



**NHST**

MEDIA GROUP

**QUARTERLY REPORT FOR  
SECOND QUARTER 2021**

## NHST GROUP'S DEVELOPMENT IN THE SECOND QUARTER OF 2021

Most of the NHST Media Group's businesses saw a positive development in revenues and profit in the second quarter of 2021. The group's most important markets showed improvement. Positive development in subscription revenues and increased advertising revenues in the media segment contributed to an increase in the group's operating profit before depreciation and amortisation (EBITDA). This progress was partly offset by a decline in results before non-recurring items for the SaaS businesses. EBITDA before non-recurring items for the group came in at NOK 26.0 million for the second quarter, compared with NOK 25.6 million in the second quarter of 2020.

In the second quarter, the group announced that work has started on a comprehensive reorganisation of the media units. The purpose of the reorganisation is to increase growth and ensure efficient use of resources across all the group's publications. A joint management team in charge of all the media units has been established. The resources within sales, subscription follow-up and product development will be merged across all units in the group. A separate organisational unit will be established to pursue growth projects. The reorganisation is planned to be completed during the autumn of 2021.

- *"We are experiencing good growth in digital user and advertising revenues, based on solid efforts in all parts of the media division. There is a growing need for agenda-setting journalism and insight - both in Norway and internationally", says CEO Trond Sundnes.*

The group's media operations showed an increase in underlying\* user revenues in the second quarter compared to the same period last year. The growth in digital user revenues continued, while both combination subscriptions and single sales revenues declined in the second quarter. Advertising revenues increased significantly compared with last year when these were negatively affected by the Covid-19 pandemic. The positive trend in revenue from digital events such as webinars and video production continued.

The Norwegian publications business area\* and the Global publications business area both achieved a growth in digital user revenues of more than 22 per cent compared with the second quarter of 2020..

In the dispute between Dagens Næringsliv and Retriever, a settlement was reached and a new agreement was signed concerning Retriever's use of news material from Dagens Næringsliv. The settlement is recorded in the accounts for the second quarter under non-recurring items.

Operating revenues from the SaaS businesses fell by 12.5 per cent compared with the second quarter of 2020. This was mainly due to the fact that the sale of new subscriptions showed a relatively weak trend through much of 2020. This was also largely a result of the Covid-19 pandemic. However, the sale of new subscriptions developed better than in the second quarter of 2020.

The group's total operating revenues were NOK 274.7 million in the second quarter (2020: NOK 270.1 million) and NOK 530.7 million for the first half of the year (2020: NOK 551.4 million). The group's EBITDA including one-off items was NOK 39.5 million in the second quarter (2020: NOK 23.4 million) and NOK 37.5 million in the first half (2020: NOK 27.1 million).

The group's liquidity is good with a cash balance at the end of the second quarter of NOK 222.4 million.

At the company's annual general meeting on 6 July, the shareholder-elected board members Anette Olsen, Anne Britt Berentsen and Patrik Hofbauer were re-elected for a period of two years. James Lamont and Christian Must were elected as new board members, also for two years.

\*Adjusted for the sale of Morgenbladet effective from 30 June 2020.

## SECOND QUARTER 2021

(The figures in brackets are for the corresponding period of the previous year)

- The NHST Media Group's operating revenues were NOK 274.7 million for the second quarter (NOK 270.1 million), an increase of 1.6 per cent. Adjusted for the sale of Morgenbladet, operating revenues increased by 8.4 per cent
- User revenues accounted for 70.9 per cent of the total revenues for the quarter
- Total user revenues declined by 9.6 per cent from the corresponding quarter of the year before. Adjusted for the sale of Morgenbladet, user revenues fell by 3.4 per cent
- For the media businesses, user revenues accounted for 69.2 per cent of the total revenue. Adjusted for the sale of Morgenbladet, the media units' user revenues increased by 1.4 per cent
- Advertising revenues were NOK 58.5 million, an increase of 45.5 per cent from the same period in 2020
- The share of revenues in the media business generated from fully digital products and services was 41.8 per cent, while for the entire group fully digital revenues accounted for 53.1 per cent of total revenues
- The group's operating expenses amounted to NOK 235.2 million in the quarter, a reduction of 4.7 per cent from the second quarter of 2020
- Adjusted for the sale of Morgenbladet, operating expenses increased by 1.4 per cent
- EBITDA before non-recurring items for the group came in at NOK 26.0 million (NOK 25.6 million) while EBITDA including non-recurring items was NOK 39.5 million in the second quarter (NOK 23.4 million)
- Operating result was NOK 24.9 million for the quarter (NOK 7.7 million)
- The group continues to invest in product development and technological solutions. Capex in the quarter was NOK 12.4 million
- The group's liquidity position is good, with a cash balance of NOK 222.4 million at the end of the quarter

