



Alma Media Corporation

Financial Statements Bulletin for
January-December 2020

17 February 2021

Alma Media’s Financial Statements Bulletin January–December 2020:

Relative profitability in 2020 was on par with the comparison period, adjusted operating profit nearly 20 per cent

Financial performance October–December 2020:

- The decline in revenue slowed down in the fourth quarter, while profitability was weighed down by the recruitment business.
- Revenue from continuing operations MEUR 61.9 (65.8), down 5.8%.
- Adjusted operating profit from continuing operations MEUR 11.1 (12.5), down 10.8%.
- Operating profit from continuing operations MEUR 10.8 (12.6), down 14.9%.
- Earnings per share from continuing operations EUR 0.08 (0.11).
- Earnings per share including discontinued operations EUR 0.05 (0.14).
- The Group has a strong financial position, with a gearing ratio of -4.5%.
- Alma Markets: Revenue and operating profit continued to decline in the recruitment business. In Finland, the recovery of the marketplaces business continued and profitability improved year-on-year.
- Alma Talent: Revenue increased by 5% and profitability improved by 29%, excluding the effect of the divested business operations in Sweden.
- Alma Consumer: Digital advertising revenue saw strong growth and print media revenue declined. The segment’s profitability improved substantially.

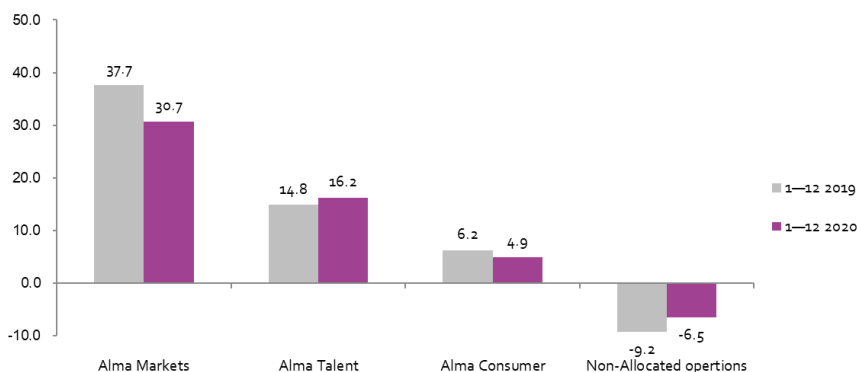
Financial performance January–December 2020:

- Revenue from continuing operations MEUR 230.2 (250.2), down 8.0%.
- Adjusted operating profit from continuing operations MEUR 45.4 (49.4), down 8.2%.
- Operating profit from continuing operations MEUR 43.1 (49.5), down 13.0%.
- Earnings per share from continuing operations EUR 0.33 (0.41).
- Earnings per share including discontinued operations EUR 1.13 (0.51).
- The Board’s dividend proposal is EUR 0.30 (0.40) per share.

Adjusted operating profit, October–December, MEUR



Adjusted operating profit, January–December, MEUR



| KEY FIGURES MEUR | 2020 | 2019 | Change | 2020 | 2019 | Change |
|---|------|------|--------|-------|-------|--------|
| | Q4 | Q4 | % | Q1–Q4 | Q1–Q4 | % |
| Revenue | 61.9 | 65.8 | -5.8 | 230.2 | 250.2 | -8.0 |
| Content revenue | 15.2 | 17.5 | -13.2 | 59.1 | 64.2 | -7.9 |
| Content revenue, print | 10.6 | 13.8 | -23.6 | 42.0 | 50.9 | -17.5 |
| Content revenue, digital | 4.6 | 3.7 | 25.8 | 17.0 | 13.2 | 28.8 |
| Advertising revenue | 35.1 | 38.3 | -8.4 | 128.6 | 148.5 | -13.4 |
| Advertising revenue, print | 3.4 | 4.7 | -26.9 | 11.1 | 16.3 | -32.3 |
| Advertising revenue, digital | 31.7 | 33.6 | -5.8 | 117.5 | 132.2 | -11.1 |
| Service revenue | 11.7 | 10.0 | 17.0 | 42.6 | 37.6 | 13.3 |
| Adjusted total expenses | 51.4 | 53.4 | -3.7 | 186.0 | 201.1 | -7.5 |
| Adjusted EBITDA | 14.6 | 16.5 | -11.1 | 60.8 | 66.1 | -8.0 |
| EBITDA | 14.6 | 16.6 | -12.3 | 58.9 | 66.2 | -11.1 |
| Adjusted operating profit | 11.1 | 12.5 | -10.8 | 45.4 | 49.4 | -8.2 |
| % of revenue | 18.0 | 19.0 | | 19.7 | 19.8 | |
| Operating profit (loss) | 10.8 | 12.6 | -14.9 | 43.1 | 49.5 | -13.0 |
| % of revenue | 17.4 | 19.2 | | 18.7 | 19.8 | |
| Profit for the period | 7.4 | 10.2 | -27.4 | 33.3 | 40.5 | -17.8 |
| Earnings per share, EUR (basic and diluted) | 0.08 | 0.11 | -26.9 | 0.33 | 0.41 | -19.1 |
| Digital business revenue | 43.0 | 42.8 | 0.4 | 158.9 | 166.7 | -4.7 |
| Digital business, % of revenue | 69.3 | 65.1 | | 69.0 | 66.6 | |

Dividend proposal to the Annual General Meeting:

On 31 December 2020, the Group's parent company had distributable funds totalling EUR 137,958,899 (148,403,121). Alma Media's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 per share (2019: EUR 0.40 per share) be paid for the financial year 2020. The dividend will be paid to shareholders who are registered in Alma Media Corporation's shareholder register maintained by Euroclear Finland Ltd on the record date, 26 March 2021. The Board of Directors proposes that the dividend be paid on 6 April 2021. Based on the number of outstanding shares on the closing date 31 December 2020, the dividend payment totals EUR 24,678,651 (32,913,355).

No essential changes have taken place after the end of the financial year with respect to the company's financial standing. The proposed distribution of profit does not, in the view of the Board of Directors, compromise the company's liquidity.

Operating environment in 2021

The global COVID-19 pandemic continues to influence and create uncertainty for economic development in 2021. The national economies of Finland and Alma Media's other operating countries are nevertheless expected to recover compared to 2020.

In the prevailing exceptional circumstances, the consumption of digital content and services has grown significantly in general. The COVID-19 pandemic is expected to lead to permanent changes in consumer behaviour and to accelerate the demand for digital services. As a result, the structural transformation of the media sector is expected to continue and further intensify. Data, analytics, machine learning and automation will become increasingly important, which calls for increasing investments in technology. The areas of digital advertising that are again expected to see the fastest growth are search engine, social media, mobile and video advertising as well as content marketing.

Outlook for 2021

The uncertainty in Alma Media's operating environment is continuing due to the COVID-19 pandemic in 2021. In 2021, Alma Media expects its full-year revenue and adjusted operating profit for continuing operations to remain at

the previous year's level. In 2020, the full-year revenue of the Group's continuing operations was MEUR 230.2 and the adjusted operating profit was MEUR 45.4.

Market situation in the main markets and the impacts of the coronavirus epidemic on Alma Media's business

According to Kantar TNS, the total advertising volume in Finland decreased by 4.0% (-5.4%) to 223,0 million euros in October–December. Online media advertising increased by 9.1% (+0.2%) to 57.4 million euros in October–December. Advertising in newspapers declined by 15.4% (-10.5%) in Finland. Advertising in magazines in decreased in October–December by 11.9% (-11.1%). In terms of volume, the total market for afternoon papers in Finland declined by 18.0% (8.0%) in the fourth quarter of 2020.

In addition to Finland, Alma Media's main markets are the Czech Republic and Slovakia in Eastern Central Europe. The European Commission published its latest GDP forecasts in February 2021. According to the Commission, the outlook is brightening as progress is made with vaccinations, although the COVID-19 pandemic continues to spread throughout Europe and causes uncertainty. The European Commission predicts that Finland's GDP will grow by 2.8 per cent in 2021. For 2022, the Commission predicts that Finland's GDP will grow by 2.0 per cent. The Czech GDP is forecast to grow by 3.2 per cent in 2021. For 2022, the Commission predicts GDP growth of 5.0 per cent. The European Commission forecasts that Slovakia's GDP will grow by 4.0 per cent in 2021. In 2022, the European Commission expects Slovakia to see GDP growth of 5.4%.

