three board members, who - together with the Group Executive Director and CFO and the CEO of FK Distribution - will monitor the Group's efforts, approve the sustainability strategy and key activities and ensure Group compliance with applicable legislation on CSR and diversity reporting as well as targets for the under-represented gender (sections 99a and 99b and section 107d of the Danish Financial Statements Act and section 139c of the Danish Companies Act).



North Media Sustainability Strategy 2020

Our businesses focus on the individual, and we contribute to sustainable communities as an employer, market player and corporate citizen

Focal area	Focus on the individual	A sustainable labour market	Responsible market player	Reduced environmental impact
Principle themes	<ul style="list-style-type: none"> Data security and personal data Sustainable communities Less red tape Safety and security 	<ul style="list-style-type: none"> Job creation Inclusion Young people at work Diversity Health and safety in the workplace Working conditions 	<ul style="list-style-type: none"> Consumer protection Quality control Fair competition Responsible marketing Pricing Supplier management 	<ul style="list-style-type: none"> Transport Choice of materials Packaging Recycling Energy consumption
We contribute to value creation in society at large as well as in our business	<ul style="list-style-type: none"> We contribute to sustainable communities by supporting small retailers, local newspapers and other local activities We help create safe and secure conditions for the users of our services We free up time to be spent on human interaction by reducing administrative burdens 	<ul style="list-style-type: none"> We help young new graduates enter the labour market We work to increase the proportion of trainees and interns We develop our employees We work to increase the proportion of the underrepresented gender in management and in the organisation in general 	<ul style="list-style-type: none"> We proactively invite customers and suppliers to partner up with us on sustainable innovation We create more transparency in the rental housing, job and loan markets, as well as in retail 	<ul style="list-style-type: none"> We transition to digital solutions wherever possible We use only renewable energy for our own activities and work to achieve a climate-neutral business
We take responsibility and minimise risk	<ul style="list-style-type: none"> We respect people's right to privacy We comply with data protection rules We place high demands on ourselves, our business partners and our suppliers 	<ul style="list-style-type: none"> We give high priority to health and safety at work and do not accept industrial accidents We ensure that all employees and deliverers work under proper conditions We do not tolerate discrimination in any form 	<ul style="list-style-type: none"> We do not disseminate content of a discriminatory or offensive nature 	<ul style="list-style-type: none"> We use sustainable packaging and avoid plastic packaging whenever possible We work to promote more recycling
We contribute to the SDGs				

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 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. The Board of Directors and Executive Board of North Media review such general principles, policies, procedures and internal controls at least once a year

North Media's most significant risks and measures taken to minimise such risks are set out in the table below:



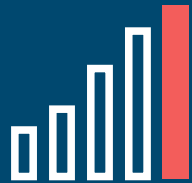


Top five risks

	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	<p>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.</p>	<p>Political initiatives may affect markets in which the Group operates. If, for instance, changes are made to the current NoAds scheme, the number of households 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.</p>	<p>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.</p> <p>If, for instance, critical systems become inaccessible for any length of time, customers may be lost, and the reputation of the Company may suffer.</p>	<p>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.</p>	<p>The COVID-19 pandemic in 2020 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.</p>
Mitigating risks	<p>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.</p>	<p>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 newspapers, and their specific environmental impact.</p>	<p>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 backup/restore policies.</p>	<p>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.</p>	<p>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.</p>



North Media in numbers



4 years

We have grown EBIT for four consecutive years. We are focused on long-term value creation and optimisation and on consistently improving in terms of efficiency and exploiting scale benefits.



5 DKK

Our ambition is to provide attractive returns for our shareholders. The Board of Directors recommends that a dividend of DKK 5 per share be paid in respect of the 2020 financial year, up from DKK 4 last year.



445
employees

We employ a staff of 445 full-time employees, including a large number of first or second generation immigrants at our terminals. All employees are based in Denmark, but we also serve customers in Sweden, Norway, Finland, Germany and other countries.



15%
of a cohort

Every year, about 10,000 young people, or 15% of a given cohort, start a job with us and get their first experience of holding a job and being punctual. About 25% of young people in a given cohort apply for a job with us.



55 years

North Media has been distributing information to consumers since 1965. Our founder, Richard Bunck, remains our principal shareholder. We have a total of 2,015 shareholders based in 24 different countries.



Group financial statements

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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 2020.

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 2020 and of their financial performance and the Group's cash flows for the financial year 1 January to 31 December 2020.

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 2020, with the file name NORT-2020-12-31.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 10 February 2021

Executive Board

Kåre Stausø Wigh
Group Executive Director & CFO

Lasse Ingemann Brodt
CEO, Forbruger-Kontakt A/S

Henrik Løvig Jensen
CEO, North Media Online A/S

Jannik Bray Christensen
CEO, Bekey A/S

Lasse Brunnenberger Wulff Hansen
Group Director, Business Development

Board of Directors

Mads Dahl Møberg Andersen
Chairman

Richard Gustav Bunck
Vice-Chairman

Ulrik Holsted-Sandgreen

Thomas Weikop

Ulrik Falkner Thagesen

Ole Elverdam Borch

Adoption

As presented and adopted at the Annual General Meeting of shareholders on 26 March 2021.

As chairman of the meeting:

Jacob Kornerup
Horten Advokatpartnerselskab



Independent auditor's report

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 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 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 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 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 2020 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 2020 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards

Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with 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 2 years including the financial year 2020.

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 2020. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter Revenue

Revenue from the Group's three segments are 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.

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 achieves fair presentation.
- 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, related safeguards.

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 au-

ditor'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 A/S for the financial year 1 January to 31 December 2020 with the file-name NORT-2020-12-31.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 elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

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

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

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of North Media A/S for the financial year 1 January to 31 December 2020 with the file name NORT-2020-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup 10 February 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR. no. 3377 1231

Bo Schou-Jacobsen
State Authorised Public Accountant
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State Authorised Public Accountant
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Consolidated statement of comprehensive income

DKKm	Note	2020	2019
Revenue	4, 23, 37	1,045.4	1,045.6
Direct costs	18, 37	245.4	285.5
Direct staff costs	5, 37	180.2	237.4
Gross profit		619.8	522.7
Staff costs	5, 6, 37	225.8	223.2
Other costs	7, 37	131.7	119.7
Amortisation and depreciation	8, 16, 37	30.2	27.3
Other operating income	37	8.1	13.4
EBIT before special items		240.2	165.9
Special items, net	12, 37	0.0	4.1
Operating profit (EBIT), continuing operations		240.2	170.0
Share of profit/loss in associates	9	-1.1	-4.9
Return on securities	10	154.5	122.1
Financial income	11	0.1	0.6
Financial costs	11	5.6	12.2
Profit before tax, continuing operations		388.1	275.6
Tax for the year, continuing operations	13	85.1	64.1
Net profit, continuing operations		303.0	211.5
Net profit, discontinued operations	31	3.5	-6.2
Net profit for the year		306.5	205.3
Attributable, net profit/loss			
Shareholders in North Media A/S		306.5	205.3
		306.5	205.3
Earnings per share, in DKK	14		
Earnings per share (EPS) - total		16.9	11.0
Diluted earnings per share (EPS-D) - total		16.7	11.0
Earnings / share excl. return on securities (EPS-adj)		10.3	5.9

