



NHST
MEDIA GROUP

**QUARTERLY REPORT FOR
THIRD QUARTER 2020**

NHST GROUP'S DEVELOPMENT IN THE THIRD QUARTER OF 2020

Several of the business units in NHST Media Group had a positive development of new digital products and services, but the Covid-19 pandemic and related uncertainty in the Norwegian and international economy continued to characterise the group's results in the third quarter.

User revenues decreased 7 per cent in the quarter compared to the third quarter of 2019. Adjusted for the sale of Morgenbladet, which took place at the end of the first half of the year, the decrease was 0.7 per cent. User revenues consist of subscriber revenues and revenues from single copy sales. The systematic work to increase revenues from publication subscriptions continued during the third quarter. Overall, subscriber revenues were on par with the comparable period last year, despite a demanding market. Digital subscription in the media businesses continue to grow. However, both subscriber revenues in the Software-as-a-Service units and the single copy sales revenues in the Norwegian publications segment showed a decline. Advertising revenues were significantly affected by the Covid-19 pandemic and fell 31 per cent. In particular, paper-based advertising declined. Revenues from conferences and events were also lower than in the corresponding period last year.

In August, Dagens Næringsliv launched the concept DN Studio, a digital transmission of debates and reports on economic and political issues. In addition, several other initiatives, including DN Ledelse (about management), the newsletter DN Energi (about energy) and the investment fund game Fantasyfond, were also introduced to the market during the third quarter. In the Global publications segment, Upstream and Recharge joined forces to develop a new renewable energy newsletter - Accelerate - which was launched in August. Fiskeribladet was launched on a new digital publication platform and the number of conversions to digital subscriptions was record high. Mynewsdesk launched PR Impact, a product that provides the users with immediate insight into the impact of their PR using artificial intelligence. The market reception of the new product launches has been good. Several of the Group's units developed new revenue streams based on digital events.

- I am satisfied that we have succeeded in developing and launching new products and services that have become popular among users and strengthened our market position and revenue base in a period that is challenging for the entire media industry. Cost reductions are being implemented as planned, and I am proud of the organisation's ability to adapt to the demanding market conditions, says Hege Yli Melhus Ask, CEO of NHST Media Group.

The Group's operating profit before depreciation and amortisation (EBITDA) ended at NOK 19.4 million for the third quarter, compared to NOK 18.5 million (excluding non-recurring items) for the same period last year. The ongoing cost reduction programmes, which aim to save more than NOK 100 million in 2020, progressed as planned in the quarter. The Group's liquidity was good at the end of the quarter, with a cash balance of NOK 200 million.

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THIRD QUARTER 2020

(The figures in brackets are for the corresponding periods last year)

- NHST Media Group's operating revenues were NOK 255.5 million for the third quarter (NOK 288.4 million) and NOK 806.9 million for the first nine months of the year (NOK 880.9 million)
 - User revenues accounted for 80 per cent of the total revenues in the quarter and ended at NOK 204.9 million, a decrease of 7 per cent from the same quarter of 2019
 - Adjusted for the sale of Morgenbladet, the decline in the Group's user revenues was 0,7 per cent and the decline in total operating revenues was 8.9 per cent
 - Advertising revenues were NOK 40.7 million, a decrease of 31 per cent compared to the same period of 2019
 - Other income was NOK 9.9 million, an increase of 21 per cent from the same period last year
- The Group's operating expenses were NOK 236.1 million for the quarter, a decrease of 17 per cent compared to the same period last year. The Group's cost reduction programmes are progressing as planned
 - There were no significant non-recurring items this quarter, while for the third quarter of 2019 NOK 16.2 million was expensed in connection with restructuring and staff reductions
- The Group's EBITDA ended at NOK 19.4 million for the third quarter (NOK 18.5 million before non-recurring items) and NOK 48.6 million for the first nine months of the year (NOK 44.5 million before non-recurring items)
- Operating profit was NOK 4.7 million for the quarter (NOK -15.0 million) and NOK -81.6 million so far this year (NOK -27.2 million)
- The NHST Media Group's liquidity was good at the end of the quarter with a cash balance of NOK 200 million