The impacts of the epidemic on Alma Media's business in the fourth quarter of 2020:

In the operating countries of Alma Markets' recruitment business in Eastern Central Europe, the number of COVID-19 cases was higher than in the spring, but the restrictions on economic activity imposed by the authorities to prevent the spread of the disease did not affect the business operations of Alma Career's client companies as broadly as earlier in 2020. This was reflected in the gradual recovery of client invoicing in the latter part of the year, but the delay between invoicing and the recognition of revenue will have a negative impact on the revenue performance of the recruitment business in the first half of 2021. The revenue of the recruitment business decreased by 16 per cent in the fourth quarter. The online education business continued to develop favourably. In Finland, the Alma Markets segment's marketplaces business recovered and revenue grew year-on-year thanks to the good development of housing-related services as well as comparison services.

The COVID-19 epidemic did not have a significant impact on Alma Talent's business in the fourth quarter. There was continued strong demand for digital subscriptions for high-quality media content, which first began in the spring. Telemarketing, B2B marketplaces services and information services also developed favourably during the review period. In the training business, the shift to digital channels gained strength. Advertising, particularly in the automotive and financial categories, exceeded the comparison period's level.

In the Alma Consumer segment, advertising sales – including retail advertising – has recovered from the sharp drop seen in the spring and exceeded the comparison period's level in October–December. The travel restrictions caused by the epidemic and the accelerated shift among readers from print to digital have sharpened the decline of Iltalehti's single-copy sales. At the same time, Iltalehti's online readership remains at a higher level than before: its digital media is read weekly by more than 2.8 million Finns and reader commitment is also substantially higher than in previous years according to the Finnish National Readership Survey (NRS).

As the impacts of the COVID-19 epidemic lessened, Alma Media did not carry out extensive adjustment measures in its businesses during the latter part of the year. In the fourth quarter, the Group increased its investments in advertising and product development, for example.

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 fourth 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.

From the President and CEO

The year 2020 was exceptional due to the global COVID-19 pandemic and required a very quick response to ensure the continuity of Alma Media's business and safeguard the health of employees and customers. The company implemented significant cost savings in order to maintain profitability.

Our strong performance in the unpredictable operating environment was good indication of our adaptability and the agility of our business model. In spite of lower revenue, our relative profitability in 2020 was on par with the previous year at nearly 20 per cent.

The impacts of COVID-19 on Alma Media's business varied during the year depending on the business and country. The economy came to a sudden halt in the spring, but demand recovered towards the end of the year and mitigated the decline in our revenue. In the final quarter of the year, we increased our investments in marketing and product development to ensure our long-term competitiveness, which was a factor in our fourth-quarter EBITDA declining by 12.3 per cent year-on-year.

The deterioration of the COVID-19 situation meant that shutdown measures by the authorities continued in Central Europe in the latter part of the year, but the impacts on the business operations of Alma Career's client companies were less dramatic than earlier in the year. This was reflected in an increase in client invoicing in October–December compared to the preceding quarters. However, the delay between invoicing and the recognition of revenue had a negative impact on the revenue performance of the recruitment business in the fourth quarter and will continue to weigh it down in the first half of 2021. In Finland, the Alma Markets segment's marketplace business recovered better than expected thanks to the good development of housing-related services as well as comparison services.

Alma Talent aims to build a stronger and more integrated service offering alongside its media business. The portfolio's focus on digital media and services and the reduced impacts of COVID-19 were reflected in the positive development of the business in October–December. Alma Talent's digital content revenue remained strong (+42%). Digital B2B marketplaces, telemarketing services and information services also developed well during the review period. Digital advertising in financial and professional media exceeded the level seen before the COVID-19 crisis.

In the Alma Consumer segment, digital advertising saw a strong recovery in October–December and increased year-on-year: growth was achieved particularly in programmatic advertising as well as advertising in the retail and automotive categories. The decline in Italehti's single-copy sales accelerated due to the COVID-19 restrictions, but Italehti's online readership remained at a higher level than before. Profitability improved substantially in the fourth quarter due to digital advertising growth and the lower volume-linked costs of print media.

In spite of the exceptional circumstances, we continued to implement our change strategy in 2020 through active portfolio management and digital business development. The concrete steps we took in the implementation of our strategy included the divestment of the print-heavy regional news media and printing business in Finland and the divestment of the professional media business in Sweden on the one hand and several acquisitions focused on digital business on the other hand. The COVID-19 pandemic has accelerated the ongoing digital transformation and further convinced us that our strategic direction is correct.

We are growing and diversifying our product portfolio by expanding from media to marketplaces and digital services. We will continue to move forward on the path of internationalisation and seek new growth opportunities in digital services targeted at both professionals and consumers. The accelerated change in consumer behaviour also presents new digital business opportunities in areas such as the subscription business, housing and property transactions, online training and online buying.

The impacts of the COVID-19 epidemic on our business segments and the measures we have taken to mitigate the impacts are described in more detail on page 3.

Strategy implementation during the review period

Alma Media creates sustainable growth by taking advantage of the opportunities presented by the digital transformation. The objective is to increase shareholder value through revenue growth and improved profitability. Alma Media is developing and expanding its current business operations and seeking growth opportunities in new businesses and markets. The company will remain on the path of internationalisation. In addition to organic growth, the improvement of profitability will be accelerated by acquisitions.

Alma Media responds to the changes in media consumption and the growing demand for digital service by providing content and services that are of value to users in their daily life, work and free time. Alma Media's strategic priorities include growing the marketplace business in Finland and internationally, expanding the Group's professional media and services aimed at professionals as well as developing national multi-channel consumer media and services. The Group also seeks growth through the renewal of its digital advertising and marketing solutions as well as paid digital content.

During the year under review, Alma Media had five strategic cross-business initiatives that were particularly aimed at the growth and development of digital business. Cooperation and synergies between the Group's various businesses were leveraged in the execution of the initiatives. The strategic initiatives were: 1) centralised national media sales through Alma Media Solutions; 2) aiming for growth in digital content revenue through Digital Subscriptions; 3) utilising data in business while taking regulatory requirements into consideration; 4) Alma themes and services focused on special content areas and services; and 5) growth and management of visitor traffic in the form of the Digital Audiences initiative.

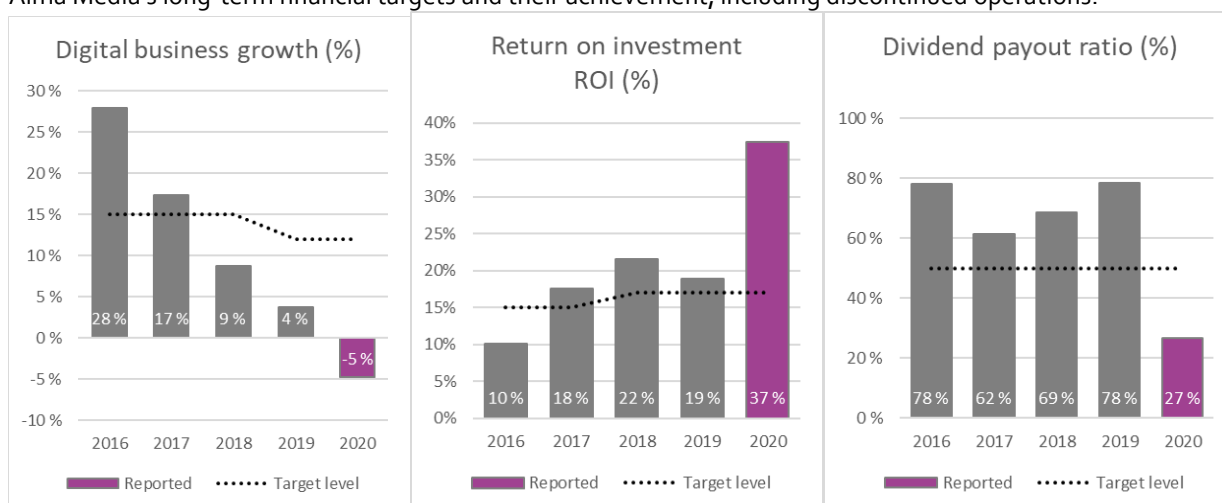
In December 2020, Alma Media acquired Arena Partners Oy's 35 per cent minority interest in Alma Mediapartners Oy. The transaction price of the shares was MEUR 53.0. Alma Mediapartners becoming wholly owned by Alma Media simplifies the ownership structure and supports the development of Alma Media's housing and automotive marketplaces in line with the Group's strategy.

Employee outsourcing and digitalisation are transforming the staffing industry. In December, Alma Career acquired 21.05 per cent of the share capital of Bolt Group Ltd, a technology company that specialises in staffing services, through a directed share issue. Bolt Group offers staffing and related digital services for construction, industry, logistics, property maintenance and the HoReCa sector. The aim of Bolt Group is to rethink and renew the traditional operating models in the staffing business and use digitalisation to enhance recruitment processes by applying technology and machine learning. Its solutions help match the right people with the right jobs in real time.