DKKm	Note	2020	2019
Net profit for the year		306.5	205.3
<i>Financial statement items that may later be reclassified to the income statement:</i>			
Translation adjustments, foreign companies		0.3	-0.2
Other comprehensive income		0.3	-0.2
Comprehensive income		306.8	205.1
Attributable, comprehensive income			
Shareholders in North Media A/S		306.8	205.1
		306.8	205.1



Consolidated balance sheet

Assets

DKKm	Note	2020	2019
Goodwill		39.1	39.1
Other intangible assets		10.1	11.2
Completed development projects, software		6.9	3.1
Intangible assets	16	56.1	53.4
Land and buildings		236.7	250.0
Investment property		17.4	17.9
Plant and machinery		39.6	45.3
Operating equipment, fixtures and fittings		12.0	12.1
Property, plant and equipment	16	305.7	325.3
Investments in associates	17	6.1	7.0
Other securities and investments		1.9	1.4
Other receivables		1.2	1.9
Other non-current assets		9.2	10.3
Total non-current assets		371.0	389.0
Inventories	18	3.7	5.2
Trade receivables	19	60.6	71.2
Other receivables		0.6	1.1
Prepayments		14.3	16.6
Securities		585.4	400.0
Cash at bank and in hand		153.5	84.7
Total current assets		818.1	578.8
Total assets		1,189.1	967.8

Equity and liabilities

DKKm	Note	2020	2019
Share capital	21	100.3	100.3
Reserve, translation adjustments		-2.6	-2.9
Retained earnings		781.3	573.8
Total equity		879.0	671.2
Deferred tax	20	11.4	9.5
Financial institutions	22	118.1	122.8
Lease debt	29	6.3	9.4
Total non-current liabilities		135.8	141.7
Financial institutions	22	4.7	4.7
Lease debt	29	3.6	6.2
Trade payables		34.3	35.2
Income tax payable		9.0	6.7
Contract liabilities	23	8.6	10.1
Other payables	24	114.1	92.0
Total current liabilities		174.3	154.9
Total liabilities		310.1	296.6
Total equity and liabilities		1,189.1	967.8



Consolidated statement of changes in equity

DKKm	Share capital	Reserve, translation adjustments	Retained earnings	Total equity
Equity 1 January 2019	100.3	-2.7	441.1	538.7
Change in equity 2019				
Net profit for the year	0.0	0.0	205.3	205.3
Translation adjustments, foreign companies	0.0	-0.2	0.0	-0.2
Other comprehensive income after tax	0.0	-0.2	0.0	-0.2
Total comprehensive income	0.0	-0.2	205.3	205.1
Purchase of treasury shares	0.0	0.0	-19.4	-19.4
Share-based payment	0.0	0.0	2.3	2.3
Dividend paid	0.0	0.0	-60.2	-60.2
Dividend on treasury shares	0.0	0.0	4.7	4.7
Total changes in equity in 2019	0.0	-0.2	132.7	132.5
Equity at 31 December 2019	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



Consolidated cash flow statement

DKKm	Note	2020	2019	DKKm	Note	2020	2019
Net profit for the year, continuing activities		303.0	211.5	Repayment of non-current liabilities	28	-9.4	-8.2
Adjustments for non-cash items	25	-30.6	-16.2	Purchase treasury shares	21	-29.2	-19.4
Changes in working capital	26	33.0	2.5	Dividend paid	15	-71.8	-55.4
Cash flow from operating activities before net financials		305.4	197.8	Cash flow from financing activities, continuing operations		-110.4	-83.0
Interest received		0.1	0.2	Cash flow from financing activities, discontinued operations		-1.0	-2.0
Interest paid		-5.2	-4.6	Cash flow from financing activities, total		-111.4	-85.0
Cash flow from ordinary activities before tax		300.3	193.4	Total cash flows' for the year		68.8	14.0
Income tax paid	13	-81.7	-61.3	Cash and cash equivalents at 1 January		84.7	70.7
Cash flow from operating activities, continuing operations		218.6	132.1	Cash and cash equivalents at 31 December		153.5	84.7
Cash flow from operating activities, discontinued operations		-2.1	-1.8				
Cash flow from operating activities, total		216.5	130.3				
Investments in intangible assets and PP&E	27	-16.4	-13.9				
Disposals of PP&E		2.1	1.7				
Purchase of securities		-61.2	-95.9				
Sale of securities		27.2	72.1				
Dividend from securities		3.0	2.4				
Investment in associates	17	0.0	0.6				
Purchase/investments in other non-current assets		-1.9	-2.4				
Sale of other non-current assets		0.0	4.1				
Cash flow from investing activities, continuing operations		-47.2	-31.3				
Cash flow from investing activities, discontinued operations		10.9	0.0				
Cash flow from investing activities, total		-36.3	-31.3				



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.

Accounting policies are unchanged compared with 2019.

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 2020.

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 intra-group 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. Positive and negative fair values are recognised as other receivables and other payables, respectively.

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 three 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.

Online income comprises job and banner ads, user charges, subscription income 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 key systems. Revenue from physical goods is recognised when such goods have been installed whereas related payment of subscriptions for using the administration system is recognised over the term of the contract.

The terms of payment of the Group's sales contracts with customers depend partly on the underlying performance obligation and

partly on the underlying customer relationship, although typically the terms of payment will be between 14 and 30 days, alternatively invoice month + 30 days.

Direct expenses

Direct expenses include expenses incurred to generate revenue for the year. The expenses external distribution, distribution services, excluding direct staff costs and Google expenses that may be attributed directly to revenue-generating activities. Direct expenses 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 expenses

Other expenses 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 expenses.

Amortisation and depreciation

Amortisation and depreciation 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.

Special items

Costs of a special nature and non-recurring costs are classified as "special items". Such items include, for example, amortisation of goodwill and other intangible assets, any adjustments of outstanding consideration relating to the acquisition of businesses or business activities.

Special items also include impairment losses on properties no longer used for their original purpose, severance payments relating to executive board members and severance payments related to the application of the Danish Collective Dismissals Act or similar situations. Finally, the item includes capital gains or losses from the sale of enterprises or activities.

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, discount effect of purchase price payable, 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 "Special items".

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 re-

sources 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 soft-ware 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 "Special items" in the income statement.

Property, plant and equipment

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

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

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

Leasehold improvements	5 years
Owner-occupied property	50 years
Mixed land, property and buildings	20-35 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Investment property	35 years
Land is not depreciated.	

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

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

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

Lease assets

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

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



Note 2 Accounting policies (continued)

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

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 "Special items". 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 payable and current tax receivable are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on previous years' taxable income and for prepaid tax.

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, no deferred tax is recognised on temporary differences relating to goodwill not deductible for tax purposes, office properties or other items where temporary differences - except in the case of acquisitions of companies - have arisen at the time of acquisition and affect neither the net profit for the year nor the taxable income. In those cases where the calculation of the tax base can be made under alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset and settlement of the liability, respectively.

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 set-off 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.

The Company is jointly taxed with all foreign subsidiaries. Deferred tax relating to re-taxation of deducted losses in foreign subsidiaries is recognised based on a specific assessment of the purpose of each subsidiary.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force at the balance sheet date would be applicable in the respective countries when the deferred tax liability is expected to crystallise as current tax. 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 flows 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 flows 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 three business segments:

- FK Distribution, which consists of the distribution activities of FK Distribution and Tryksagsomdelingen Fyn.
- North Media Online, which consists of BoligPortal.dk, BostadsPortal.se, Ofir.dk and MatchWork.com
- Bekey, which consists of the Group's electronic key system.

