



NHST

MEDIA GROUP

**QUARTERLY REPORT FOR
FOURTH QUARTER 2020**

NHST GROUP'S DEVELOPMENT IN THE FOURTH QUARTER OF 2020

During the fourth quarter, NHST Media Group achieved an increase in the sale of digital products and services, and the group's publications continue to experience a strong demand for news. New products and services launched in the second half of 2020, such as the investment fund game Fantasyfond, newsletters targeted towards the energy industry, product enhancements in Mynewsdesk and webinars hosted by several of the publications, contributed to improved user interest and revenue streams from digital business.

Despite the challenging market situation partly driven by the Covid-19 pandemic, the group's EBITDA before non-recurring items ended on a par with last year's level both for the quarter and for the full year.

The group's publications achieved solid progress in digital subscription revenues. The users increasingly choose digital products rather than paper-based subscriptions. The sale of printed publications, both subscriptions as well as single copy sales, continued to decline.

User revenues in the Software-as-a-Service units fell in the fourth quarter compared to the same period of the previous year. The decline is mainly caused by a weaker market following the Covid-19 pandemic, as well as intensified competition and increased price pressure.

Adjusted for the sale of Morgenbladet, which took place at the end of the first half-year, total user revenues for the group decreased by 2 per cent in the quarter.

Advertising revenues is the part of the revenue base which has been most impacted by the Covid-19 pandemic. During the fourth quarter, advertising revenues fell by 18 per cent compared to the same period in 2019. Especially paper-based advertising fell, but also revenues from conferences and events were lower than in the corresponding period in 2019. However, the advertising market improved towards the end of the year, and the decline in advertising revenues was significantly lower in the fourth quarter than earlier in the year.

Several of the group's publications showed good progress in revenues from webinars and other digital product offerings, which partly offset the loss of revenues from physical conferences and events.

The group's cost reduction programmes, targeting savings of more than NOK 100 million in 2020, progressed as planned and gave the expected results.

The group's operating profit before depreciation and amortisation (EBITDA) before non-recurring items ended at NOK 25.4 million, compared to NOK 26.9 million for the fourth quarter of 2019. For the full year 2020, the group achieved an EBITDA result before non-recurring items of NOK 74.0 million, an improvement from NOK 71.4 million in 2019.

CEO Hege Yli Melhus Ask resigned from her position in November 2020, with effect from 1 December 2020. A successor has not yet been appointed.

FOURTH QUARTER 2020

(Figures in brackets are for the corresponding periods last year)

- NHST Media Group achieved operating revenues of NOK 281.9 million for the fourth quarter (NOK 318.3 million), a decline of 11 per cent
- User revenues accounted for 73 per cent of the total revenues in the quarter. Total user revenues showed a decrease of 9 per cent from the same quarter of the year before
- Adjusted for the sale of Morgenbladet, the decline in the group's user revenues was 2 per cent in the fourth quarter
- Advertising revenues were NOK 62.9 million, a decrease of 18 per cent compared to the same period of 2019
- The group's operating expenses were NOK 259.9 million for the quarter, a reduction of 17 per cent from NOK 313.0 million in the fourth quarter of 2019
- Adjusted for the sale of Morgenbladet operating expenses declined by 12 per cent in the quarter
- Non-recurring items in the quarter amounted to NOK -3.4 million and were related to restructuring and staff reductions
- The group's EBITDA before non-recurring items was NOK 25.4 million in the fourth quarter (NOK 26.9 million)
- For the full year 2020, EBITDA before non-recurring items came in at NOK 74.0 million (NOK 71.4 million)
- Operating profit was NOK 8.4 million for the quarter (NOK -11.3 million). Operating profit for the full-year period 2020 was NOK -73.2 million (NOK -38.5 million) and was negatively impacted by the write-down of assets in Mention Solutions in the first quarter 2020.
- The group continues to invest in new products and technological solutions, and the investment level in 2020 was somewhat higher than in the previous year
- The NHST Media Group's liquidity was good at the end of the quarter with a cash balance of NOK 217.6 million

KEY FIGURES

Numbers in NOK million	Q4 2020	Q4 2019	YTD 2020	YTD 2019
User revenues	206.4	226.8	848.6	880.2
Advertising revenues	62.9	77.0	193.5	273.8
Other revenues	12.6	14.6	46.7	45.4
Total revenues	281.9	318.3	1 088.8	1 199.3
Operating expenses	259.9	313.0	1 020.4	1 170.6
EBITDA before non-recurring items	25.4	26.9	74.0	71.4
EBITDA	22.0	5.3	68.4	28.7
Depreciation	13.6	16.6	61.0	67.2
Amortisation	0	0	80.6	0
Operating result	8.4	-11.3	-73.2	-38.5
CAPEX	14.3	8.1	42.5	40.4
EBITDA less CAPEX	7.7	-2.8	26.0	-11.7