To support the growth of its digital data, content and marketplaces services, Alma Talent increased its ownership in the digital housing transaction service DIAS Oy to 80.5 per cent in December 2020. Alma Talent previously held a five per cent stake in the company. DIAS is a digital housing transaction platform that connects buyers, sellers, real estate agents and banks in a common system. DIAS is one of the first services completed in Finland to use distributed ledger technology. DIAS is already used by over 3,000 real estate agents and nearly the entire Finnish mortgage market.

Also in December 2020, Alma Talent acquired a 15 per cent stake in Ilona Works Finland Oy, a start-up that develops B2B e-commerce services for small enterprises. Its online store gives self-employed people, small enterprises and light entrepreneurs the opportunity to quickly and securely compare and buy business support services. Alma Talent also strengthened its housing data and real estate information product portfolio by acquiring the Asuntopuntari valuation and price development service for homes and real estate from eCraft. Asuntopuntari is an AI-driven B2B service product that provides estimates of housing prices and their projected development throughout Finland.

Alma Media's long-term financial targets and their achievement, including discontinued operations:



*) Return on investment for 2020 includes the gain on the sale of the regional news media business

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The figures are compared in accordance with the International Financial Reporting Standards (IFRS) with those of the corresponding period in 2020, unless otherwise stated. The figures in the tables are independently rounded. Alma Media Corporation additionally uses and presents Alternative Performance Measures to better illustrate the operative development of its business and to improve comparability between reporting periods. The Alternative Performance Measures are reported in addition to IFRS key figures.

KEY FIGURES

| INCOME STATEMENT | | | | | | |
|--|-------------|-------------|---------------|--------------|--------------|---------------|
| MEUR | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | Q4 | Q4 | % | Q1–Q4 | Q1–Q4 | % |
| Revenue | 61.9 | 65.8 | -5.8 | 230.2 | 250.2 | -8.0 |
| Adjusted total expenses | 51.4 | 53.4 | -3.7 | 186.0 | 201.1 | -7.5 |
| Adjusted EBITDA | 14.6 | 16.5 | -11.1 | 60.8 | 66.1 | -8.0 |
| EBITDA | 14.6 | 16.6 | -12.3 | 58.9 | 66.2 | -11.1 |
| Adjusted operating profit | 11.1 | 12.5 | -10.8 | 45.4 | 49.4 | -8.2 |
| % of revenue | 18.0 | 19.0 | | 19.7 | 19.8 | |
| Operating profit (loss) | 10.8 | 12.6 | -14.9 | 43.1 | 49.5 | -13.0 |
| % of revenue | 17.4 | 19.2 | | 18.7 | 19.8 | |
| Profit for the period before tax | 9.9 | 12.7 | -22.0 | 42.2 | 49.0 | -13.8 |
| Profit for the period | 7.4 | 10.2 | -27.4 | 33.3 | 40.5 | -17.8 |
| BALANCE SHEET | | | | | | |
| MEUR | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | Q4 | Q4 | % | Q1–Q4 | Q1–Q4 | % |
| ASSETS | | | | 333.9 | 400.9 | -16.7 |
| Net debt | | | | -9.1 | 23.7 | -138.5 |
| Interest-bearing liabilities | | | | 38.9 | 90.8 | -57.1 |
| Non-interest-bearing liabilities | | | | 90.5 | 107.6 | -15.9 |
| Capital expenditure | 82.1 | 0.7 | 12281.2 | 91.4 | 12.6 | 623.0 |
| Equity ratio % | | | | 63.1 | 54.1 | 16.7 |
| Gearing % | | | | -4.5 | 11.7 | -138.2 |
| EMPLOYEES | | | | | | |
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | Q4 | Q4 | % | Q1–Q4 | Q1–Q4 | % |
| Average no. of employees, excl. telemarketers | 1,434 | 1,536 | -6.7 | 1,497 | 1,530 | -2.1 |
| Telemarketers on average | 352 | 313 | 12.3 | 335 | 304 | 10.2 |
| KEY FIGURES | | | | | | |
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | Q4 | Q4 | % | Q1–Q4 | Q1–Q4 | % |
| Return on equity/ROE (annual)* | 10.0 | 29.5 | -66.1 | 48.7 | 25.0 | 94.7 |
| Return on investment/ROI (annual)* | 8.9 | 19.8 | -55.1 | 37.4 | 19.0 | 96.5 |
| Earnings per share, EUR (basic) | 0.05 | 0.14 | -60.8 | 1.13 | 0.51 | 122.4 |
| Earnings per share, EUR (diluted) | 0.05 | 0.14 | -61.4 | 1.11 | 0.51 | 118.6 |
| Earnings per share, continuing operations, basic | 0.08 | 0.11 | -26.9 | 0.33 | 0.41 | -19.1 |
| Earnings per share, discontinued operations, basic | -0.02 | 0.03 | -166.2 | 0.80 | 0.10 | 727.3 |
| Cash flow from operating activities/share, EUR | 0.19 | 0.21 | -11.5 | 0.68 | 0.87 | -22.0 |
| Shareholders' equity per share | | | | 2.23 | 2.09 | 6.7 |
| Dividend per share | | | | 0.30 | 0.40 | -25.0 |
| Effective dividend yield % | | | | 3.4 | 5.0 | |
| P/E | | | | 7.9 | 15.5 | |
| Market capitalisation | | | | 734.9 | 655.8 | 12.1 |
| Average number of shares, basic (YTD) ** | 82,262 | 82,283 | | 82,262 | 82,283 | |
| Average number of shares, diluted (YTD) ** | 83,692 | 83,826 | | 83,692 | 83,826 | |
| Number of shares at the end of the period (1,000 shares) *** | 82,383 | 82,383 | | 82,383 | 82,383 | |

* Annual return, see Accounting Principles of the Interim Report. The key figures also include adjusted items ** The company has acquired of its own shares during 180,000 during the year 2020. The company has disposed of 158,784 of its own shares. At the end of the review period, the company held 121,011 of its own shares. *** including company's own shares.

REVENUE

October–December 2020

Revenue from continuing operations declined by 5.8% to MEUR 61.9 (65.8). The effect of acquired and divested businesses on the decrease in revenue was MEUR -1.8. Digital content revenue growth of 25.8% compensated for the decline in print content revenue in Alma Talent, but the decrease in the single-copy sales of Iltalehti and the divestment of the media business in Sweden meant that content revenue declined by 13.2% to MEUR 15.2 (17.5).

Advertising revenue for continuing operations decreased by 8.4% to MEUR 35.1 (38.3). Print media advertising revenue declined by 26.9% to MEUR 3.4 (4.7). Digital advertising revenue for continuing operations decreased by 5.8% to MEUR 31.7 (33.6).

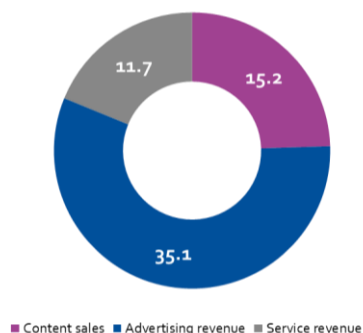
Service revenue from continuing operations increased by 17.0% to MEUR 11.7 (10.0). The growth of service revenue from continuing operations was attributable to acquired businesses as well as service charges related to the divested regional news media business and printing operations.

The year 2020

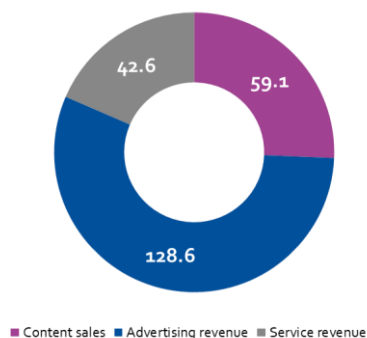
Revenue from continuing operations declined by 8.0% to MEUR 230.2 (250.2). Acquired and divested businesses had an effect of MEUR 0.7 on revenue. Content revenue decreased by 7.9% to MEUR 59.1 (64.2).

Advertising revenue for continuing operations decreased by 13.4% to MEUR 128.6 (148.5). Print media advertising revenue declined by 32.3% to MEUR 11.1 (16.3). Digital advertising sales from continuing operations decreased by 11.1%. Service revenue from continuing operations increased by 13.3% to MEUR 42.6 (37.6).