KEY FIGURES

<i>Numbers in NOK million</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019
User revenues	204.9	221.0	642.3	653.4
Advertising revenues	40.7	59.2	130.6	196.8
Sale of goods and services	9.9	8.2	34.1	30.8
Total revenues	255.5	288.4	806.9	880.9
Operating expenses	236.1	286.2	760.4	857.5
EBITDA before one-off items	19.4	18.5	48.6	44.5
EBITDA	19.4	2.2	46.5	23.4
Depreciation	14.7	17.2	47.5	50.6
Amortisation	0	0	80.6	0
Operating result	4.7	-15.0	-81.6	-27.2
CAPEX	7.4	10.0	28.2	32.3
EBITDA less CAPEX	12.0	-7.8	18.3	-8.9

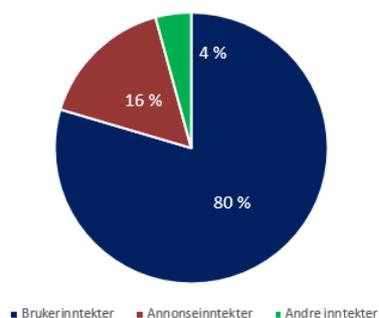


Figure 1: Percentage of total revenues accumulated for 2020

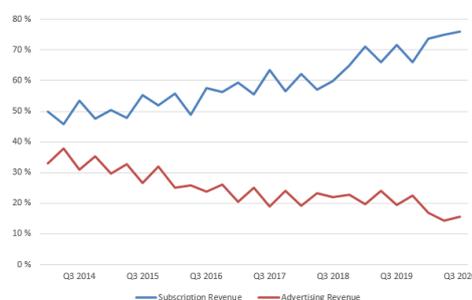


Figure 2: Percentage of total revenues per quarter

NORWEGIAN PUBLICATIONS

For the third quarter of 2020, the segment Norwegian publications includes only Dagens Næringsliv. Morgenbladet was divested on 30 June 2020.

Operating revenues for the Norwegian publications segment ended at NOK 127.0 million for the third quarter, compared to NOK 157.2 million for the third quarter of 2019.

Adjusted for the sale of Morgenbladet, user revenues showed a decrease of 2 per cent compared to last year. This is due to reduced single copy sales revenues. Subscription revenues showed a slight increase, as growth in digital subscription revenues exceeded the decline in revenues from paper-based subscriptions. Demand for digitally distributed news remains strong, and Dagens Næringsliv has successfully launched several new content concepts during the quarter.

Advertising revenues recorded a decrease of 32 per cent compared to the third quarter of 2019.

Operating costs for the quarter were NOK 117.4 million, compared to NOK 150.6 million for the third quarter of 2019. The decrease was mainly due to lower personnel costs as a result of the cost measures implemented. The employees who were temporarily laid off in the second quarter returned to work as planned in the third quarter. The cost programme is progressing as planned in April this year.

EBITDA for Norwegian publications ended at NOK 9.6 million, compared to NOK 6.6 million for the third quarter of 2019.

<i>NOK million</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	YTD 2019	YTD 2020
User revenues	115.4	111.5	111.1	104.6	98.5	332.8	314.2
Advertising revenues	37.9	51.9	31.6	22.6	25.6	124.0	79.8
Sales of goods and services	3.8	10.3	4.2	4.3	2.8	13.6	11.4
Total revenues	157.2	173.7	146.9	131.6	127.0	470.4	405.4
Operating expenses	150.6	171.1	142.1	118.5	117.4	444.3	377.9
EBITDA	6.6	2.6	4.8	13.1	9.6	26.1	27.5
CAPEX	0.9	-0.5	0.1	0.0	0.0	5.4	0.2
EBITDA less CAPEX	5.7	3.1	4.7	13.0	9.6	20.7	27.3

GLOBAL PUBLICATIONS

The segment *Global publications* includes the international trade publications *Tradewinds*, *Upstream*, *Intrafish* and *Recharge*, as well as the Norwegian publications *Fiskeribladet* and *Europower*.