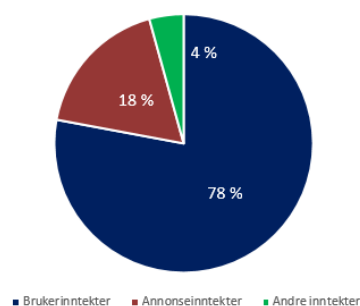


Figure 1: Percentage of total revenues accumulated for 2020

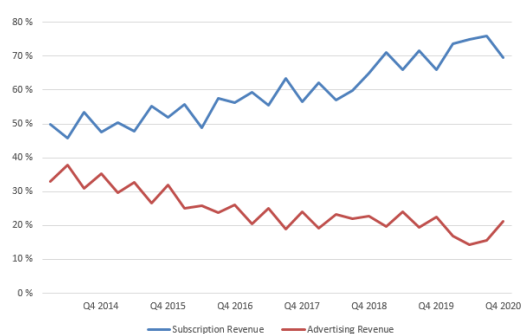


Figure 2: Percentage of total revenues per quarter

NORWEGIAN PUBLICATIONS

As of the third quarter of 2020, the segment Norwegian publications includes only Dagens Næringsliv. Morgenbladet was divested with effect from 30 June 2020.

Revenues from the Norwegian publications segment ended at NOK 142.0 million for the fourth quarter, compared with NOK 173.7 million for the fourth quarter of 2019. Adjusted for the sale of Morgenbladet, the decline was NOK 9.8 million.

Adjusted for the sale of Morgenbladet, user revenues in the fourth quarter were on a par with the same period of 2019. Increased subscription revenues largely offset the decline in single copy sales revenues.

Dagens Næringsliv had good progress in revenues from digital news subscription as a consequence of both an overall strong demand for news material and the newspaper's own editorial and product initiatives.

Advertising revenues came in at NOK 41.8 million in the quarter, a decrease of 19 per cent compared to the corresponding period of 2019.

Operating expenses for the quarter were NOK 127.0 million, compared to NOK 171.1 million for the fourth quarter of 2019.

Adjusted for the sale of Morgenbladet, cost reductions in the quarter amounted to NOK 26.0 million. The decrease was mainly due to lower personnel expenses as well as reduced volume of purchased services. Non-recurring expenses related to the restructuring in Dagens Næringsliv charged in the fourth quarter 2019 were the the main driver of the reduction in personnel expenses.

EBITDA for Norwegian publications ended at NOK 15.0 million, compared to NOK 2.6 million for the fourth quarter of 2019.

<i>NOK million</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	YTD 2019	YTD 2020
User revenues	111.5	111.1	104.6	98.5	96.0	444.3	410.2
Advertising revenues	51.9	31.6	22.6	25.6	41.8	175.9	121.6
Other revenues	10.3	4.2	4.3	2.8	4.3	23.9	15.7
Total revenues	173.7	146.9	131.6	127.0	142.0	644.1	547.5
Operating expenses	171.1	142.1	118.5	117.4	127.0	615.4	504.9
EBITDA	2.6	4.8	13.1	9.6	15.0	28.7	42.5
CAPEX	-0.5	0.1	0.0	0.0	1.4	5.0	1.6
EBITDA less CAPEX	3.1	4.7	13.0	9.6	13.6	23.7	40.9

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.

The Global publications segment continued to concentrate its efforts on the shipping, energy and seafood industries.

The shipping publication TradeWinds showed good results. In the energy sector, a closer editorial cooperation has been established between the publications Upstream and Recharge, whereas the Norwegian seafood publications have been organised into one business area with common leadership, Sjømat Norge.

Revenues for the Global publications segment ended at NOK 74.5 million for the fourth quarter, compared to NOK 76.4 million for the fourth quarter of 2019.

The segment's user revenues were on a par with the fourth quarter of 2019, while advertising revenues fell by 17 per cent. The publications in this segment have succeeded in developing new revenue streams by organising webinars and digital conferences.

The cost programme in Global publications has been completed according to plan. These savings contributed strongly to achieving an improvement in this segment's EBITDA, both for the quarter and full year 2020, despite the loss of key revenue sources.

EBITDA for Global publications was NOK 8.6 million for the fourth quarter of 2020, up from NOK 0.7 million for the fourth quarter of 2019. Most of the segment's publications had progress compared to the corresponding period of 2019.

