



**NHST**

MEDIA GROUP

**QUARTERLY REPORT FOR**

**THIRD QUARTER 2021**

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

The recovery of NHST Media Group's markets continued during the third quarter, contributing to improved income from digital subscriptions. Revenues from advertising and events were significantly higher than in the third quarter last year.

Total revenues for the Group ended at NOK 265.0 million for the quarter, compared with NOK 255.5 million in the third quarter 2020. Group EBITDA for the quarter was NOK 20.7 million, compared with NOK 19.4 million the year before.

In the media businesses, Dagens Næringsliv (reported as the business area Norwegian publications) showed good progress in user revenues, reflecting a continued strong demand for news and a positive readership response to Dagens Næringsliv's journalism. The trend towards digital distribution continued. Digital-only user revenues grew 28 percent compared with the third quarter 2020.

Dagens Næringsliv also delivered good revenue growth from events.

The publications within the Global publications segment reported stable user revenues compared with the third quarter last year. Digital user revenues increased 24 percent compared with the third quarter last year. Advertising revenues have recovered from the market decline caused by the Covid-19 pandemic. Conferences and events, which historically have represented an important source of income for Global publications, also showed signs of recovery through new digital event offerings.

In the Software-as-a-Service segment ("SaaS"), revenues continue to be negatively affected by the market downturn caused by the pandemic, which led to a slowdown in booking of new business during 2020. However, sales have improved somewhat this year, and bookings in the third quarter exceeded those of the third quarter last year. The two SaaS companies in the Group, Mynewsdesk and Mention Solutions, are stepping up investments in product development in order to further strengthen their market position.

During the third quarter, the Group announced a reorganisation that will be implemented during the fourth quarter 2021. All operational activities will be organised under two new sub-holding companies; one for media and one for SaaS. The commercial functions in the main media companies will be consolidated into the media holding and management company in order to secure efficient resource allocation. NHST Media Group AS will continue as the holding company for both businesses and will continue to be quoted on NOTC under a new name to be proposed to shareholders during the fourth quarter.

## THIRD QUARTER 2021

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

- Total revenues for the Group amounted to NOK 265.0 million in the third quarter (NOK 255.5 million).
- For the first three quarters of 2021, total revenues were NOK 795.6 million, a reduction of 1.4 percent compared to the first three quarters last year. Correcting for the impact of the sale of Morgenbladet, effective from 30 June 2020, total revenues year-to-date increased by 3.0 percent.
- User revenues were at the same level as last year and accounted for 77.5 percent of the total revenues for the quarter.
- For the media businesses, user revenues made up 72.4 percent of total revenues.
- Advertising revenues totalled NOK 49.2 million which represents a growth of 20.9 percent from the third quarter 2020.
- Operating expenses for the Group were NOK 244.3 million, an increase of 3.5 percent from the third quarter last year.
- Operating profit before depreciation and amortisations (EBITDA) for the quarter was NOK 20.7 million (NOK 19.4 million). There were no significant one-off items reported in the EBITDA.
- Group operating profit (EBIT) was NOK 5.7 million (NOK 4.7 million).
- The Group continued to invest in new products and solutions. Capital expenditures in the third quarter were NOK 9.3 million (NOK 7.4 million).
- The financial position of the Group is good with a cash position of NOK 188.9 million at the end of the quarter.

## KEY FIGURES

Numbers in NOK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020
User revenues	205.5	204.9	600.4	642.3
Advertising revenues	49.2	40.7	154.8	130.6
Other revenues	10.2	9.9	40.4	34.1
<b>Total revenues</b>	<b>265.0</b>	<b>255.5</b>	<b>795.6</b>	<b>806.9</b>
Operating expenses	244.3	236.1	737.5	760.4
EBITDA before non-recurring items	20.7	19.4	44.7	48.6
<b>EBITDA</b>	<b>20.7</b>	<b>19.4</b>	<b>58.2</b>	<b>46.5</b>
Depreciation	14.9	14.7	45.3	47.5
Amortisation	0	0	0	80.6
<b>Operating result</b>	<b>5.7</b>	<b>4.7</b>	<b>12.9</b>	<b>-81.6</b>
CAPEX	9.3	7.4	32.5	28.2
EBITDA less CAPEX	11.4	12.0	25.7	18.3