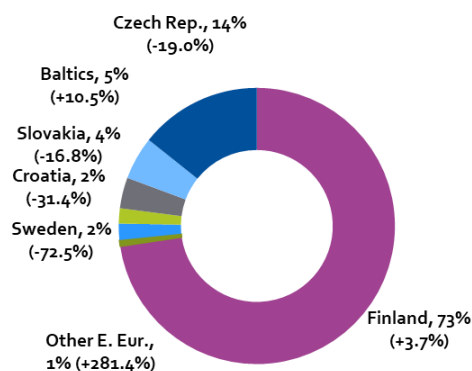
Revenue split Q4/2020, MEUR



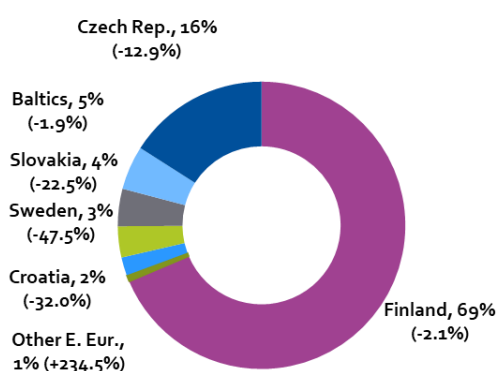
Revenue split Q1–Q4/2020, MEUR



Geographical revenue split Q4/2020



Geographical revenue split Q1–Q4/2020



| REVENUE MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1–Q4 | 2019 Q1–Q4 | Change % |
|--------------------------|------------|------------|-------------|---------------|---------------|-------------|
| Alma Markets | 21.9 | 24.6 | -10.8 | 88.3 | 100.0 | -11.7 |
| Alma Talent | 26.4 | 28.3 | -6.5 | 95.1 | 102.9 | -7.6 |
| Alma Consumer | 12.7 | 12.8 | -0.7 | 44.4 | 47.2 | -6.0 |
| Segments total | 61.1 | 65.7 | -7.0 | 227.7 | 250.1 | -8.9 |
| Non-allocated operations | 0.9 | 0.1 | 616.9 | 2.5 | 0.2 | 1,425.8 |
| Total | 61.9 | 65.8 | -5.8 | 230.2 | 250.2 | -8.0 |

| REVENUE BY GEOGRAPHICAL AREA MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1–Q4 | 2019 Q1–Q4 | Change % |
|---|------------|------------|-------------|---------------|---------------|-------------|
| Finland | 45.2 | 43.5 | 3.9 | 158.4 | 161.8 | -2.1 |
| Other countries | 16.8 | 22.3 | -24.8 | 71.8 | 88.5 | -18.8 |
| Group total | 61.9 | 65.8 | -5.8 | 230.2 | 250.2 | -8.0 |

*) Revenue by geographical area is presented in accordance with the countries in which the Group's units are located.

RESULT

October–December 2020

Adjusted operating profit from continuing operations was MEUR 11.1 (12.5), or 18.0% (19.0%) of revenue. Operating profit from continuing operations was MEUR 10.8 (12.6), or 17.4% (19.2%) of revenue. The operating profit of continuing operations includes net adjusted items in the amount of MEUR -0.4 (0.2) related to gains and losses on asset sales, impairment losses and operational restructuring. The adjusted items in the comparison period were related to gains on the sale of property.

Total expenses allocated to continuing operations decreased in the fourth quarter by MEUR 0.8. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 3.8 (4.0). The result of continuing operations for October–December was MEUR 7.4 (10.2), and the adjusted result of continuing operations was MEUR 7.8 (10.1).

The year 2020

Adjusted operating profit from continuing operations was MEUR 45.4 (49.4), or 19.7% (19.8%) of revenue. Operating profit from continuing operations was MEUR 43.1 (49.5), or 18.7% (19.8%) of revenue. The operating profit from continuing operations includes MEUR -2.3 in net adjusted items related to sales gains on acquisitions achieved in stages, impairment losses, gains and losses on asset sales and operational restructuring costs. The adjusted items in the comparison period were related to gains on the sale of assets.

Total expenses allocated to continuing operations decreased in 2020 by MEUR 10.8. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 15.8 (16.7). The result of continuing operations for January–December was MEUR 33.3 (40.5), and the adjusted result of continuing operations was MEUR 35.5 (40.4).

| ADJUSTED OPERATING PROFIT/LOSS MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1–Q4 | 2019 Q1–Q4 | Change % |
|--|------------|------------|-------------|---------------|---------------|-------------|
| Alma Markets | 6.0 | 8.6 | -30.2 | 30.7 | 37.7 | -18.4 |
| Alma Talent | 5.7 | 4.8 | 17.2 | 16.2 | 14.8 | 9.6 |
| Alma Consumer | 2.6 | 1.8 | 39.8 | 4.9 | 6.2 | -20.8 |
| Segments total | 14.2 | 15.3 | -6.8 | 51.9 | 58.7 | -11.6 |
| Non-allocated operations | -3.1 | -2.8 | 11.3 | -6.5 | -9.2 | -29.7 |
| Total | 11.1 | 12.5 | -10.8 | 45.4 | 49.4 | -8.2 |

Items adjusting operating profit

Items adjusting operating profit are income or expense arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised by the Group as adjustments. Adjustments are recognised in the income statement within the corresponding income or expense group.

| ADJUSTED ITEMS MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1–Q4 | 2019 Q1–Q4 |
|--------------------------------------|------------|------------|---------------|---------------|
| Alma Markets | | | | |
| Restructuring | | | -0.1 | |
| Gains (losses) on the sale of assets | -0.4 | | 1.0 | 0.1 |
| Alma Talent | | | | |
| Impairment losses | -0.3 | | -0.3 | |
| Restructuring | -0.3 | | -0.7 | |
| Gains (losses) on the sale of assets | 0.6 | | -2.2 | |
| Non-allocated | | | | |
| Gains (losses) on the sale of assets | | 0.2 | | 0.0 |
| Adjusted items in operating profit | -0.4 | 0.2 | -2.3 | 0.1 |
| Adjusted items in profit before tax | -0.4 | 0.2 | -2.3 | 0.1 |

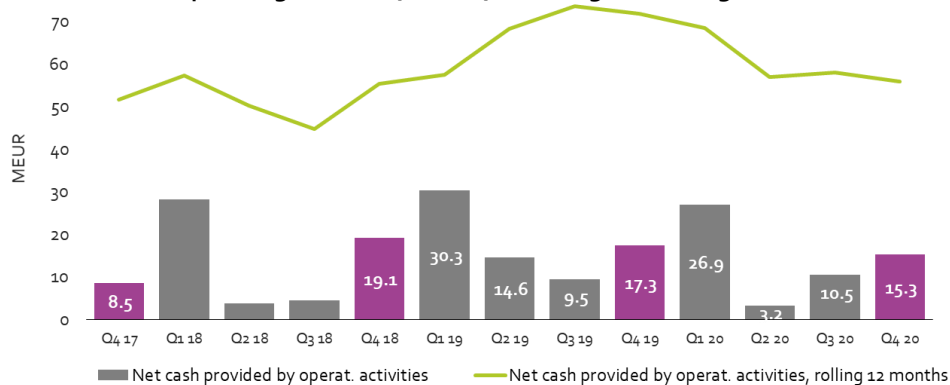
| OPERATING PROFIT/LOSS MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1–Q4 | 2019 Q1–Q4 | Change % |
|-------------------------------|------------|------------|-------------|---------------|---------------|-------------|
| Alma Markets | 5.6 | 8.6 | -34.6 | 31.6 | 37.7 | -16.2 |
| Alma Talent | 5.7 | 4.8 | 17.3 | 13.1 | 14.8 | -11.9 |
| Alma Consumer | 2.6 | 1.8 | 39.8 | 4.9 | 6.2 | -20.8 |
| Segments total | 13.9 | 15.3 | -9.2 | 49.6 | 58.7 | -15.6 |
| Non-allocated operations | -3.1 | -2.6 | 17.8 | -6.5 | -9.2 | -29.4 |
| Total | 10.8 | 12.6 | -14.9 | 43.1 | 49.5 | -13.0 |

BALANCE SHEET AND FINANCIAL POSITION

At the end of December 2020, the consolidated balance sheet stood at MEUR 333.9 (400.9). The Group's equity ratio at the end of December was 63.1% (54.1%) and equity per share was EUR 2.23 (2.09). Cash flow from operations in October–December including discontinued operations was MEUR 15.3 (17.3). In the final quarter, cash flow from operations declined year-on-year due to lower profitability and the effect of divested businesses. Cash flow before financing was MEUR -55.3 (23.4) in October–December. The most significant investments in the final quarter were the redemption of the minority interest in Alma Mediapartners Oy and the acquisition of shares in DIAS Oy.

Cash flow from operations in January–December including discontinued operations was MEUR 56.0 (71.7). The year-on-year decrease in cash flow from operations was attributable to the weaker profit performance and the lost cash flow from divested businesses. Cash flow before financing was MEUR 27.6 (61.9) in January–December. Cash flow from investing activities reflects the consideration received from the sale of the regional news media business and printing operations as well as the redemption of the minority interest in Alma Mediapartners Oy and the acquisition of shares in DIAS Oy.