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, investment activities, 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 before special items.

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

The former segment North Media Aviser has been divested during the year.

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)
EBITDA before special items	=	EBITDA + Special items, net
EBITA	=	EBIT + amortisation
EBIT before special items	=	EBIT + Special items, net
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	=	$\frac{\text{EBIT before special items} \times 100}{\text{Revenue}}$
Equity ratio	=	$\frac{\text{Equity at the end of the period incl. minority interests} \times 100}{\text{Total assets}}$
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	=	$\frac{(\text{EBITA} + \text{special items}) \times 100}{\text{Average capital employed incl. goodwill}}$
Free cash flow before special items and tax (CFFO)	=	EBITDA adjusted for changes in operational balance sheet items excl. tax and minus investments
Earnings per share (EPS)	=	$\frac{\text{Parent's share of net profit/loss for the year}}{\text{Average number of shares in circulation}}$
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)	=	$\frac{\text{Net profit for the year} - \text{return on securities after tax}}{\text{Average number of shares in circulation}}$
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
- Return on Invested Capital (ROIC) is calculated before special items
- 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 special items and tax as the amount of prepaid tax may otherwise affect the ratio randomly
- Ratios which include equity, are all calculated inclusive of minority interests as both the profit or loss and balance sheet figures include the minority interests



Note 4 Segment information

DKKm	FK Distribution		North Media Online		Bekey		Unallocated costs/ elimi.*)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment revenue	913.6	934.8	103.4	86.5	34.8	27.3	0.0	0.0	1,051.8	1,048.6
Internal revenue	0.0	0.0	-0.2	-0.1	-6.2	-2.8	0.0	0.0	-6.4	-2.9
External revenue	913.6	934.9	103.2	86.2	28.6	24.5	0.0	0.0	1,045.4	1,045.6
Revenue recognition										
Immediately	913.6	934.9	20.9	16.8	21.7	18.9	-	-	956.2	970.6
Over time	-	-	82.3	69.4	6.9	5.6	-	-	89.2	75.0
External revenue	913.6	934.9	103.2	86.2	28.6	24.5	0.0	0.0	1,045.4	1,045.6
Direct costs	410.8	507.5	3.8	2.5	1.9	4.8	9.1	8.1	425.6	522.9
Gross profit	502.8	427.4	99.4	83.7	26.7	19.7	-9.1	-8.1	619.8	522.7
Other costs	256.0	242.2	74.1	74.9	31.0	29.7	-6.7	-12.3	354.4	334.5
EBITDA	249.2	187.3	25.9	9.7	-4.3	-10.0	-0.4	6.2	270.4	193.2
Amortisation and depreciation	15.5	14.9	2.9	2.9	2.5	0.4	9.3	9.1	30.2	27.3
EBIT before special items	233.7	172.4	23.0	6.8	-6.8	-10.4	-9.7	-2.9	240.2	165.9
Special items, net	0.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	4.1
EBIT	233.7	172.4	23.0	10.9	-6.8	-10.4	-9.7	-2.9	240.2	170.0
Share of profit/loss in associates	0.0	0.0	-1.1	-4.9	0.0	0.0	0.0	0.0	-1.1	-4.9
Return on securities	-	-	-	-	-	-	-	-	154.5	122.1
Net financials	-	-	-	-	-	-	-	-	-5.5	-11.6
Profit before tax, continuing operations	-	-	-	-	-	-	-	-	388.1	275.6
Gross margin	55.0%	45.7%	96.3%	97.1%	93.4%	80.4%	-	-	59.3%	50.0%
EBITDA margin	27.3%	20.0%	25.1%	11.3%	-15.0%	-40.8%	-	-	25.9%	18.5%
EBIT margin	25.6%	18.4%	22.3%	7.9%	-23.8%	-42.4%	-	-	23.0%	15.9%

* Internal revenue has been eliminated in other operating expenses. Other items relate to unallocated costs as well as assets and liabilities.

Following the divestment of the newspaper activities the Group has the following three segments:

Geographical information

North Media A/S mainly operates in the Danish market, and more than 97% (2019: more than 97%) 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

North Media A/S' revenue consist of distribution activities with a revenue of DKKm 913.6 and Online- and Bekey activities with a revenue of DKKm 131.8.



Note 5 Employees and staff costs

Number	2020	2019
Average number of employees	445	461

In addition, approximately 10,000 young part-time employees are working in distribution. (app. same number as last year) (2020: converted to app. 865 FTE, 2019: app. 1,250 FTE).

Total salaries and remuneration for the year, DKKm	2020	2019
Wages and salaries, including holiday pay	364.6	411.8
Defined contribution plans	16.2	16.1
Other social security costs	3.1	3.3
Remuneration of the Parent's Board of Directors	3.3	2.2
Share-based payment	2.0	2.3
Other staff costs	16.8	24.9
Total staff costs	406.0	460.6

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

Direct staff costs	180.2	237.4
Staff costs	225.8	223.2
Total staff costs	406.0	460.6

Remuneration of the Board of Directors and Executive Board

2020, DKKm

	Parent board of directors	Parent executive board	Total
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

2019, DKKm

Wages, salaries and bonus	2.2	13.3	15.5
Pension (defined contribution plans) and usual staff benefits	0.0	1.4	1.4
Share-based payment	0.3	0.7	1.0
Severance pay	0.0	2.4	2.4
Remuneration of the Board of Directors and Executive Board	2.5	17.8	20.3
Number of members (average)	4	5	9

Reference is made to the section on corporate governance on page 39.

The Company's remuneration report providing information in Danish about the remuneration paid to each member of management will appear from the documents accompanying the notice convening the Annual General Meeting and will also be posted 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 2020, other than to three newly-elected board members and one executive, as per the rules set out below. The awards were made in reference to the 2018 share option programme and at the share price applied in that programme, i.e. DKK 36.3 per share.

In the 2020 financial year there was no window for exercising share options. (2019: 0 shares 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 comprises 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 2020 the following is outstanding:

- Tranche 1 consisting of 200,000 options vesting during the period to the publication of the financial statements for 2020. Tranche 1 options may be exercised during the period of one week after the date of ter-

mination of the vesting period (at 18 February 2021) and until four weeks after the date of the Company's publication of the financial statements for 2021.

- Tranche 2 consisting of 301,000 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 405,000 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 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. On this basis, the exercise price was calculated at DKK 36.3 per share.

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 2,100,000 treasury shares. These shares are reserved for settlement, wholly or in part, of the options granted.

The theoretical market value (as assessed using the Black-Scholes model) of the share options granted was DKK 8.1 million at the grant date. The costs are recognised over the life of

the individual tranches. The following assumptions were 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 906,000 shares remain outstanding, equalling 4.52 % of the share capital.

In 2020, DKK 2.0 million (2019: DKK 2.3 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 addition to the 906,000 options granted, another around 100,000 options have been earmarked for other executives or employees who might later join the share option programme.