Operating revenues for the Global publications segment ended at NOK 67.0 million for the third quarter, compared to NOK 71.1 million for the corresponding quarter of 2019.

The segment's user revenues showed a growth of 1 per cent compared to last year, while advertising revenues fell by 29 per cent. Several of the publications in the segment have achieved good results by organising webinars and other digital meetings. This has counteracted some of the decline in traditional advertising revenues.

Operating expenses for the segment ended at NOK 58.7 million for the third quarter, down from NOK 66.0 million for the same period last year. The segment's cost programmes are developing according to plan.

EBITDA for Global publications was NOK 8.3 million for the third quarter of 2020, up from NOK 5.1 million for the third quarter of 2019. Most of the segment's publications show increased profitability compared to the corresponding period last year.

<i>NOK million</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	YTD 2019	YTD 2020
User revenues	47.3	49.2	49.1	48.6	47.9	143.9	145.6
Advertising revenues	21.4	25.4	18.0	17.6	15.1	73.0	50.7
Sales of goods and services	2.4	1.8	2.6	3.1	4.0	7.8	9.7
Total revenues	71.1	76.4	69.7	69.3	67.0	224.7	206.0
Operating expenses	66.0	75.7	70.4	58.8	58.7	214.0	187.8
EBITDA	5.1	0.6	-0.6	10.5	8.3	10.7	18.1
CAPEX	1.9	4.2	0.2	0.3	0.1	5.3	0.6
EBITDA less CAPEX	3.3	-3.6	-0.8	10.2	8.1	5.4	17.5

SOFTWARE-AS-A-SERVICE

The segment Software-as-a-Service (SaaS) includes the companies Mynewsdesk and Mention Solutions. Mynewsdesk, headquartered in Stockholm, Sweden, is offering its customers a PR and communication platform with associated services. The company's main markets are the Nordic area and the DACH area (Germany Austria, Switzerland). Mention Solutions is offering services within media surveillance, mainly focusing on social media. Mention Solutions has its head office in Paris, France, and has a global market focus.

Operating revenues for the SaaS segment were NOK 60.9 million for the third quarter of 2020, compared to NOK 62.8 million for the third quarter of 2019.

The underlying revenues in Mynewsdesk, measured in Swedish kroner, showed a decrease of 11 per cent compared to last year. The decline is mainly due to a weaker market as a result of the Covid-19 situation, as well as intensified competition in the Nordic market, leading to pressure on prices for the company's services.

Mynewsdesk continues to improve its product offering and has launched the product PR Impact, a solution based on artificial intelligence providing the customer with immediate feedback on how the customer's press releases are quoted and used in the media. The product was launched in the Nordic countries in the third quarter and will be launched in Germany in October.

The ongoing cost programmes in Mynewsdesk are also progressing as planned.

In the third quarter, Mention completed the approved restructuring programme, which among other things has led to a reduction of the number of employees by one third.

Operating expenses for the segment ended at NOK 48.6 million for the third quarter, down from NOK 56.6 million for the corresponding quarter last year.

EBITDA for the SaaS segment came in at NOK 12.3 million for the quarter, an improvement from the NOK 6.2 million reported for the third quarter of 2019.

<i>NOK million</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	YTD 2019	YTD 2020
User revenues	60.4	66.1	61.8	62.1	58.5	185.4	182.5
Sale of services	2.3	3.0	2.6	2.4	2.4	8.9	7.4
Total revenues	62.8	69.1	64.4	64.6	60.9	194.3	189.9
Operating expenses	56.6	63.3	59.2	65.4	48.6	176.9	173.3
EBITDA	6.2	5.9	5.2	-0.9	12.3	17.4	16.6
CAPEX	6.7	4.4	10.2	7.3	5.7	20.5	23.2
EBITDA less CAPEX	-0.5	1.5	-5.0	-8.1	6.6	-3.1	-6.6

Mention was acquired with effect from 1 September 2018. The effects of the added values are not included in the segment figures but are explained in note 3.