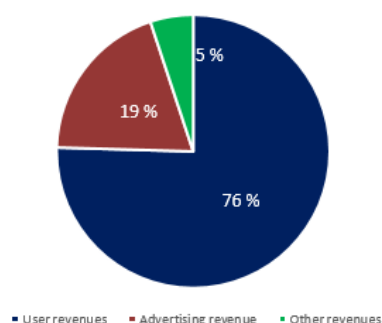


Figure 1: Percentage of total revenues accumulated for Q3 2021

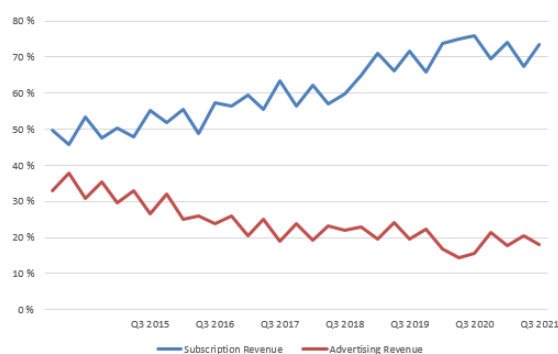


Figure 2: Percentage of total revenues by quarter

## 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 137.4 million in the third quarter 2021, compared with NOK 127.0 million in the corresponding quarter of 2020.

User revenues were NOK 103.0 million in the third quarter, an increase of 4.6 percent from the third quarter 2020. User revenues made up 75.0 percent of the total revenues (77.6 percent). A new portfolio of digital products was successfully launched during the second quarter and digital user revenues showed a growth of 27.6 percent from the third quarter 2020. Dagens Næringsliv continues to see record high levels in site visits and conversion to paying subscriptions.

Advertising revenues ended at NOK 29.6 million for the quarter, an increase of 15.6 percent from the same quarter last year. Sectors showing improvement include the car industry and job advertisements. Dagens Næringsliv also delivered good revenue growth from events..

Operating expenses in the quarter were NOK 124.3 million, an increase of 5.9 percent from the year before. The increase is partly related to the non-recurring nature of some of the cost saving programmes that were implemented in 2020, as well as new investments in editorial and commercial resources to drive the development of Dagens Næringsliv as the leading business publication in Norway.

Norwegian publications reported an EBITDA for the quarter of NOK 13.1 million (NOK 9.6 million).

<i>NOK million</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	YTD 2020	YTD 2021
User revenues	98.5	96.0	98.2	92.2	103.0	314.2	293.5
Advertising revenues	25.6	41.8	31.8	38.3	29.6	79.8	99.6
Other revenues	2.8	4.3	2.5	16.1	4.8	11.4	23.4
<b>Total revenues</b>	<b>127.0</b>	<b>142.0</b>	<b>132.5</b>	<b>146.7</b>	<b>137.4</b>	<b>405.4</b>	<b>416.5</b>
Operating expenses	117.4	127.0	129.2	115.9	124.3	377.9	369.4
<b>EBITDA</b>	<b>9.6</b>	<b>15.0</b>	<b>3.3</b>	<b>30.8</b>	<b>13.1</b>	<b>27.5</b>	<b>47.1</b>
CAPEX	0.0	1.4	0.5	0.3	0.3	0.2	1.1
EBITDA less CAPEX	9.6	13.6	2.8	30.5	12.8	27.3	46.1

## 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.

The publications in the business area Global publications cover key international industries such as shipping, energy and fishing. The market development for the publications is closely related to the industries that are covered. In 2021, the energy sector publications have been strongly impacted by market trends for global energy, with high and rising interest in energy transition and “green” topics.

The Global publications business area reported total revenues for the quarter of NOK 71.2 million, versus NOK 67.0 million in the third quarter 2020. User revenues, at NOK 48.1 million (67.6 percent of total revenues) were at the same level as the year before. The fully digital user revenues grew by 23.7 percent. Advertising revenues reached NOK 19.7 million, an increase of 30.5 percent.

Operating expenses in the business area were NOK 58.9 million, versus NOK 58.7 million in the third quarter last year.

EBITDA for the business area was NOK 12.2 million (NOK 8.3 million).

Within the business area, the shipping publication Tradewinds is the major contributor to the result.

<i>NOK million</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	YTD 2020	YTD 2021
User revenues	47.9	49.1	47.4	47.9	<b>48.1</b>	145.6	<b>143.4</b>
Advertising revenues	15.1	21.2	15.3	20.2	<b>19.7</b>	50.7	<b>55.2</b>
Other revenues	4.0	4.2	3.4	3.5	<b>3.5</b>	9.7	<b>10.3</b>
<b>Total revenues</b>	<b>67.0</b>	<b>74.5</b>	<b>66.1</b>	<b>71.6</b>	<b>71.2</b>	<b>206.0</b>	<b>208.9</b>
Operating expenses	58.7	65.8	59.4	59.1	<b>58.9</b>	187.8	<b>177.4</b>
<b>EBITDA</b>	<b>8.3</b>	<b>8.6</b>	<b>6.7</b>	<b>12.5</b>	<b>12.2</b>	<b>18.1</b>	<b>31.5</b>
CAPEX	0.1	2.9	0.0	0.0	<b>0.3</b>	0.6	<b>0.3</b>
EBITDA less CAPEX	8.1	5.8	6.7	12.5	<b>11.9</b>	17.5	<b>31.2</b>

## 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.

While the markets for marketing and PR technology are expected to grow significantly in the years to come, the short term impact of the Covid-19 pandemic is still significant. As the revenues to a large extent consist of subscription revenues with a duration of one year or longer, there is a substantial time-lag from sales to revenues are recognised in the financial statements.