Cash flow from operating activities, MEUR, including continuing and discontinued operations



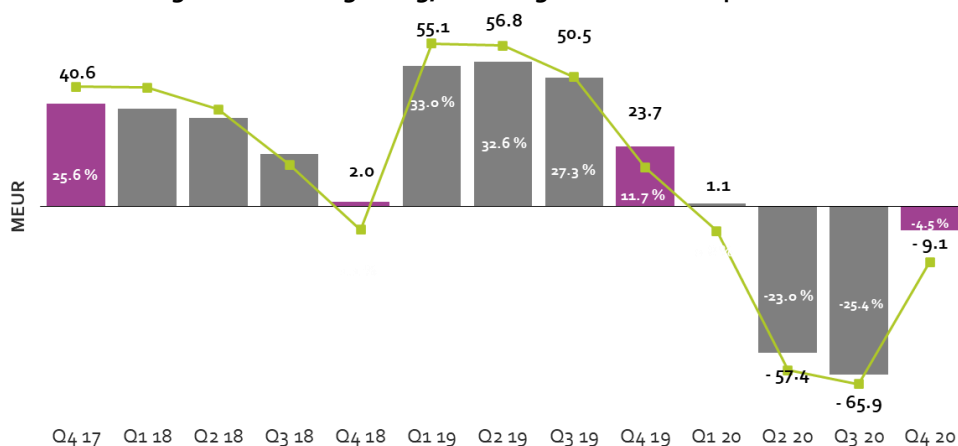
At the end of December 2020, the Group's interest-bearing debt amounted to MEUR 38.9 (90.8), consisting entirely of lease liabilities. The Group's interest-bearing net debt stood at MEUR -9.1 (23.7).

| INTEREST-BEARING NET DEBT MEUR | 2020 Q1–Q4 | 2019 Q1–Q4 |
|---|---------------|---------------|
| Interest-bearing long-term liabilities | 31.9 | 79.0 |
| Short-term interest-bearing liabilities | 7.0 | 11.8 |
| Cash and cash equivalents | 48.0 | 67.1 |
| Interest-bearing net debt | -9.1 | 23.7 |

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 31 December 2020. The company also has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused as at 31 December 2020.

Alma Media had MEUR 1.3 in financial assets created in conjunction with business combinations measured at fair value and recognised through profit or loss and MEUR 16.3 in financial liabilities measured at fair value and recognised through profit or loss.

Interest-bearing net debt and gearing, including discontinued operations



Changes in Group structure in 2020

The early morning delivery operations in Pirkanmaa and Satakunta of the newspapers published by Alma Media Kustannus were outsourced to Posti effective from 1 January 2020 in accordance with a business transfer and delivery service agreement signed in summer 2019. The outsourcing arrangement resulted in the transfer of approximately 780 employees from Alma Manu's delivery business to Posti Group.

Alma Media's acquisition of the entire share capital of Kolektiv Ltd, the leading online recruitment service in Bosnia and Herzegovina, was finalised in January 2020 upon the completion of the local competition regulator process, which was a prerequisite for the transaction.

The Affärsvärlden financial media business was transferred to the Swedish company Börsplus Ab effective from March 2020. The transaction was a continuation of the decision made by Stiftelsen Affärsvärlden, which owns the Affärsvärlden brand and publishing rights, to transfer the publishing rights of Affärsvärlden to Börsplus Ab starting from 2021.

Alma Mediapartners, a subsidiary of Alma Media, acquired the remaining share capital to become the full owner of Muuttomaailma Oy in February 2020. Alma Mediapartners previously held a 25% stake in the company and it was reported as an associated company.

In February 2020, Alma Media signed an agreement concerning the sale of all shares in Alma Media Kustannus Oy, operating in the regional news media business, and Alma Manu Oy, operating in the printing business, to Sanoma Media Finland. The divested businesses include regional newspapers Aamulehti and Satakunnan Kanssa, local newspapers Janakkalan Sanomat, Jämsän Seutu, Kankaanpään Seutu, KMMV-Lehti, Nokian Uutiset, Rannikkoseutu, Suur-Keuruu, Merikarvia-Lehti, Sydän-Satakunta, Tyrvään Sanomat, Valkeakosken Sanomat, Jokilaakso and Vekari as well as Alma Manu printing operations, which were reported under the Alma Consumer segment. The transaction was subject to customary closing conditions, including approval by the Finnish Competition and Consumer Authority. The Finnish Consumer and Competition Authority issued its approval for the transaction on 19 March 2020. The transaction was completed in April 2020.

In June 2020, Alma Talent, which is part of Alma Media, agreed on a share transaction to sell the share capital of Alma Talent Ab to New Technology Media Group Ab. In the transaction, the magazine and online media brands Ny Teknik, Lag & Avtal, Arbetarskydd, Personal & ledarskap and Teknikhistoria and their employees were transferred to the new owner.

In December 2020, Alma Talent Oy increased its holding in Digitaalinen asuntokauppa DIAS Oy to 80.5 per cent. Alma Talent had previously acquired a 5 per cent stake in DIAS Oy in January 2020.

In December 2020, Alma Media Corporation acquired Arena Partners Oy's 35 per cent minority shareholding in Alma Mediapartners Oy. The purchase price was EUR 53.0 million. With the transaction, Alma Mediapartners transferred to Alma Media in its entirety. At the same time, Alma Media sold its 35 per cent shareholding in Arena Interactive Oy to Arena Partners Oy for a price of EUR 0.4 million. Arena Interactive is a subsidiary of Arena Partners.

Capital expenditure

Alma Media Group's capital expenditure in 2020 totalled MEUR 91.4 (12.9). The capital expenditure consisted of the acquisition of shares in Muuttomailma Oy, Kolektiv Ltd and the digital housing transaction service DIAS Oy, the redemption of the minority interest in Alma Mediapartners Oy as well as normal operating and maintenance investments.

| CAPITAL EXPENDITURE BY SEGMENT MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1-Q4 | 2019 Q1-Q4 |
|--|------------|------------|---------------|---------------|
| Alma Markets | 4.6 | 0.3 | 12.0 | 6.8 |
| Alma Talent | 24.4 | 0.1 | 25.4 | 0.4 |
| Alma Consumer | 0.0 | 0.0 | 0.0 | 4.3 |
| Segments total | 29.0 | 0.4 | 37.4 | 11.6 |
| Non-allocated | 53.1 | 0.3 | 54.1 | 1.0 |
| Continuing operations total | 82.1 | 0.7 | 91.4 | 12.6 |
| Discontinued operations | | 0.0 | | 0.2 |
| Total, including assets held for sale | | 0.6 | | 12.9 |

| CAPITAL EXPENDITURE AND ACQUISITIONS MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1-Q4 | 2019 Q1-Q4 |
|---|------------|------------|---------------|---------------|
| Capex | 0.4 | 0.7 | 3.6 | 2.5 |
| Acquisitions | 81.7 | 0.0 | 87.8 | 10.2 |
| Continuing operations total | 82.1 | 0.7 | 91.4 | 12.6 |
| Discontinued operations | | 0.0 | | 0.2 |
| Total, including assets held for sale | 82.1 | 0.6 | 91.4 | 12.9 |

| DEPRECIATION MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1-Q4 | 2019 Q1-Q4 |
|---|------------|------------|---------------|---------------|
| Depreciation of tangible and intangible assets | 2.8 | 2.5 | 10.6 | 11.0 |
| Amortisation of intangible assets related to acquisitions | 1.0 | 1.4 | 5.1 | 5.7 |
| Continuing operations total | 3.8 | 4.0 | 15.8 | 16.7 |
| Discontinued operations | | 1.3 | | 5.2 |
| Total, including assets held for sale | 3.8 | 5.3 | 15.8 | 21.9 |

Research and development costs

The Group's research and development costs in 2020 totalled MEUR 4.6 (MEUR 4.3). MEUR 3.2 (MEUR 3.4) was recognised in the income statement and development costs of MEUR 1.4 (MEUR 1.0) were capitalised on the balance sheet in 2020. There were capitalised research and development costs totalling MEUR 2.0 (MEUR 1.3) on the balance sheet on 31 December 2020.

BUSINESS SEGMENTS

Alma Media's reportable segments are Alma Markets, focusing on digital marketplaces, Alma Talent, a provider of financial media and services aimed at professionals and businesses, and Alma Consumer, which focuses on the consumer media business. Centralised services produced by the Group's parent company as well as centralised support services for advertising and digital sales for the entire Group are reported outside segment reporting. The Group's reportable segments correspond to the Group's operating segments.

Alma Markets

The recruitment services Monster.fi, Jobs.cz, Prace.cz, CV Online, Profesia.sk, MojPosao.net, MojPosao.ba and Monster.cz are reported in the Alma Markets segment.