A total of 98,000 share options were awarded to three newly-elected board members and one executive, while 131,000 share options were cancelled due to the termination or commencement 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	
	2020	2019
Outstanding share options, 1 January	939,000	945,000
Exercised during financial year	0	0
Expired during financial year	0	0
Cancelled due to termination of employment	-131,000	-98,000
Options granted, 2018-programme	98,000	92,000
Outstanding share options, 31 December	906,000	939,000
Number of share options which can be exercised at the balance sheet date	0	0
Share options programme, total	906,000	945,000

The Executive Board's and other staff's share of issued options:

Board of Directors

	Time of earliest exercise	Number of options granted	Number of employees who have been granted options	Number granted/exercised/expired in 2020	Unexercised options at 31.12.2020	Exercise price
Granted 2018, tranche 1	2021	30,000	1	-10,000	20,000	36.3
Granted 2018, tranche 2	2022	36,000	4	6,000	42,000	36.3
Granted 2018, tranche 3	2023	45,000	4	30,000	75,000	36.3

Executive Board

Granted 2018, tranche 1	2021	68,000	5	0	68,000	36.3
Granted 2018, tranche 2	2022	104,000	5	0	104,000	36.3
Granted 2018, tranche 3	2023	130,000	5	0	130,000	36.3

Other managerial staff

Granted 2018, tranche 1	2021	60,000	4	-12,000	48,000	36.3
Granted 2018, tranche 2	2022	75,000	4	-15,000	60,000	36.3
Granted 2018, tranche 3	2023	100,000	4	-20,000	80,000	36.3

Other staff

Granted 2018, tranche 1	2021	76,000	7	-12,000	64,000	36.3
Granted 2018, tranche 2	2022	95,000	7	0	95,000	36.3
Granted 2018, tranche 3	2023	120,000	7	0	120,000	36.3

The fair value of the unexercised share option programme was DKK 39.4 million at 31 December 2020, calculated based on the year-end share price (2019: DKK 7.7 million).



Note 7 Fees to the auditors appointed by the General Meeting

DKKm	2020	2019
PwC		
Statutory audit services	1.2	1.5
Other assurance engagements	0.1	0.1
Tax services	0.3	0.2
Other services	0.5	0.4
Total fees to the auditors appointed by the General Meeting	2.1	2.2

Fees for other assurance engagements provided for the Group by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.9m in 2020 (2019: DKK 0.6m), which is included in the above numbers. The assistance consists primarily of other assurance statements as well as other services in general.

Note 8 Amortisation and depreciation

DKKm	2020	2019
Amortisation intangible assets	1.9	1.7
Depreciation property, plant and equipment	27.7	28.6
Loss from sale of assets	1.6	-0.1
Depreciation, discontinued activities	-1.0	-2.9
Total amortisation and depreciation	30.2	27.3

Note 9 Share of profit/loss in associates

DKKm	2020	2019
Share of profit/loss before tax	-1.3	0.7
Share of tax	0.2	-0.2
Impairment loss	0.0	-6.0
Gain on sales of investments	0.0	0.6
Total share of profit/loss in associates	-1.1	-4.9

The profit/loss for 2020 and 2019 was attributable to Lead Supply. In 2019, an amount of DKK 6.0 million was written down for impairment on the Group's investment in Lead Supply. The impairment loss was a partly result of lower-than-expected revenue and EBIT were lower than expected.

Gains on the sale of investments were attributable to Mesto.ua, which was sold off in 2019.

Note 10 Return on securities

DKKm	2020	2019
Dividend	3.0	2.4
Net capital gains on shares	151.5	119.7
Total return on securities	154.5	122.1



Note 11 Net financials

DKKm	2020	2019
Interest income etc	0.1	0.2
Exchange gains	0.0	0.4
Total financial income	0.1	0.6
Interest expenses etc	5.1	4.5
Exchange losses	0.5	0.0
Debt discount on loan repayment / renewals	0.0	1.0
Fair value adjustment of other investments	0.0	6.7
Total financial expenses	5.6	12.2

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

Fair value adjustments of other investments in 2019 consist of write-downs on Lix Technologies.

Note 12 Special items

DKKm	2020	2019
Special items, income		
Gain on sale of shares in Emply ApS	0.0	4.1
Total	0.0	4.1



Note 13 Income tax

DKKm	2020	2019
Tax on profit/loss for the year		
Current tax charges	84.6	59.0
Changes in deferred tax	1.1	4.8
Adjustment of tax concerning prior years	-0.7	0.3
Total tax on profit/loss for the year	85.0	64.1
Tax on profit/loss for the year		
Computed tax on the profit/loss before tax 22.0% (2019: 22.0%)	85.4	60.7
Tax effect of:		
Utilised tax loss carry-forward	-0.4	0.0
Other non-deductible expenses	0.0	0.1
Share-based payment	0.4	0.5
Share of profit/loss after tax in associates	0.2	1.1
Fair value adjustment of other investments	0.0	1.4
Adjustment of tax concerning prior years	-0.7	0.3
Total tax on profit/loss for the year	84.9	64.1
Effective tax rate	21.9%	23.3%

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 14 Earnings per share

DKKm	2020	2019
Net profit for the year - total	306.5	205.3
Minority interests' share of consolidated profit	0.0	0.0
North Media Group's share of net profit for the year	306.5	205.3
Net profit excluding return on securities	186.0	110.1
Average number of shares (in millions)	20.1	20.1
Average number of treasury shares (in millions)	2.0	1.5
Average number of shares in circulation (in millions)	18.1	18.6
Average dilution effect of outstanding share options	0.3	0.0
Average number of diluted shares in circulation (in millions)	18.4	18.6
Earnings per share (EPS) - total	16.9	11.0
Diluted earnings per share (EPS-D) - total	16.7	11.0
Earnings per share excluding return on securities (EPS-adj)	10.3	5.9

The outstanding share options were in-the-money on average during 2020. The calculation of diluted earnings per share included 0.3 million share options (2019: 0.0 million share options).

Note 15 Recommended dividend per share

The Board of Directors recommends to the Annual General Meeting to be held on 26 March 2021 that a dividend of DKK 5.00 per of DKK 5 nominal value be paid for the

financial year 2020. This is equivalent to a total distributed amount of DKK 100.3m (2019: DKK 4.00 per share and DKK 80.2m).



Note 16 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

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.

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 2020 and amounts to close on DKK 250 million. Guidance for 2021 is evident from the guidance. 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 2020, and it is expected to remain low in 2021 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.

BoligPortal

BoligPortal is Denmark's largest housing rental advertising portal and has had positive earnings throughout the years. 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. For as long as BoligPortal remains the market leader, no write-down of goodwill or other intangible assets is estimated to be necessary.

Assumptions underlying impairment models

The impairment model for FK Distribution and BoligPortal builds on the 2021 budget which is projected four years based on estimates of future developments in these two CGUs.

For the subsequent terminal period, a negative growth factor of 4% was used in 2020 (2019: negative at 4%) for FK Distribution. This decline is smaller than the market decline expected for the distribution market, and is attributable to the Group's products being expected to fare better than the general print ad market.

For CGUs in North Media Online, a continued increase in profit in the budget period is expected at +10% annually and a growth factor of 2% is used in the terminal period (2019: 2%). The tax rate used in both models is 22.0% (2019: 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 North Media	
	Distribution	Online
2020 after tax	7.5%	10.0%
2020 before tax	9.6%	12.8%
2019 after tax	7.8%	10.3%
2019 before tax	10.0%	13.2%

The discount rate is composed of a debt element and an equity element. For North Media Online, however, the discount rate consist entirely of an equity element, as debt financing for online businesses 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.