## KEY FIGURES

Numbers in NOK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020
User revenues	194.7	215.3	394.9	437.3
Advertising revenues	58.5	40.2	105.6	89.9
Other revenues	21.5	14.6	30.2	24.2
<b>Total revenues</b>	<b>274.7</b>	<b>270.1</b>	<b>530.7</b>	<b>551.4</b>
Operating expenses	235.2	246.7	493.2	524.3
EBITDA before non-recurring items	26.0	25.6	24.0	29.2
<b>EBITDA</b>	<b>39.5</b>	<b>23.4</b>	<b>37.5</b>	<b>27.1</b>
Depreciation	14.6	15.7	30.3	32.8
Amortisation	0	0	0	80.6
<b>Operating result</b>	<b>24.9</b>	<b>7.7</b>	<b>7.2</b>	<b>-86.3</b>
CAPEX	12.4	9.0	23.2	20.9
EBITDA less CAPEX	27.1	14.4	14.3	6.2

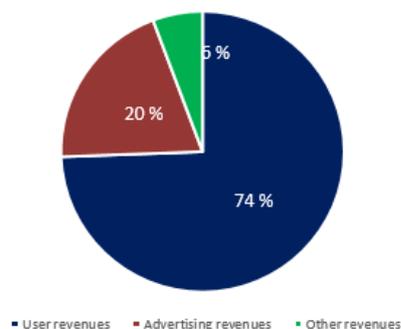


Figure 1: Percentage of total revenues accumulated for Q2 2021

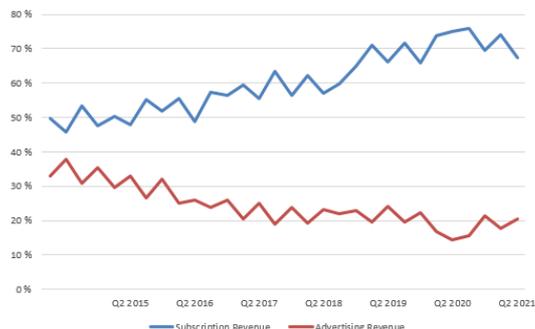


Figure 2: Percentage of total revenues by quarter

## NORWEGIAN PUBLICATIONS

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

The business area Norwegian publications achieved total revenues of NOK 146.7 million for the second quarter of 2021, compared with NOK 131.6 million for the corresponding period of the year before. Adjusted for the sale of Morgenbladet, revenues increased by NOK 31.7 million from the second quarter 2020.

User revenues came in at NOK 92.2 million in the quarter. Adjusted for the sale of Morgenbladet, this corresponds to an increase of 1.4 per cent from the same period of the year before. Dagens Næringsliv is experiencing a significant growth in its digital subscription base and number of users logged in to its digital solutions. The digital subscription growth compared to the second quarter 2020 was 22.2 per cent. This is expected to provide the basis for continued growth in digital user revenues. Advertising revenues showed an increase of 69.2 per cent, which should be seen in relation to the effects from the Covid-19 pandemic in the first half of 2020.

Operating expenses in the second quarter were 11.7 per cent higher than in the corresponding period of 2020, adjusted for the sale of Morgenbladet. During the second quarter of 2020, extraordinary cost initiatives were implemented which were not repeated in 2021. Strategic initiatives have also added to operational expenses in 2021.

The business area achieved an EBITDA for the quarter of NOK 30.8 million, compared with NOK 13.1 million for the second quarter of 2020.