<i>NOK million</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	YTD 2019	YTD 2020
User revenues	49.2	49.1	48.6	47.9	49.1	193.1	194.7
Advertising revenues	25.4	18.0	17.6	15.1	21.2	98.4	71.9
Other revenues	1.8	2.6	3.1	4.0	4.2	9.5	13.9
Total revenues	76.4	69.7	69.3	67.0	74.5	301.1	280.4
Operating expenses	75.7	70.4	58.8	58.7	65.8	289.7	253.7
EBITDA	0.7	-0.6	10.5	8.3	8.6	11.3	26.8
CAPEX	4.2	0.2	0.3	0.1	2.9	9.5	3.5
EBITDA less CAPEX	-3.6	-0.8	10.2	8.1	5.8	1.8	23.3

SOFTWARE-AS-A-SERVICE

The segment Software-as-a-Service (SaaS) includes the companies Mynewsdesk and Mention Solutions ("Mention"). 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 is offering services within media surveillance, mainly focusing on social media. Mention has its head office in Paris, France, and has a global market focus.

The market conditions for the companies in the SaaS segment continued to be challenging, with strong competition from international players and weakened demand as a consequence of the cyclical downturn with negative impact from the Covid-19 pandemic.

Both companies in this segment continued to improve their product offering in order to meet this development. Mynewsdesk successfully developed and launched new product features including improved analytical capabilities.

Revenues for the SaaS segment were NOK 64.6 million for the fourth quarter of 2020, compared to NOK 69.1 million for the fourth quarter of 2019.

Operating expenses for the segment amounted to NOK 60.1 million (NOK 63.3 million). The cost reduction is primarily as result of lower personnel expenses.

EBITDA for the SaaS segment came in at NOK 4.5 million for the quarter, compared with NOK 5.9 million for the fourth quarter of 2019.

NOK million	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	YTD 2019	YTD 2020
User revenues	66.1	61.8	62.1	58.5	61.3	251.5	243.8
Sale of services	3.0	2.6	2.4	2.4	3.3	11.9	10.6
Total revenues	69.1	64.4	64.6	60.9	64.6	263.4	254.4
Operating expenses	63.3	59.2	65.4	48.6	60.1	240.2	233.3
EBITDA	5.9	5.2	-0.9	12.3	4.5	23.3	21.1
CAPEX	4.4	10.2	7.3	5.7	6.7	24.9	29.9
EBITDA less CAPEX	1.5	-5.0	-8.1	6.6	-2.2	-1.6	-8.8

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, 10 February 2021

The Board of Directors of NHST Media Group AS

KEY FIGURES NHST MEDIA GROUP

INCOME STATEMENT

(MNOK)	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Revenues	281.9	318.3	1 088.8	1 199.3
Operating expenses	259.9	313.0	1 020.4	1 170.6
EBITDA*	22.0	5.3	68.4	28.7
Ordinary depreciation	13.6	16.6	61.0	67.2
Extraordinary write-down	0	0	80.6	0
Operating profit / loss	8.4	-11.3	-73.2	-38.5
Net financial items	-4.6	-1.1	-0.3	-17.6
Profit/loss before tax	3.8	-12.4	-73.5	-56.1
Profit/loss after tax	-2.8	-12.5	-84.2	-50.7
Minority interests	-	0.3	0.3	0.5
Profit/loss after tax majority interests	-2.8	-12.7	-84.4	-51.2
Number of shares ex own shares	1 600 425	1 243 173	1 600 425	1 243 173
Profit/loss per share in NOK	-1.8	-10.0	-52.6	-40.8
Number of employees average	576	644	599	680

* EBITDA includes non-recurring items

BALANCE SHEET

	31.12.2020	31.12.2019
Intangible assets	201.7	287.3
Other fixed assets	172.1	165.7
Total fixed assets	373.8	453.0
Accounts receivable	80.7	109.5
Other short-term receivables	32.8	29.6
Cash and cash equivalents	217.6	183.1
Total short-term assets	331.1	322.2
Total assets	704.9	775.2
Shareholders' equity	16.8	55.3
Minority	0.0	2.6
Total shareholders' equity	16.8	57.8
Long term debt	222.9	212.9
Accounts payable	32.1	31.9
Prepayments	297.8	321.3
Other short-term debt	135.3	151.3
Total liabilities	688.1	717.4
Total shareholders' equity and liabilities	704.9	775.2

NOTE 1 ACCOUNTING PRINCIPLES

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

NOTE 2 SPECIFICATIONS	Q4 2020		YTD 2020	
	Operating revenues	EBIT	Operating revenues	EBIT
Norwegian Publications	142.0	13.5	547.5	35.7
Global Publications	74.5	7.2	280.4	21.1
SaaS	64.6	-1.1	254.4	-1.1
Other group companies	23.8	-7.3	92.2	-30.9
Amortisation of excess values		-4.0		-102.5
Eliminations	-22.9		-89.9	
SUM	281.9	8.4	1 088.8	-73.2

NOTE 3 WRITE-DOWN OF GOODWILL

Following the discovery of the Covid-19 virus in January 2020, severe measures were introduced world-wide to limit the spreading of the virus. These measures led to reduced economic activity, affecting many of NHSTs markets negatively in 2020.

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 revenues*.