

## QUESTIONS AND ANSWERS RELATED TO THE CORONAVIRUS OUTBREAK (Updated on 22/10/2020)

Alma Media has received questions related to the coronavirus (COVID-19) and its impact on the company. Below you can find the questions and answers to them.

In its Q3 2020 interim report, Alma Media published the following information on the impacts of the epidemic and measures initiated by business segments:

Impacts of the epidemic and measures taken by business segment:

- ***Alma Markets***

During the review period, the number of COVID-19 cases began to increase again in Alma Career's operating countries after a quieter period. However, the local authorities did not set as strict restrictions on business activities as they did in the spring. This was reflected in the operating environment being somewhat stabilised in July–September. The revenue of the recruitment business decreased by 16% in the third quarter, compared to a 29% decline in the second quarter. The decline in Alma Markets' recruitment revenue ranged from 13–36% depending on the country. Customer invoicing has begun to recover from the significant decline seen in the second quarter, but the recognition of the related revenue involves a delay, which means that the revenue performance of the recruitment business will continue to be negatively affected until the first half of 2021. The Czech koruna has depreciated by about 6% since the start of 2020, which reduces the euro-denominated result of the segment's operations in the Czech Republic in spite of the fact that part of the future cash flows of the business have been hedged. The online training business continued to develop favourably during the review period.

In the housing and automotive marketplace business, revenue was slightly higher than in the comparison period thanks to the positive development of competitive tendering services and rental advertising in housing-related services.

In the third quarter, the Alma Markets segment's cost savings compared to the corresponding period last year were MEUR 1.4. The cost savings were achieved through reductions in marketing investments, fixed-term reductions in pay within the limits of the applicable legislation and a reduction in the purchasing of external services.-

As the second wave of the COVID-19 epidemic increases in intensity, the economic outlook in Alma Career's operating countries remains highly uncertain and the recruitment business is not expected to return to the pre-crisis level in 2020. There are signs of a gradual recovery in the housing and automotive marketplace business, but the business is highly dependent on the general economic development.

- ***Alma Talent***

The sharp decline in Alma Talent's Finnish media advertising revenue seen in the second quarter (-44%) slowed down significantly in the third quarter (-19%). Advertising in the automotive and financial sectors, in particular, recovered compared to the second quarter. Demand for high-quality media content continued, which was seen in strong growth in digital subscriptions. B2B marketplaces and telemarketing services also developed favourably during the review period, as did information services and book publishing. The COVID-19 epidemic has accelerated the transition to training via digital channels, and the sales of Alma Talent's digital training services showed positive

development during the review period. Alma Talent's events were organised cost-efficiently by making use of digital channels.

Alma Talent achieved MEUR 0.8 in cost savings in the third quarter relative to the comparison period. The adjustment measures initiated in the second quarter continued in the period under review. They include, for example, partial temporary layoffs of employees in the training business, employee reductions in the event business, exchanging bonus holiday pay for time off and having employees take previously accumulated time off. Alma Talent also continued to reduce its external service purchasing.

As the COVID-19 epidemic is again showing signs of escalating and there is continued economic uncertainty, advertising is not expected to return to the comparison period's level in 2020. The favourable development of content revenue is expected to continue. Continued stable development is expected in Alma Talent's other businesses.

- ***Alma Consumer***

Alma Consumer's advertising sales showed signs of recovery after the epidemic that overshadowed the spring began to slow down. Automotive and retail advertising, in particular, recovered during the review period. The coronavirus-related restrictions in the travel industry, for example, continued to have a negative impact on the single-copy sales of Iltalehti. After the outbreak COVID-19 of last spring, Iltalehti's audience growth has stayed at a higher level than previously and reader engagement is stronger than before. Visitor volumes grew by about 15% year-on-year during the review period.

Alma Consumer's cost savings in the third quarter totaled approximately MEUR 0.7. Employee expenses continued to be reduced by having employees exchange bonus holiday pay for time off and take previously accumulated time off during the third quarter. Volume-linked costs related to single-copy sales decreased. Reductions in external service purchasing continued.

The COVID-19 epidemic reduced Alma Consumer's advertising revenue by 4% in the third quarter. The sharp decline in advertising has levelled off but, as uncertainty continues, advertising is not expected to return to the comparison period's level in 2020. The single-copy sales of Iltalehti decreased by 21% in the third quarter and by 13% in September.

- ***Shared operations and financial position***

The cost savings of shared operations amounted to MEUR 0.2 during the period under review. The economic uncertainty caused by the COVID-19 epidemic is causing a decline in Alma Media's cash flow from operating activities, but the Group's financial position nevertheless remains very strong. Credit loss risks did not increase substantially during the third quarter. There is currently no evidence of impairment risk concerning goodwill.

Alma Media is monitoring the development of the market situation in its business segments and additional measures will be taken as necessary.

**What is the liquidity position of Alma Media?**

At end September 2020, the Group's interest-bearing net debt stood at MEUR-65.9 (50.5). Gearing was -25.4% and equity ratio was 72.7 %.

At the end of September 2020, Alma Media's interest-bearing liabilities stood at MEUR 39.7, consisting entirely of lease liabilities. At the end of September 2020, Alma Media had MEUR 105.6 in cash and cash equivalents.

The coronavirus epidemic will have a negative effect on consolidated cash flow from operations during the coming months by weakening the Group's result. Nevertheless, the Group has a strong financial position that was significantly improved by the sales gains from the divestment of the regional news media business and printing operations in late April.

**Will Alma Media change its long-term financial targets?**

No, Alma Media's long-term financial targets remain the same. They are as follows: annual growth in the digital business over 12%, return on investment (ROI) over 17% per year, dividend over 50% of earnings per share.

Alma Media remains committed to its dividend policy of paying dividend over 50% earnings per share. On 29 April 2020, the Annual General Meeting (AGM) decided according the Board's original and unchanged proposal on a dividend of EUR 0.40.

**What precautionary measures have you taken to mitigate the impact or protect business continuity?**

We have taken measures to secure the health and well-being of our employees, our customers and are predominantly working remotely or with a flexible hybrid work model. For example, all our digital marketplaces, media outlets and support services can be done remotely for the most part..