The segment includes several online services: the housing-related services Etuovi.com, Vuokraovi.com and Muuttomaailma.fi, the travel portal Gofinland.fi and the automotive services Autotalli.com, Autosofta, Autojerry.fi, Websales, Webrent and Tukkuautot.fi. Also reported in this segment are Talosofta, which specialises in software for ERP systems in new construction and renovation, the real estate agency system Kivi and Urakkamaailma, a marketplace for renovation and construction work.

| KEY FIGURES MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1–Q4 | 2019 Q1–Q4 | Change % |
|--------------------------------|------------|------------|-------------|---------------|---------------|-------------|
| Revenue | 21.9 | 24.6 | -10.8 | 88.3 | 100.0 | -11.7 |
| Advertising revenue | 19.3 | 22.3 | -13.6 | 78.5 | 91.3 | -14.0 |
| Service revenue | 2.6 | 2.2 | 17.8 | 9.8 | 8.7 | 12.1 |
| Adjusted total expenses | 16.1 | 16.0 | 0.6 | 58.2 | 62.5 | -6.9 |
| Adjusted EBITDA | 7.0 | 9.8 | -28.4 | 35.3 | 42.5 | -17.1 |
| EBITDA | 6.6 | 9.8 | -32.3 | 36.2 | 42.6 | -15.1 |
| Adjusted operating profit | 6.0 | 8.6 | -30.2 | 30.7 | 37.7 | -18.4 |
| % of revenue | 27.4 | 35.0 | | 34.8 | 37.7 | |
| Operating profit (loss) | 5.6 | 8.6 | -34.6 | 31.6 | 37.7 | -16.2 |
| % of revenue | 25.7 | 35.0 | | 34.8 | 37.7 | |
| Employees on average | 674 | 686 | -1.7 | 702 | 679 | 3.3 |
| Digital business revenue | 21.9 | 24.6 | -11.7 | 88.3 | 100.0 | -11.7 |
| Digital business, % of revenue | 100.0 | 100.0 | | 100.0 | 100.0 | |

October–December 2020

The Alma Markets segment's revenue decreased by 10.8% to MEUR 21.9 (24.6) in the final quarter of 2020. Acquired businesses had an effect of MEUR 0.6 on revenue. The recruitment business declined by 16.2% and accounted for 69.9% of the segment's revenue. In Finland, the revenue of the housing and automotive marketplace and system business increased by 5% thanks to the growth of volume in comparison services and rental housing advertising. The revenue of the housing marketplace business was MEUR 4.5 (4.3), representing 20.5% of the segment's total revenue. The revenue of the automotive marketplace business was MEUR 2.1 (2.0), representing 9.6% of the segment's total revenue.

Total expenses were MEUR 16.1 (16.0). The Alma Markets segment's adjusted operating profit was MEUR 6.0 (8.6) in the fourth quarter. The adjusted operating profit was 27.4% (35.0%) of revenue. The segment's operating profit was MEUR 5.6 (8.6). The adjusted items in the review period were related to losses on the sale of assets. No adjusted items were reported during the comparison period.

The year 2020

The Alma Markets segment's revenue decreased by 11.7% to MEUR 88.3 (100.0) in 2020. Acquired businesses had an effect of MEUR 2.5 on revenue. The recruitment business declined by 16.1% and accounted for 71.3% of the segment's revenue. In Finland, the housing and automotive marketplace and system business was on par with the comparison period. The revenue of the housing marketplace business was MEUR 17.2 (17.3), representing 19.5% of the segment's total revenue. The automotive marketplace business represented 9.5% of the segment's revenue and grew by 5.2%.

Total expenses for the period amounted to MEUR 58.2 (62.5). Total expenses decreased due to cost savings, which were allocated to the second and third quarters and mainly involved reductions in employee expenses and marketing expenses.

The Alma Markets segment's adjusted operating profit in 2020 was MEUR 30.7 (37.7). The adjusted operating profit was 34.8% (37.7%) of revenue. The segment's operating profit was MEUR 31.6 (37.7). The adjusted items recognised during the review period were related to sales gains on acquisitions achieved in stages, gains and losses on the sale of assets as well as operational restructuring. The adjusted items in the comparison period were related to a sales gain on an acquisition achieved in stages.

Alma Talent

Alma Talent's business includes subscription-based digital content media as well as digital data, content and marketplace services. In addition to the leading financial media brand Kauppalehti, Alma Talent's financial and professional media include Talouselämä, Tekniikka & Talous and Arvopaperi. Alma Talent Services offers professionals and businesses a comprehensive range of content related to company information, real estate information, law, financial management, competence development, leadership and marketing services. Alma Talent operates in Finland, Sweden and the Baltic countries.

| KEY FIGURES MEUR | 2020 Q4 | 2019 Q4 | Change % | 2020 Q1-Q4 | 2019 Q1-Q4 | Change % |
|---|------------|------------|-------------|---------------|---------------|-------------|
| Revenue | 26.4 | 28.3 | -6.5 | 95.1 | 102.9 | -7.6 |
| Content revenue | 11.4 | 13.0 | -11.9 | 43.8 | 46.6 | -6.0 |
| Content revenue, print | 6.8 | 9.3 | -19.1 | 26.8 | 33.5 | -19.8 |
| Content revenue, digital | 4.6 | 3.7 | 26.0 | 17.0 | 13.1 | 29.2 |
| Advertising revenue | 7.8 | 8.6 | -9.7 | 24.8 | 30.2 | -17.9 |
| Advertising revenue, print | 3.1 | 4.0 | -19.1 | 9.6 | 13.7 | -27.2 |
| Advertising revenue, digital | 4.7 | 4.6 | 2.1 | 15.2 | 16.4 | -7.5 |
| Service revenue | 7.2 | 6.7 | 8.0 | 26.5 | 26.2 | 1.3 |
| Adjusted total expenses | 20.8 | 23.4 | -11.4 | 78.9 | 88.2 | -10.5 |
| Adjusted EBITDA | 6.6 | 6.1 | 7.3 | 20.4 | 19.9 | 2.7 |
| EBITDA | 6.9 | 6.1 | 12.6 | 17.6 | 19.9 | -11.7 |
| Adjusted operating profit | 5.7 | 4.8 | 17.2 | 16.2 | 14.8 | 9.6 |
| % of revenue | 21.5 | 17.1 | | 17.1 | 14.4 | |
| Operating profit (loss) | 5.7 | 4.8 | 17.3 | 13.1 | 14.8 | -11.9 |
| % of revenue | 21.5 | 17.1 | | 13.7 | 14.4 | |
| Average no. of employees, excl. telemarketers | 427 | 486 | -12.2 | 456 | 489 | -6.8 |
| Telemarketers on average | 352 | 313 | 12.3 | 335 | 304 | 10.3 |
| Digital business revenue | 12.9 | 10.8 | 19.1 | 44.6 | 40.3 | 10.5 |
| Digital business, % of revenue | 48.7 | 38.2 | | 46.9 | 39.2 | |

October–December 2020

The Alma Talent segment's revenue declined by 6.5% to MEUR 26.4 (28.3) in October–December. Divestments had an effect of MEUR 3.4 on revenue. Excluding the effect of divestments, the segment's comparable revenue increased by 5.3%. Digital business accounted for 48.7% (38.2%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by MEUR 3.2, or 11.9%, due to the divestment of the media business in Sweden and amounted to MEUR 11.4 (13.0). Content revenue in Finland grew by 8.4%, which was significantly attributable to a 42.6% increase in digital content revenue from the media business.

Advertising revenue decreased by 9.7% to MEUR 7.8 (8.6) in the last quarter due to divestments. Excluding the effect of divestments, comparable advertising revenue increased by 3.4%.

Service revenue increased by 8.0% to MEUR 7.2 (6.7). Service revenue was increased by the growth of the telemarketing business and digital B2B services.

The segment's adjusted total expenses amounted to MEUR 20.8 (23.4). Taking the effect of divestments into account, total expenses were on par with the comparison period. The Alma Talent segment's adjusted operating profit was MEUR 5.7 (4.8) and operating profit MEUR 5.7 (4.8). The adjusted items recognised during the review period were related to a sales gain on an acquisition achieved in stages, a loss on the sale of assets, a write-down and operational restructuring. No adjusted items were reported during the comparison period.

The year 2020

The Alma Talent segment's revenue declined by 7.6% to MEUR 95.1 (102.9) in 2020. Divestments had an effect of MEUR 5.3 on revenue. Excluding the effect of divestments, the segment's comparable revenue was on par with the previous year. Digital business accounted for 46.9% (39.2%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 6.0% due to the divestment of the media business in Sweden and amounted to MEUR 43.8 (46.6). Content revenue in Finland grew by 4.7%, which was significantly attributable to a 42.2% increase in digital content revenue from the media business.