At the current level of income and in considering the future guidance, we expect no goodwill impairment risk.



Note 16 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 2019	108.9	110.4	84.5	303.8	375.6	72.5	215.7	87.7	751.5
Lease and rental agreements recognized at 1 January 2019	0.0	0.0	0.0	0.0	14.8	0.0	0.0	3.3	18.1
Additions for the year	0.0	0.0	2.1	2.1	0.4	1.7	6.0	6.9	15.0
Disposals for the year	0.0	0.0	0.0	0.0	0.0	0.0	0.8	3.4	4.2
Cost at 31 December 2019	108.9	110.4	86.6	305.9	390.8	74.2	220.9	94.5	780.4
Amortisations, depreciation and impairment losses at 1 January 2019	69.8	98.0	83.0	250.8	128.4	55.9	164.5	80.3	429.1
Amortisations and depreciation for the year	0.0	1.2	0.5	1.7	12.4	0.4	11.6	4.2	28.6
Disposals for the year	0.0	0.0	0.0	0.0	0.0	0.0	0.5	2.1	2.6
Amortisations, depreciation and impairment losses at 31 December 2019	69.8	99.2	83.5	252.5	140.8	56.3	175.6	82.4	455.1
Carrying amount at 31 December 2019	39.1	11.2	3.1	53.4	250.0	17.9	45.3	12.1	325.3
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
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
Depreciated over (years)	-	10 years	3 years		20-50 years	35 years	5-10 years	3-5 years	



Note 16 Intangible assets and property, plant and equipment (continued)

In 2020, 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 (2019: DKK 2.9 million).

Land and buildings and fixtures and fittings include lease assets for a total of DKK 10.0 million at 31 December 2020 (2019: DKK 15.5 million). See notes 27 and 29.

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 18 million using a return-based cash flow model based on expected net cash flows, by applying a required rate of return of 7% 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 2019 was to a slight extent affected by the renovation and by related additional costs of refurbishing the property.

DKKm	2020	2019
Rental income	1.9	1.8
Direct operating expenses of rented areas	-1.2	-1.6
Direct operating expenses of non-rented areas	0.0	0.0
Renovation costs	-0.1	-0.7
Profit/loss before interest and tax	0.6	-0.5

Note 17 Investments in associates

DKKm	Registered office	Equity interest	
		2020	2019
Associates			
Lead Supply ApS	Aarhus	50.0%	50.0%
Lix Technologies ApS	Aarhus	-	20.9%
Investments in associates		2020	2019
Net asset value at 1 January		7.0	12.5
Additions for the year		0.1	0.0
Share of profit/loss before tax		-1.3	0.7
Share of tax		0.2	-0.2
Impairment loss		0.0	-6.0
Net asset value at 31 December		6.1	7.0

The value of the Group's 50% ownership share in Lead Supply was written down for impairment in the amount of DKK 6.0 million in 2019. The impairment loss should be seen in the context of the Group having made a profit, significantly below the expected level see note 9.



Note 17 Investments in associates (continued)

Key figures for individual, significant associates

DKKm	2020 Total	2019 Total
Lead Supply, Equity interest	50.0%	50.0%
Revenue	38.6	51.2
Net profit for the year	-1.9	1.0
Comprehensive income	-1.9	1.0
The Group's share of comprehensive income	-1.0	0.5
Balance sheet		
Non-current assets	1.3	0.2
Current assets	8.4	5.7
Current liabilities	-4.8	-4.4
Net assets (equity)	4.9	1.5
The Group's share of equity in associates (book value)	6.1	7.0
Transactions with associates		
Dividend received from associates	0.0	0.0
Capital increases/acquisition of equity interests	0.0	0.0
Investments transferred to subsidiary	0.0	0.0
Contingent liabilities	0.0	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 18 Inventories

DKKm	2020	2019
Manufactured goods and goods for resale	4.1	5.7
Write-down of finished goods	-0.4	-0.5
Total inventories	3.7	5.2

DKK 0.0 million worth of finished goods exist that are expected to be sold more than 12 months after the balance sheet date (2019: DKK 0.0m). DKK 6.5 million in cost of sales has been recognised in direct costs (2019: DKK 5.9m).

Note 19 Trade receivables

DKKm	2020	2019
Trade receivables	60.9	73.4
Write-downs	-0.3	-2.2
Trade receivables, net	60.6	71.2

Bad debts are insignificant following the divestment of the newspaper business.



Note 20 Deferred tax

DKKm	2020	2019
Deferred tax at 1 January, net	9,5	4,7
Deferred tax included in net profit for the year	1,1	3,1
Deferred tax included in discontinued activities	-0,5	1,7
Deferred tax in divested company	1,3	0,0
Deferred tax at 31 December, net	11,4	9,5

DKKm	2020			2019		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Intangible assets	0.0	7.1	-7.1	1.1	6.5	-5.4
Property, plant and equipment	0.3	3.6	-3.3	0.7	3.2	-2.5
Current assets	0.0	1.0	-1.0	0.3	1.9	-1.6
Non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.3	11.7	-11.4	2.1	11.6	-9.5
Set-off of deferred tax assets and deferred tax liabilities within the same legal tax units and jurisdictions	0.3	0.3	0.0	2.1	2.1	0.0
Deferred tax liabilities at 31 December	0.0	11.4	-11.4	0.0	9.5	-9.5



Note 21 Equity

Share capital	Number in thousands		Nominal value DKK'000	
	2020	2019	2020	2019
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.

Treasury shares	2020			2019		
	Number in thousands	Nominal value DKK'000	% of share capital	Number in thousands	Nominal value DKK'000	% of share capital
At 1 January	1,600	8,000	7.98%	1,100	5,500	5.48%
Purchase	500	2,500	2.49%	500	2,500	2.49%
At 31 December	2,100	10,500	10.47%	1,600	8,000	7.98%

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 2020 financial year, North Media A/S purchased 500,000 treasury shares for the amount of DKK 29.1 million corresponding to an average price of 58.16 per unit through a structured share buyback. (2019: purchased 500,000 treasury shares at an average price of 38.8 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 22 Debt to financial institutions etc.

DKKm	2020	2019
Mortgage debt, fixed rate	122.8	127.5
Carrying amount	122.8	127.5
Debt to financial institutions is included under the following items in the balance sheet		
Non-current liabilities	118.1	122.8
Current liabilities	4.7	4.7
Carrying amount	122.8	127.5
Nominal value	122.8	127.5
Fair value	127.6	131.0

Note 23 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 24 Other payables

DKKm	2020	2019
A tax (PAYE) etc payable to public authorities	27.7	0.8
VAT liability	17.1	14.4
Holiday pay, frozen	18.2	0.0
Holiday pay obligation	11.0	35.6
Other debt	40.1	41.2
Total other payables	114.1	92.0

Other payables increased by approximately DKK 30 million due to the COVID-19-related extension of payment deadlines.