Oslo, Norway, 16 October 2020

The Board of Directors and Group CEO of NHST Media Group AS

KEY FIGURES NHST MEDIA GROUP

INCOME STATEMENT

(MNOK)	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Revenues	255.5	288.4	806.9	880.9
Operating expenses	236.1	286.2	760.4	857.5
EBITDA*	19.4	2.2	46.5	23.4
Ordinary depreciation	14.7	17.2	47.5	50.6
Extraordinary write-down	0	0	80.6	0
Operating profit / loss	4.7	- 15.0	-81.6	-27.2
Net financial items	0	-1.0	4.3	-16.5
Profit/loss before tax	4.7	-16.0	-77.3	-43.7
Profit/loss after tax	3.3	-13.8	-81.3	-38.0
Minority interests	0	-0.3	0.3	0.2
Profit/loss after tax majority interests	3.3	-13.6	-81.6	-38.2
Number of shares ex own shares	1.600.425	1.243.173	1.600.425	1.243.173
Profit/loss per share in NOK	2.1	-11.1	-50.8	-30.6
Number of employees average	614	671	620	694

* EBITDA includes non-recurring items

BALANCE SHEET

	30.09.2020	31.12.2019
Intangible assets	206.7	287.3
Other fixed assets	156.2	165.7
Total fixed assets	362.9	453.0
Accounts receivable	63.0	109.5
Other short-term receivables	33.5	29.6
Cash and cash equivalents	199.9	183.1
Total short-term assets	296.4	322.2
Total assets	659.2	775.2
Shareholders' equity	21.4	55.3
Minority	0.0	2.6
Total shareholders' equity	21.4	57.8
Long term debt	217.4	212.9
Accounts payable	26.2	31.9
Prepayments	281.4	321.3
Other short-term debt	112.8	151.3
Total liabilities	637.8	717.4
Total shareholders' equity and liabilities	659.2	775.2

NOTE 1 ACCOUNTING PRINCIPLES

A tax rate of 22 percent has been used when calculating the quarterly figures.

NOTE 2 SPECIFICATIONS

	Q3 2020		YTD 2020	
	Operating revenues	EBIT	Operating revenues	EBIT
Norwegian Publications	127.0	8.1	405.4	22.3
Global Publications	67.0	6.8	206.0	13.9
SaaS	60.9	6.5	189.9	0.0
Other group companies	19.8	-11.6	68.4	-23.7
Amortisation of excess values		-5.0		-98.5
Eliminations	-19.0		-67.0	
SUM	255.5	4.7	806.9	-81.6

NOTE 3 WRITE-DOWN OF GOODWILL

Since the discovery of Covid-19 in January 2020, the authorities in a number of countries have launched strong measures to reduce the spread of the virus. In addition to China, where the virus was first discovered, the virus has been widespread in countries in Central Europe and has gradually developed dramatically in the United States. Introduced measures have led to reduced economic activity and this is expected to continue until the spread of the infection is considered to be under control.

Upon the acquisition of Mention on 1 September 2018, excess values related to customers, technology and brand were identified as well as a residual goodwill. Mention's business plan was based on an aggressive growth strategy which, as of 31 December 2019, showed that recognized values from the Mention acquisition were retained. However, it later became clear that the market prospects and growth opportunities for Mention in the short term were significantly weakened.

Based on the development in the first quarter of 2020 and the revised business plan, goodwill was written down by NOK 80.6 million in the first quarter of 2020.

NOTE 4 DIVESTMENT OF MORGENBLADET

NHST Media Group AS sold its shares in Morgenbladet AS to Mentor Medier AS, effective from 30 June 2020. The ownership in Morgenbladet AS prior to the sale was 90.8 per cent and the shareholding was sold at a purchase price of NOK 40 million. The purchase price was settled in cash on the transaction date. The gain from the sale was NOK 4.3 million and is included in the Income Statement as *Other income*.