In 2020, advertising revenue declined by 17.9% to MEUR 24.8 (30.2) due to the COVID-19 epidemic and the divestment of the business in Sweden. Service revenue totalled MEUR 26.5 (26.2). Comparable service revenue increased by 3.3%.

The segment's adjusted total expenses amounted to MEUR 78.9 (88.2). The divestment of the Swedish business reduced total expenses by MEUR 7.1 and cost savings by MEUR 3.5. Total expenses were also influenced by an increase of MEUR 1.3 employee expenses in the telemarketing business.

The Alma Talent segment's adjusted operating profit was MEUR 16.2 (14.8) and operating profit MEUR 13.1 (14.8). The adjusted operating profit was 17.1% (14.4%) of revenue. The adjusted items in the review period were related to operational restructuring, a sales gain on an acquisition achieved in stages and losses on the sale of assets. No adjusted items were reported during the comparison period.

Alma Consumer

Alma Consumer focuses on the national consumer media business and publishes the print and online versions of the national news media Iltalehti. The online services Etua.fi, Telkku.com, Kotikokki.net, E-kontakti.fi and Rantapallo.fi are also reported in this segment.

| KEY FIGURES | 2020 | 2019 | Change | 2020 | 2019 | Change |
|--------------------------------|------|------|--------|-------|-------|--------|
| MEUR | Q4 | Q4 | % | Q1-Q4 | Q1-Q4 | % |
| Revenue | 12.7 | 12.8 | -0.7 | 44.4 | 47.2 | -6.0 |
| Content revenue *) | 3.7 | 4.5 | -16.8 | 15.3 | 17.6 | -13.1 |
| Advertising revenue | 8.1 | 7.4 | 9.3 | 25.4 | 27.2 | -6.7 |
| Advertising revenue, print | 0.5 | 0.8 | -34.9 | 2.0 | 3.2 | -37.7 |
| Advertising revenue, digital | 7.6 | 6.6 | 14.6 | 23.4 | 24.0 | -2.6 |
| Service revenue | 0.9 | 0.9 | -1.6 | 3.7 | 2.4 | 54.1 |
| Adjusted total expenses | 10.2 | 11.0 | -7.5 | 39.5 | 41.0 | -3.7 |
| Adjusted EBITDA | 2.8 | 2.0 | 35.1 | 5.6 | 6.8 | -17.5 |
| EBITDA | 2.8 | 2.0 | 35.1 | 5.6 | 6.8 | -17.5 |
| Adjusted operating profit | 2.6 | 1.8 | 39.8 | 4.9 | 6.2 | -20.8 |
| % of revenue | 20.2 | 14.3 | | 11.0 | 13.1 | -15.8 |
| Operating profit (loss) | 2.6 | 1.8 | 39.8 | 4.9 | 6.2 | -20.8 |
| % of revenue | 20.2 | 14.3 | | 11.0 | 13.1 | -15.8 |
| Employees on average | 176 | 187 | -6.0 | 184 | 187 | -1.5 |
| Digital business revenue | 8.4 | 7.5 | 12.7 | 27.1 | 26.4 | 2.7 |
| Digital business, % of revenue | 66.4 | 58.5 | | 61.1 | 55.9 | |

*) Content revenue consists entirely of the single-copy sales of Iltalehti.

October–December 2020

The Alma Consumer segment's revenue remained on par with the comparison period in the final quarter and amounted to MEUR 12.7 (12.8). Digital business accounted for 66.4% (58.5%) of the segment's revenue.

The segment's advertising revenue increased by 9.3% to MEUR 8.1 (7.4). The shift of advertising from print to digital gained strength. Digital advertising revenue increased by 14.6% to MEUR 7.6 (6.6). Programmatic advertising as well as advertising in the retail and automotive categories increased year-on-year. Print media advertising revenue declined by 34.9% to MEUR 0.5 (0.8).

The segment's content revenue decreased by 16.8% to MEUR 3.7 (4.5). The number of Ittalehti's single-copy sales locations decreased year-on-year due to the restrictions introduced in relation to the COVID-19 epidemic. The segment's service revenue was on par with the comparison period, totalling MEUR 0.9 (0.9).

The segment's total expenses decreased by 7.5% mainly due to lower print media volumes and amounted to MEUR 10.2 (11.0). The segment's adjusted operating profit was MEUR 2.6 (1.8), or 20.2% (14.3%) of revenue. The segment's operating profit was MEUR 2.6 (1.8). No adjusted items were reported during the review period or the comparison period.

The year 2020

The Alma Consumer segment's revenue declined by 6.0% to MEUR 44.4 (47.2) in 2020. Acquired businesses had an effect of MEUR 1.1 on revenue. Digital business accounted for 61.1% (55.9%) of the segment's revenue.

The segment's advertising revenue declined by 6.7% to MEUR 25.4 (27.2). Digital advertising revenue declined by 2.6% to MEUR 23.4 (24.0). The COVID-19 pandemic had a negative impact on digital advertising revenue, particularly in the second quarter. Print media advertising revenue declined by 37.7% to MEUR 2.0 (3.2).

The segment's content revenue decreased by 13.1% to MEUR 15.3 (17.6). The number of Ittalehti's single-copy sales locations decreased year-on-year due to the restrictions introduced in response to the COVID-19 epidemic. The segment's service revenue increased by 54.1% due to the acquisition of the loan comparison service Etua.fi and amounted to MEUR 3.7 (2.4).

The segment's adjusted total expenses decreased by 3.7% and amounted to MEUR 39.5 (41.0). The segment's adjusted operating profit was MEUR 4.9 (6.2), or 11.0% (13.1%) of revenue. The segment's operating profit was MEUR 4.9 (6.2). No adjusted items were reported during the review period or the comparison period.

The following table presents the assets and liabilities by segment, as well as the non-allocated asset and liability items.

| ASSETS BY SEGMENT | | |
|---------------------------------------|-------------|-------------|
| MEUR | 31 Dec 2020 | 31 Dec 2019 |
| Alma Markets | 112.3 | 108.2 |
| Alma Talent | 116.6 | 98.1 |
| Alma Consumer* | 10.4 | 11.9 |
| Segments total | 239.3 | 218.1 |
| Discontinued operations | | 83.3 |
| Non-allocated assets and eliminations | 94.6 | 99.4 |
| Total | 333.9 | 400.9 |

| LIABILITIES BY SEGMENT | | |
|---|-------------|-------------|
| MEUR | 31 Dec 2020 | 31 Dec 2019 |
| Alma Markets | 28.6 | 35.7 |
| Alma Talent | 38.8 | 26.9 |
| Alma Consumer* | 5.8 | 6.1 |
| Segments total | 73.1 | 68.7 |
| Liabilities related to assets classified as held for sale | | 72.4 |
| Non-allocated liabilities and eliminations | 56.3 | 57.3 |
| Total | 129.4 | 198.4 |

*) The Alma Consumer segment's figures for 2019 have been adjusted to correspond to the new structure.

Annual General Meeting 2020 and decisions made by the Board of Directors in its constitutive meeting

Alma Media Corporation's Annual General Meeting (AGM) held on 29 April 2020, with special arrangements, confirmed the financial statements for 2019 and released the members of the Board of Directors and the President and CEO from liability. The AGM decided that a dividend of EUR 0.40 per share shall be paid for the financial year 2019. The dividend payment was made on 11 May 2020.

The AGM confirmed the number of Board members as seven, as proposed by the Board of Directors' Shareholders' Nomination Committee. The AGM re-elected the following current Board members for the new term of office, extending until the end of the subsequent Annual General Meeting: Peter Immonen, Esa Lager, Alexander Lindholm, Petri Niemisvirta, Päivi Rekonen and Catharina Stackelberg-Hammarén, with Jorma Ollila elected as a new member. In its constitutive meeting held after the AGM, the Board of Directors elected Jorma Ollila as its Chairman and Petri Niemisvirta as its Vice Chairman.

The Board of Directors also appointed the members to its permanent committees. Esa Lager, Alexander Lindholm, Petri Niemisvirta and Päivi Rekonen were elected as members of the Audit Committee, with Esa Lager as Chairman. Peter Immonen, Jorma Ollila and Catharina Stackelberg-Hammarén were elected as members of the Nomination and Compensation Committee, with Peter Immonen as Chairman.

The Board of Directors has assessed that, with the exception of Peter Immonen, Esa Lager, Alexander Lindholm and Jorma Ollila, the members of the Board are independent of the company and its significant shareholders. Peter Immonen is a member of the Board of Mariatorp Oy, Esa Lager is a member of the Board of Ilkka-Yhtymä Oyj, Alexander Lindholm is the CEO of Otava Group and Jorma Ollila has been a member of the Board of Otava Ltd. for ten consecutive years in 2019 (a relationship with a significant shareholder pursuant to subsection j) of Recommendation 10 of the Corporate Governance Code).