Note 25 Adjustments for non-cash items

DKKm	2020	2019
Share of profit/loss in associates	1.1	4.9
Tax on profit/loss for the year	85.1	64.1
Amortisation and depreciation of assets	28.6	27.3
Gain/loss on disposals of assets	1.6	0.0
Share-based payment	2.0	2.2
Special items, reversal	0.0	-4.1
Special items, cash flow effect	0.0	0.0
Net financials	5.5	11.5
Value adjustments, securities	-154.5	-122.1
Total adjustments (non-cash)	-30.6	-16.2



Note 26 Changes in working capital

DKKm	2020	2019
Changes in receivables etc	16.3	-11.5
Changes in current liabilities	16.7	14.0
Changes in working capital	33.0	2.5

Note 27 Investments in intangible assets and property, plant and equipment

DKKm	2020	2019
Investment in software	-5.8	-2.1
Investment in land and buildings	0.0	-16.9
Investment in plant and machinery	-7.0	-6.0
Investment in fixtures and fittings	-5.6	-10.2
Total investments	-18.4	-35.2
Of which investments with a cash effect	-16.4	-13.9
Of which IFRS 16 investments (no cash effect)	-2.0	-21.3

Investments for the year included DKK 9.4 million relating to Bekey's stairwells project. The amount also included additions of DKK 2.0 million regarding leased vehicles.

In 2019, the implementation of IFRS 16 impacted investments for year in real property by an amount of DKK 14.8 million and in fixtures and fittings by an amount of DKK 3.3 million. In addition, DKK 3.3 million was recognised related to the addition of new leases.

The North Media Group makes extensive use of IT and other recent technology as core elements of its individual business areas. Developing and testing physical and digital methods so as to constantly develop businesses and enhance efficiency form an integral part of our day-to-day operations.

The Group's development costs charged to the income statement in 2020 amounted to approximately DKK 15 million (2019: approximately DKK 10 million). Future development costs are expected to be at a similar level.

Note 28 Development in interest-bearing debt

DKKm	2020	2019
Non-current liabilities at 1 January	132.2	126.6
Current liabilities at 1 January	10.9	4.5
Lease debt recognised at 1 January	0.0	18.1
Redemption of debt in connection with loan conversions	0.0	-62.8
Raising of new loans in connection with loan conversions	0.0	63.9
New lease debt	1.7	3.0
Leasing debt is deducted in connection with divestment	-1.7	0.0
Repayment of non-current liabilities	-10.4	-10.2
Interest-bearing debt at 31 December	132.7	143.1
of which short-term debt	8.3	10.9
of which long-term debt	124.4	132.2
Interest-bearing debt at 31 December	132.7	143.1



Note 29 Leases

The Group recognizes both operating and finance 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 2020 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 (2019: DKK 2.0 million), and remaining lease payments amount to DKK 0.7 million.

DKKm	2020	2019
Rental agreements are recognised in 'Land and buildings, Note 16	5.8	10.7
Leased cars are recognised in 'Fixtures and fittings', Note 16	4.2	4.8
	10.0	15.5

Note 30 Accounting estimates and judgements

No material accounting estimates and judgements were made in preparing the North Media A/S consolidated financial statements for 2020.

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 16.

Note 31 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 2020, the balance sheet contained no outstanding assets or liabilities relating to the discontinued operations.

DKKm	2020	2019
Revenue and other operating income	29.3	96.1
Costs	35.9	104.1
Loss before tax	-6.6	-8.0
Tax	1.5	1.8
Operating profit, discontinued operations	-5.1	-6.2
Gains on disposal of North Media Aviser A/S	8.6	0.0
Profit/loss, discontinued operations	3.5	-6.2



Note 32 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 2020, North Media A/S committed to invest EUR 2m in an infrastructure fund under Copenhagen Infrastructure Partners. The fund will be investing in offshore/onshore wind, solar energy, energy storage technology, among other things. To date, the fund has called EUR 0.25m, which amount has been recognised in Other investments. The remaining amount, EUR 1.75m, 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 Forbrugerkontakt A/S had violated the prohibition against abusing a dominant position by applying tying conditions in its contracts with customers since 2018. FK Distribution disagrees with the Authority's decision and has appealed the matter. Given the information currently available, a liability cannot be reliably estimated.

Note 33 Security for loans

DKKm	2020	2019
Carrying amount for mortgaged properties provided as security for the Group's mortgage debt	228.4	236.6

Note 34 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 2020, Horten invoiced the Group total fees of DKK 3.5 million (2019: DKK 3.5 million).

The Board has requested Thomas Weikop to perform specific services with regard to the online activities under FK Distribution. The fee for such services in 2020 amounted to DKK 0.5m.

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	2020	2019
Transactions with associates		
Sales to Lead Supply A/S	0.4	1.2
Purchases from Lead Supply A/S	0.0	0.1
Total	0.4	1.3



Note 35 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 153.5 million (2019: DKK 84.7 million). In addition, the Group has readily negotiable securities of DKK 5854 million (2019: DKK 400.0 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:

The Group's financial liabilities are due as follows:

2020, DKKm	Carrying amount	Contractual cash flow	Within 3 months	Within 3-12 months	1-5 years	After 5 years
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
2019, DKKm						
Financial liabilities						
Financial institutions	127.5	161.3	1.8	5.3	27.9	126.3
Lease debt	15.6	15.6	1.6	4.6	9.4	0.0
Trade payables	35.2	35.2	35.2	0.0	0.0	0.0
Other payables	41.2	41.2	37.1	4.1	0.0	0.0
Liabilities at 31 December 2019	219.5	253.3	75.7	14.0	37.3	126.3

DKKm	2020	2019
0,5%, 20-year annuity loan maturing on 31 December 2039, cash loan	60.9	63.9
1,5%, 30-year annuity loan maturing on 30 September 2048, cash loan	61.9	63.6
Total mortgage debt	122.8	127.5

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 4.8 million. Conversely, a decline in the interest-rate level by 1% would only increase the fair value of the debt by DKK 0.2 million, since the cash loan can be redeemed by purchasing the underlying bonds (for 2019, an increase in the interest-rate level by 1% would reduce the fair value of the debt by DKK

10.1 million whereas a decline would have increased the fair value of the debt by DKK 3.8 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 2020.
- 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 35 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.

Share price exposure

A major portion of the Group's capital resources is placed in 15 different Danish and foreign shares and share-based investment funds, see description in the Financial review on page 29. A 10% change in the share price would influence pre-tax profit or loss for the year and equity by DKK 58.5 million (2019: DKK 40.0 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2020 would isolated influence profit or loss for the year and equity by DKK 30.6 million (2019: DKK 17.0 million). Please refer to page 29 in the Financial review for a more detailed description of returns and value at risk.

Currency risks

More than 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 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 2020 and 2019.

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 continuing 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 four years is 0.035%, 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 2020, total receivables of DKK 51.7 million were credit-insured with a maximum credit risk of DKK 9.4 million (2019: DKK 43.8 million credit-insured, and a maximum credit risk of DKK 6.6 million).

Capital management

Please refer to the section on capital resources in the management commentary, capital structure and dividend policy, page 28.