<i>NOK million</i>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>YTD 2020</b>	<b>YTD 2021</b>
User revenues	104.6	98.5	96.0	98.2	92.2	215.7	190.5
Advertising revenues	22.6	25.6	41.8	31.8	38.3	54.2	70.1
Other revenues	4.3	2.8	4.3	2.5	16.1	8.6	18.6
<b>Total revenues</b>	<b>131.6</b>	<b>127.0</b>	<b>142.0</b>	<b>132.5</b>	<b>146.7</b>	<b>278.5</b>	<b>279.1</b>
Operating expenses	118.5	117.4	127.0	129.2	115.9	260.6	245.1
<b>EBITDA</b>	<b>13.1</b>	<b>9.6</b>	<b>15.0</b>	<b>3.3</b>	<b>30.8</b>	<b>17.9</b>	<b>34.1</b>
CAPEX	0.0	0.0	1.4	0.5	0.3	0.2	0.8
EBITDA less CAPEX	13.0	9.6	13.6	2.8	30.5	17.7	33.3

## GLOBAL PUBLICATIONS

The business area Global publications includes the international trade publications Tradewinds, Upstream, Intrafish

and Recharge, as well as the Norwegian publications Fiskeribladet and Europower.

Global publications continued to concentrate its efforts around the industries shipping, energy and seafood, and most of its publications reported good progress in terms of results from the corresponding period of 2020.

The shipping publication Tradewinds continued to show good results. In the energy business, there is great interest from the market for news in the interface between traditional energy production and renewable energy, and the editorial collaboration between the publications Upstream and Recharge is continuing.

Total revenues for the business area Global publications were NOK 71.6 million for the second quarter, compared with NOK 69.3 million in the same period in 2020.

User revenues from this business area were 1.4 per cent lower than for the second quarter of 2020, reflecting the fact that the conversion to digital has not fully compensated for the loss of paper subscriptions. The advertising revenues increased by 14.8 per cent. Simultaneously, revenues from webinars and digital conferences continued to grow.

Operating expenses before depreciation and amortisation came in at NOK 59.1 million, in line with the second quarter of 2020. The cost programmes completed in 2020 has had a significant effect also in 2021, leaving the costs at a stable level.

EBITDA for the business area Global publications ended at NOK 12.5 million for the quarter, which is an improvement of NOK 2.0 million compared to the same period of the previous year.

<i>NOK million</i>	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YTD 2020	YTD 2021
User revenues	48.6	47.9	49.1	47.4	47.9	97.7	95.4
Advertising revenues	17.6	15.1	21.2	15.3	20.2	35.6	35.5
Other revenues	3.1	4.0	4.2	3.4	3.5	5.7	6.8
<b>Total revenues</b>	<b>69.3</b>	<b>67.0</b>	<b>74.5</b>	<b>66.1</b>	<b>71.6</b>	<b>139.0</b>	<b>137.7</b>
Operating expenses	58.8	58.7	65.8	59.4	59.1	129.2	118.5
<b>EBITDA</b>	<b>10.5</b>	<b>8.3</b>	<b>8.6</b>	<b>6.7</b>	<b>12.5</b>	<b>9.8</b>	<b>19.2</b>
CAPEX	0.3	0.1	2.9	0.0	0.0	0.4	0.0
EBITDA less CAPEX	10.2	8.1	5.8	6.7	12.5	9.4	19.2

## SOFTWARE-AS-A-SERVICE

The business area Software-as-a-Service (SaaS) includes the companies Mynewsdesk and Mention Solutions (“Mention”). Mynewsdesk, headquartered in Stockholm, 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, and has a global market focus.

Operating revenues for the SaaS business area were NOK 56.5 million for the second quarter compared with NOK 64.6 million for the same period one year earlier. Revenues in the quarter were negatively impacted by low sales of new subscriptions in the second half of 2020, partly as a consequence of the Covid-19 pandemic.

Both companies in this business area continued to expand its product offering and succeeded in obtaining an improvement in sales of new subscriptions during the course of the second quarter.