The business area reported total revenues of NOK 56.5 million in the third quarter 2021 versus NOK 60.9 million in the third quarter last year, reflecting low booking of new sales during the Covid-19 pandemic. New bookings in the third quarter 2021 were however above the level from the corresponding quarter last year.

Operating expenses in the business area were NOK 53.5 million, an increase of NOK 4.9 million from the third quarter last year. The increase reflects that some of the short term cost measures initiated in 2020 are not continued into 2021 and that additional resources are invested into product and market development.

EBITDA for the business area was NOK 3.0 million (NOK 12.3 million).

NOK million	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	YTD 2020	YTD 2021
User revenues	58.5	61.3	54.6	54.5	54.4	182.5	163.5
Sale of services	2.4	3.3	2.7	2.0	2.1	7.4	6.8
<b>Total revenues</b>	<b>60.9</b>	<b>64.6</b>	<b>57.2</b>	<b>56.5</b>	<b>56.5</b>	<b>189.9</b>	<b>170.3</b>
Operating expenses	48.6	60.1	59.6	56.9	53.5	173.3	169.9
<b>EBITDA</b>	<b>12.3</b>	<b>4.5</b>	<b>-2.3</b>	<b>-0.4</b>	<b>3.0</b>	<b>16.6</b>	<b>0.3</b>
CAPEX	5.7	6.7	6.7	7.6	4.9	23.2	19.2
EBITDA less CAPEX	6.6	-2.2	-9.0	-8.0	-1.9	-6.6	-18.3

Oslo, 20 October 2021

The Board of Directors and CEO of NHST Media Group AS

# KEY FIGURES NHST MEDIA GROUP

## INCOME STATEMENT

(MNOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenues	265.0	255.5	795.6	806.9
Operating expenses	244.3	236.1	737.5	760.4
EBITDA*	20.7	19.4	58.2	46.5
Ordinary depreciation	14.9	14.7	45.3	47.5
Extraordinary write-down	0.0	0.0	0.0	80.6
Operating profit / loss	5.7	4.7	12.9	-81.6
Net financial items	-1.7	0.0	-4.0	4.3
Profit/loss before tax	4.0	4.7	8.9	-77.3
Profit/loss after tax	1.1	3.3	0.6	-81.3
Minority interests	-0.6	0.0	-0.5	0.3
Profit/loss after tax majority interests	1.6	3.3	1.2	-81.6
Number of shares ex own shares	1 555 673	1 555 673	1 555 673	1 555 673
Profit/loss per share in NOK	0.7	2.1	0.4	-52.4
Number of employees average	569	614	569	620

\*EBITDA includes non-recurring items

## BALANCE SHEET

	30.09.2021	31.12.2020
Intangible assets	188.0	201.7
Other fixed assets	178.2	172.1
Total fixed assets	366.1	373.8
Accounts receivable	55.8	80.7
Other short-term receivables	35.5	32.8
Cash and cash equivalents	188.9	217.6
Total short-term assets	280.2	331.1
<b>Total assets</b>	<b>646.4</b>	<b>704.9</b>
Shareholders' equity	17.7	16.8
Minority	1.7	0.0
Total shareholders' equity	19.4	16.8
Long term debt	216.8	222.9
Accounts payable	20.4	32.1
Prepayments	285.4	297.8
Other short-term debt	104.4	135.3
Total liabilities	626.9	688.1
<b>Total shareholders' equity and liabilities</b>	<b>646.4</b>	<b>704.9</b>

**NOTE 1 ACCOUNTING PRINCIPLES**

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

NOTE 2 SPECIFICATIONS	Q3 2021		YTD 2021	
	Operating revenues	EBIT	Operating revenues	EBIT
Norwegian Publications	137.4	11.6	416.5	41.5
Global Publications	71.2	10.7	208.9	26.9
SaaS	56.5	-2.9	170.3	-17.2
Other group companies	21.0	-9.0	67.7	-24.4
Amortisation of excess values	0.0	-4.6	0	-13.8
Eliminations	-21.1	0.0	-67.7	0.0
<b>SUM</b>	<b>265.0</b>	<b>5.7</b>	<b>795.6</b>	<b>12.9</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 recognised 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 percent 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.