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	-
2019, DKKm					
Bank deposits	84.7	0.0	0.0	84.7	1
Mortgage debt, fixed rate	-4.7	-19.2	-103.6	-127.5	5
Lease debt	-6.2	-9.4	0.0	-15.6	-
31 December 2019	73.8	-28.6	-103.6	-58.4	-



Note 36 Carrying amount, financial assets and liabilities

DKKm	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables*	60.6	60.6	71.2	71.2
Other receivables**	1.8	1.8	3.0	3.0
Cash at bank and in hand	153.5	153.5	84.7	84.7
Financial assets, measured at amortised cost	215.9	215.9	158.9	158.9
Other securities and investments	1.9	1.9	1.4	1.4
Securities	585.4	585.4	400.0	400.0
Financial assets, measured at fair value	587.3	587.3	401.4	401.4
Financial institutions	122.8	127.6	127.5	131.0
Lease debt	9.9	9.9	15.6	15.6
Trade payables	34.3	34.3	35.2	35.2
Financial liabilities, measured at amortised cost	167.0	171.8	178.3	181.8

*) 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 2020 and 31 December 2019, respectively, for the individual securities (Level 1).

The fair value for credit institutions has been calculated based on the market price at 31 December 2020 and 31 December 2019, respectively, based on the loans' under-lying 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 37 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:

	2020	2019
Income statement Items		
Direct costs	-245.4	-285.5
Direct staff costs	-180.2	-237.4
Staff costs	-225.8	-223.2
Other costs	-131.7	-119.7
Other operating income	8.1	13.4
Special items, net	0.0	4.1
Total	-775.0	-848.3
These items are classified by nature:		
Other operating income	8.1	13.4
Cost of raw materials and consumables	-21.6	-21.9
Other external costs	-372.2	-404.1
Staff cost, see notes 5 and 6	-389.3	-435.7
Total	-775.0	-848.3

Note 38 Subsequent events

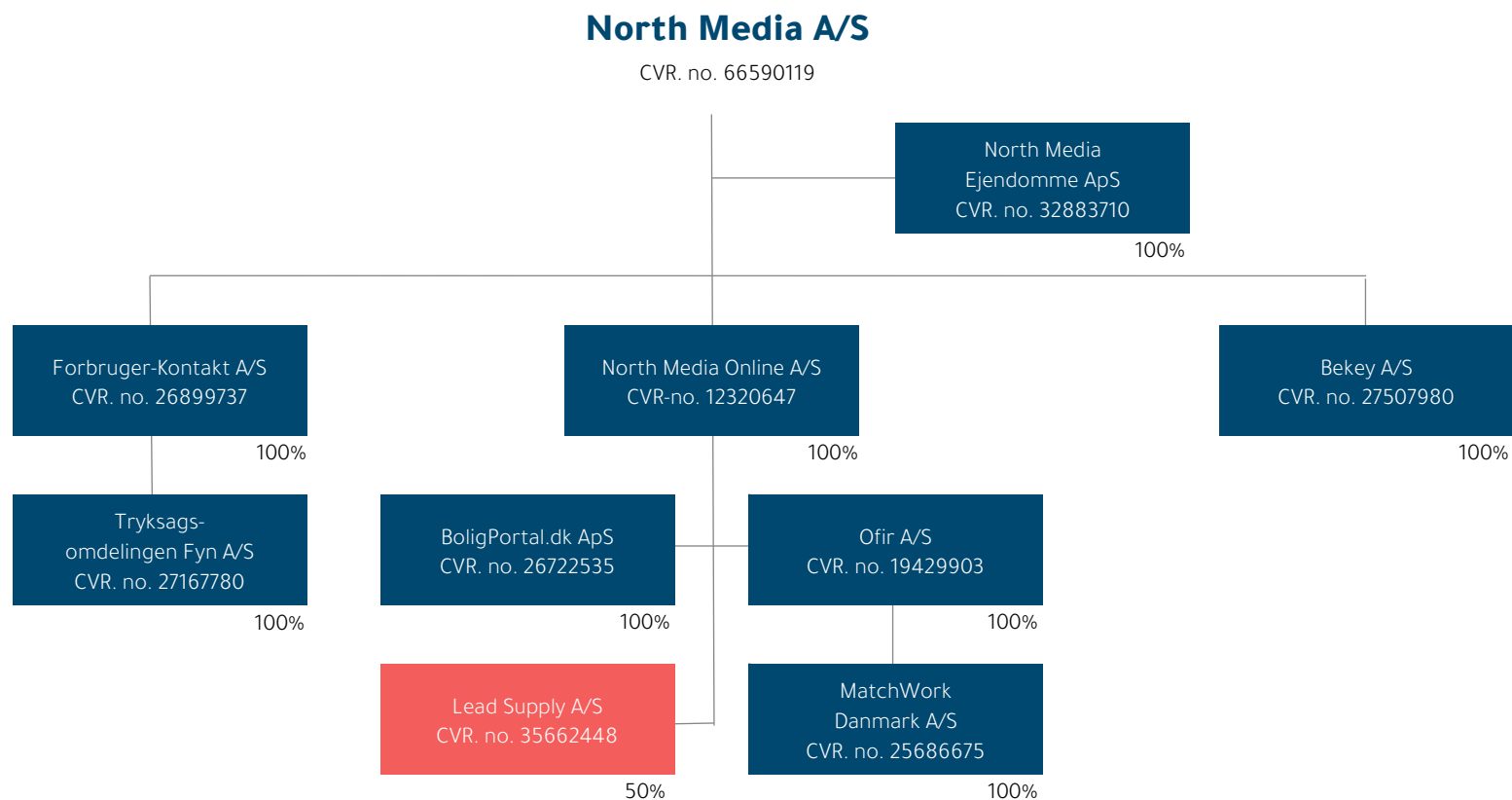
Until the presentation of the Annual Report on 10 February 2021, no events have occurred which will affect users' interpretation of the Annual Report.

Note 39 Authorisation of the consolidated financial statements

At the Board meeting on 10 February 2021, the Board of Directors authorised this Annual Report for publication. The Annual Report will be submitted for approval at the Annual General Meeting on 26 March 2021.



Note 40 Group chart at 31 December 2020





Parent financial statements

Financial statement 1 January - 31 December 2020

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Parent income statement

DKKm	Note	2020	2019
Revenue		16.0	20.2
Other external expenses	42	15.8	7.2
Staff costs	43	22.8	22.8
Amortisation and depreciation		0.0	0.0
EBIT		-22.6	-9.9
Share of profits/losses in subsidiaries	44	206.7	119.6
Financial income	45	154.5	122.1
Financial expenses	45	1.7	0.5
Profit/loss before tax		336.9	231.3
Tax for the year	46	29.5	25.4
Net profit/loss for the year		307.4	205.9



Parent balance sheet at 31 December

Assets

DKKm	Note	2020	2019
Operating equipment, fixtures and fittings		0.8	0.8
Property, plant and equipment	47	0.8	0.8
Other securities and investments			
Investment in subsidiaries	48	451.4	434.5
Securities		1.9	0.1
Deferred tax asset	52	1.0	0.1
Other receivables	49	3.8	3.8
Fixed asset investments		458.1	438.5
Total non-current assets		458.8	439.3
Receivables from subsidiaries		59.6	40.4
Prepayments		0.4	0.6
Total receivables		60.0	41.0
Securities		585.4	400.0
Cash		140.3	74.7
Total current assets		785.7	515.7
Total assets		1,244.5	955.0