Operating expenses were NOK 56.9 million in the second quarter, compared with NOK 65.4 million in the second quarter 2020. The decline is mainly due to restructuring costs in Mention in the second quarter of 2020, as well as lower staffing in Mynewsdesk.

EBITDA for the business area came in at a negative of NOK 0.4 million, compared to a negative of NOK 0.9 million in the same period of 2020.

<i>NOK million</i>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>YTD 2020</b>	<b>YTD 2021</b>
User revenues	62.1	58.5	61.3	54.6	54.5	124.0	109.1
Sale of services	2.4	2.4	3.3	2.7	2.0	5.0	4.7
<b>Total revenues</b>	<b>64.6</b>	<b>60.9</b>	<b>64.6</b>	<b>57.2</b>	<b>56.5</b>	<b>129.0</b>	<b>113.7</b>
Operating expenses	65.4	48.6	60.1	59.6	56.9	124.7	116.4
<b>EBITDA</b>	<b>-0.9</b>	<b>12.3</b>	<b>4.5</b>	<b>-2.3</b>	<b>-0.4</b>	<b>4.3</b>	<b>-2.7</b>
CAPEX	7.3	5.7	6.7	6.7	7.6	17.5	14.3
EBITDA less CAPEX	-8.1	6.6	-2.2	-9.0	-8.0	-13.2	-17.0

Oslo, 9 July 2021

The Board of Directors and CEO of NHST Media Group AS

# KEY FIGURES NHST MEDIA GROUP

## INCOME STATEMENT

(MNOK)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenues	274.7	270.1	530.7	551.4
Operating expenses	235.2	246.7	493.2	524.3
EBITDA*	39.5	23.4	37.5	27.1
Ordinary depreciation	14.6	15.7	30.3	32.8
Extraordinary write-down	0,0	0,0	0,0	80.6
Operating profit / loss	24.9	7.7	7.2	-86.3
Net financial items	-0.8	-6.2	-2.3	4.4
Profit/loss before tax	24.1	1.5	4.9	-82.0
Profit/loss after tax	16.7	0.2	-0.4	-84.7
Minority interests	0.1	0.1	0.1	0.3
Profit/loss after tax majority interests	16.7	0.1	-0.5	-85.0
Number of shares ex own shares	1 555 673	1 243 173	1 555 673	1 243 173
Profit/loss per share in NOK	10.8	0.2	-0.3	-68.1
Number of employees average	572	625	569	623

\*EBITDA includes non-recurring items

## BALANCE SHEET

	30.06.2021	31.12.2020
Intangible assets	195.5	201.7
Other fixed assets	181.4	172.1
Total fixed assets	376.9	373.8
Accounts receivable	62.9	80.7
Other short-term receivables	56.6	32.8
Cash and cash equivalents	222.4	217.6
Total short-term assets	341.9	331.1
<b>Total assets</b>	<b>718.8</b>	<b>704.9</b>
Shareholders' equity	17.1	16.8
Minority	2.3	0.0
Total shareholders' equity	19.4	16.8
Long term debt	227.3	222.9
Accounts payable	16.1	32.1
Prepayments	323.6	297.8
Other short-term debt	132.4	135.3
Total liabilities	699.4	688.1
<b>Total shareholders' equity and liabilities</b>	<b>718.8</b>	<b>704.9</b>

**NOTE 1 ACCOUNTING PRINCIPLES**

Tax expenses are estimated based on expected tax rate for the year.

NOTE 2 SPECIFICATIONS	Q2 2021		YTD 2021	
	Operating revenues	EBIT	Operating revenues	EBIT
Norwegian Publications	146.7	29.4	279.1	29.9
Global Publications	71.6	10.9	137.7	16.1
SaaS	56.5	-6.2	113.7	-14.3
Other group companies	23.9	-4.6	46.7	-15.3
Amortisation of excess values	-	-4.6	-	-9.2
Eliminations	-24.0	-	-46.5	-
<b>SUM</b>	<b>274.7</b>	<b>24.9</b>	<b>530.7</b>	<b>7.2</b>

**NOTE 3 WRITE-DOWN OF GOODWILL 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 IN 2020**

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 40.0 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* in the second quarter 2020.