Equity and liabilities

DKKm	Note	2020	2019
Share capital	50	100.3	100.3
Retained earnings	51	634.9	446.3
Proposed dividend	51	100.3	80.2
Shareholders' equity		835.4	626.8
Trade payables		0.5	0.8
Payables to subsidiaries		386.7	313.4
Income tax payable	53	9.0	6.7
Other payables		12.9	7.2
Total current liabilities		409.1	328.2
Total liabilities		409.1	328.2
Total equity and liabilities		1,244.5	955.0
Rental obligations	54		
Contingent liabilities	55		
Related parties	56		
Subsequent events	57		



Parent statement of changes in equity

DKKm	Share cap- ital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2019	100.3	333.1	60.2	493.6
Changes in equity in 2019				
Foreign currency translation adjustments, for- eign subsidiaries and associates	0.0	-0.2	0.0	-0.2
Adjustments of investments in subsidiaries and associates	0.0	0.0	0.0	0.0
Net profit/loss for the year	0.0	125.7	80.2	205.9
Dividend paid	0.0	0.0	-60.2	-60.2
Dividend on treasury shares	0.0	4.7	0.0	4.7
Sales of treasury shares	0.0	-19.4	0.0	-19.4
Share-based payment	0.0	2.3	0.0	2.3
Total changes in equity in 2019	0.0	113.1	20.1	133.2
Equity at 31 December 2019/1 January 2020	100.3	446.3	80.2	626.8
Changes in equity in 2020				
Foreign currency translation adjustments, for- eign subsidiaries and associates	0.0	0.3	0.0	0.3
Adjustments of investments in subsidiaries and associates	0.0	0.0	0.0	0.0
Net profit/loss for the year	0.0	207.1	100.3	307.4
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	100.3	634.9	100.3	835.4



Notes to the parent financial statements

Note 41 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 2019.

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

Note 41 Accounting policies

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

Income statement

Revenue

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

Profits or losses from investments in subsidiaries

The Parent's profit or loss includes the 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 42 Fee to the auditors appointed by the Company in General Meeting

DKKm	2020	2019
PwC		
Statutory audit services	0.5	0.6
Non-assurance engagements	0.1	0.0
Tax services	0.2	0.1
Other services	0.3	0.3
Total fee to the auditors appointed by the Company in General Meeting	1.1	1.0

Fees for other assurance engagements provided for the Company by Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab amounted to DKK 0.5m in 2020 (2019: DKK 0.4m), which is included in the above numbers. The assistance consists primarily of other assurance statements as well as other services in general.

Note 43 Employees and staff costs

	2020	2019
Average number of employees	16	18

DKKm	2020	2019
Total amount of wages, salaries and remuneration for the year:		
Wages and salaries including holiday pay	16.0	17.5
Defined contribution plans	0.9	0.9
Other social security costs	0.3	-0.4
Fee to the Board of Directors	3.3	2.5
Other staff costs	2.3	2.3
Total staff costs	22.8	22.8

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

Note 43 Employees and staff costs (continued)

Remuneration of the Board of Directors and the Executive Board

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

2019, DKKm	Board of Directors	Executive Board	Total
Wages and salaries	2.2	13.8	16.0
Defined contribution plans	0.0	0.7	0.7
Share-based payment	0.3	0.7	1.0
Severance pay	0.0	2.4	2.4
Total remuneration	2.5	17.6	20.1
Number of members	4	5	9



Note 44 Share of profits/losses in subsidiaries

DKKm	2020	2019
Share of profits/losses before tax	251.8	156.8
Share of tax	-54.4	-37.3
Gains on sale of shares in subsidiary	9.2	0.0
Total share of profits/losses in subsidiaries	206.7	119.6

Note 45 Financial income and expenses

DKKm	2020	2019
Financial income		
Dividend	3.0	0.0
Net capital gains on shares	151.5	122.1
Total financial income	154.5	122.1
Financial expenses		
Net capital loss on shares	0.0	0.0
Other financial expenses	1.7	0.5
Total financial expenses	1.7	0.5

Note 46 Income tax

DKKm	2020	2019
Income tax for the year is composed as follows:		
Current tax charges, incl financing charges	30.1	25.0
Adjustment relating to prior years	0.2	0.3
Changes in the deferred tax charge	-0.8	0.1
Total tax on profit/loss for the year, income	29.5	25.4

Note 47 Property, plant and equipment

DKKm	2020	2019
Cost at 1 January	2.1	2.6
Additions for the year	0.0	0.0
Disposals for the year	0.0	0.5
Cost at 31 December	2.1	2.1
Depreciation and impairment losses at 1 January	1.3	1.7
Depreciation for the year	0.0	0.1
Disposals for the year	0.0	0.5
Depreciation and impairment losses at 31 December	1.4	1.3
Carrying amount at 31 December	0.8	0.8
Depreciated over (years)	3-5	3-5



Note 48 Investments in subsidiaries

DKKm	2020	2019
Cost at 1 January	783.4	767.4
Additions for the year	15.0	16.0
Disposals for the year	-98.9	0.0
Cost at 31 December	699.5	783.4
Net write-down according to the equity method at 1 January	-348.9	-368.2
Translation adjustments	0.3	-0.2
Share of profit/loss for the year	197.4	119.6
Amortisation, goodwill	0.0	0.0
Dividend received	-190.4	-100.0
Other adjustments	0.0	0.0
Disposals for the year	93.5	0.0
Net write-down according to the equity method at 31 December	-248.0	-348.9
Carrying amount at 31 December	451.4	434.5
Of which, goodwill	0.0	0.0

	Registered office	Ownership	
		2020	2019
Forbruger-Kontakt A/S	Taastrup	100,0%	100,0%
North Media Aviser A/S	Frederiksberg	-	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 40 for the Group chart

Note 49 Other receivables

DKKm	2020	2019
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 Share capital

Reference is made to Note 21 to the consolidated financial statements for a description of the share capital.

Note 51 Attributable, net profit/loss

DKKm	2020	2019
Retained earnings	207.1	125.7
Proposed dividend	100.3	80.2
Net profit/loss for the year	307.4	205.9



Note 52 Deferred tax

DKKm	2020	2019
Deferred tax at 1 January	-0.1	-0.2
Deferred tax for the year included in net profit/loss for the year	-0.8	0.1
Deferred tax at 31 December, net	-1.0	-0.1

Specification of deferred tax:

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

	Assets	Liabilities	Total 2019
Property, plant and equipment	0.2	0.0	-0.2
Receivables	0.0	0.1	0.1
	0.2	0.1	-0.1

Note 53 Income tax payable

DKKm	2020	2019
Income tax payable at 1 January	6.7	7.0
Current tax for the year	30.1	25.0
Adjustments for prior years	0.2	0.3
Tax payable under the joint taxation arrangement	52.7	32.2
Income tax paid for the year	-80.7	-57.8
Income tax payable at 31 December	9.0	6.7

Note 54 Rental obligations

DKKm	2020	2019
Future total expenses related to rental obligations:		
Due within 1 year	0.6	1.0
Due within 1 and 5 years	0.0	0.0
Total	0.6	1.0
With respect to rental obligations, the following amounts have been recognised in the income statement:	1.0	1.5

Note 55 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 32 to the consolidated financial statements for a description of the investment in Copenhagen Infrastructure Partners.

Note 56 Related parties

Reference is made to Note 34 to the consolidated financial statements for a description of related party transactions.

Note 57 Subsequent events

Reference is made to Note 38 to the consolidated financial statements for a description of subsequent events.



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