The AGM appointed PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, APA, as the principal auditor.

The decisions of the AGM and the constitutive meeting of the Board of Directors were announced in more detail in a stock exchange release on 29 April 2020.

The Alma Media share

In October–December, altogether 1,040,513 Alma Media shares were traded at the NASDAQ Helsinki Stock Exchange, representing 1.3% of the total number of shares. The closing price of the Alma Media share at the end of the last trading day of the review period, 30 December 2020, was EUR 8.92. The lowest quotation during the review period was EUR 7.22 and the highest EUR 9.00. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 734.9. Alma Media Corporation holds a total of 121,011 of its own shares.

Share-based retention and incentive schemes LTI 2015 and LTI 2019

Alma Media's long-term share-based incentive schemes for senior management and certain key employees consist of annually commencing individual plans, each subject to separate Board approval. The main elements of each individual plan are: an investment in Alma Media shares as a precondition for participation in the scheme, matching shares based on the said share investment, the possibility of earning performance-based matching share and transfer restrictions.

In accordance with the EU Shareholder Rights Directive (SHRD), Alma Media published its Remuneration Policy, which documents the principles of the remuneration of the Group's governing bodies and the key terms applicable to service contracts on 14 February 2020. The Remuneration Policy is available on the company website at www.almamedia.fi/en/investors/governance/remuneration. The terms of the various share-based retention and incentive schemes (long-term retention and incentive schemes) are described in the Remuneration Policy.

In February 2020, the Board of Directors of Alma Media Corporation decided on the commencement of a new period under the long-term share-based incentive scheme for senior management (LTI 2019 I). The Board of Directors further decided on the commencement of a new period under the performance-based share-based incentive scheme aimed at middle management and selected key employees. The incentive schemes were established and originally announced in December 2018.

Flagging notices

The company did not receive any flagging notices during the fourth quarter of 2020.

Risks and risk management

At Alma Media Group, the task of risk management is to detect, evaluate and monitor business opportunities, threats and risks to ensure the achievement of objectives and business continuity. The risk management process identifies and controls the risks, develops appropriate risk management methods and regularly reports on risk issues to the risk management organisation and the Board of Directors. Risk management is part of Alma Media's internal control function and thereby part of good corporate governance.

The most critical strategic risks for Alma Media are a significant drop in its print newspaper readership and a decrease in the online audience of digital media and a permanent decline in advertising sales. The media industry is undergoing changes following the transformation in media consumption and technological development. An increasingly important source of competitive advantage, but also a strategic risk, in Alma Media's business is the ability to use customer data to improve the product and service offering for advertisers and enrich end user services. Alma Media will manage customer data and behavioural data by centralising customer data repositories and deploying analysis and activation technology, taking regulatory requirements into consideration. The regulation of the media sector and the related market practices are becoming stricter. As the significance of data in Alma Media's business has increased, the Group's strategic risks also include cyber risks. As technology advances and the focus of media consumption shifts to digital channels, Alma Media is responding to the transformation of the operating environment by developing digital products and services for consumers and businesses.

Fluctuating economic cycles are reflected in the development of advertising sales. Advertising sales account for approximately half of the Group's revenue.

The most significant operational risks are disturbances of information technology and communications. A widespread pandemic may have a significant impact on the demand for services and products on the one hand and,

on the other hand, it can cause substantial production disruptions in business processes due to significant risks related to employee health.

Events after the review period

On 7 January 2021, Alma Media announced that LMC s.r.o, a subsidiary of Alma Career Oy and a leading recruitment service company in the Czech Republic, has acquired the Czech start-up Quantiq s.r.o. The company's SaaS-based recruitment service Techloop.io is targeted at IT professionals and businesses. Established in 2016, Quantic's revenue in 2020 was approximately MEUR 0.3.

SUMMARY OF INTERIM REPORT AND NOTES

| COMPREHENSIVE INCOME STATEMENT | | | | | | |
|---|-------------|-------------|---------------|--------------|--------------|---------------|
| MEUR | 2020 | 2019 | Change | 2020 | 2019 | Change |
| | Q4 | Q4 | % | Q1-Q4 | Q1-Q4 | % |
| REVENUE | 61.9 | 65.8 | -5.8 | 230.2 | 250.2 | -8.0 |
| Other operating income | 1.4 | 0.2 | 488.5 | 3.3 | 0.6 | 458.1 |
| Materials and services | 8.6 | 10.2 | -15.2 | 32.7 | 38.3 | -14.5 |
| Expenses arising from employee benefits | 24.6 | 25.2 | -2.3 | 93.3 | 97.4 | -4.2 |
| Depreciation and write-downs | 3.8 | 4.0 | -4.3 | 15.8 | 16.7 | -5.5 |
| Other operating expenses | 15.4 | 14.0 | 10.7 | 48.7 | 48.9 | -0.5 |
| OPERATING PROFIT | 10.8 | 12.6 | -14.9 | 43.1 | 49.5 | -13.0 |
| Finance income | 0.1 | 0.4 | -80.6 | 0.3 | 0.3 | 11.2 |
| Finance expenses | 0.7 | 0.4 | -263.3 | 1.3 | 1.3 | -195.3 |
| Share of result of assoc. companies | -0.2 | 0.1 | -264.2 | 0.1 | 0.5 | -78.4 |
| PROFIT BEFORE TAX | 9.9 | 12.7 | -22.0 | 42.2 | 49.0 | -13.8 |
| Income tax | 2.5 | 2.5 | 0.3 | 9.0 | 8.6 | 5.0 |
| PROFIT FROM CONTINUING OPERATIONS | 7.4 | 10.2 | -27.4 | 33.3 | 40.5 | -17.8 |
| PROFIT FROM DISCONTINUED OPERATIONS | -1.9 | 2.8 | -165.2 | 65.8 | 8.2 | 702.7 |
| PROFIT FOR THE PERIOD | 5.6 | 13.1 | -57.4 | 99.1 | 48.7 | 103.6 |
| OTHER COMPREHENSIVE INCOME: | | | | | | |
| Items that are not later transferred to be recognised through profit or loss | | | | | | |
| Items arising due to the redefinition of net defined benefit liability (or asset item) | 0.2 | -0.2 | | 0.2 | -0.2 | |
| Items that may later be transferred to be recognised through profit or loss | | | | | | |
| Translation differences | 0.3 | 0.8 | | 0.6 | 0.1 | |
| Share of other comprehensive income of associated companies | 0.0 | 0.0 | | 0.0 | 0.0 | |
| Income tax relating to components of other comprehensive income | 0.0 | 0.0 | | 0.0 | 0.0 | |
| Other comprehensive income for the year, net of tax | 0.5 | 0.6 | | 0.7 | -0.1 | |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 6.1 | 13.7 | | 99.8 | 48.5 | |
| Profit for the period attributable to: | | | | | | |
| – Owners of the parent | 6.4 | 11.6 | | 93.3 | 42.2 | |
| – Non-controlling interest | 1.0 | 1.5 | | 5.7 | 6.4 | |
| Total comprehensive income for the period attributable to: | | | | | | |
| – Owners of the parent | 6.9 | 12.2 | | 94.1 | 42.1 | |
| – Non-controlling interest | 1.0 | 1.5 | | 5.7 | 6.4 | |
| Distribution of total comprehensive income | | | | | | |
| – Continuing operations | 8.0 | 10.8 | | 34.0 | 40.3 | |
| – Discontinued operations | -1.9 | 2.8 | | 65.8 | 8.2 | |
| Earnings per share calculated from the profit for the period attributable to the parent company shareholders: | | | | | | |
| – Earnings per share, basic | 0.05 | 0.14 | | 1.13 | 0.51 | |
| – Earnings per share, diluted | 0.05 | 0.14 | | 1.11 | 0.51 | |
| – Earnings per share, continuing operations | 0.08 | 0.11 | | 0.33 | 0.41 | |
| – Earnings per share, discontinued operations | -0.02 | 0.03 | | 0.80 | 0.10 | |

| BALANCE SHEET | | |
|--|------------------------|------------------------|
| MEUR | 31 Dec 2020 | 31 Dec 2019 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Goodwill | 150.7 | 130.3 |
| Intangible assets | 55.1 | 54.3 |
| Tangible assets | 40.6 | 47.4 |
| Investments in associated companies | 6.6 | 3.2 |
| Pension receivables, defined benefit plans | 0.0 | 0.0 |
| Other non-current financial assets | 3.9 | 3.3 |
| Deferred tax assets | 0.3 | 0.4 |
| TOTAL NON-CURRENT ASSETS | 257.2 | 238.9 |
| CURRENT ASSETS | | |
| Inventories | 0.6 | 0.7 |
| Current tax assets | 1.0 | 1.5 |
| Trade receivables and other receivables | 27.1 | 28.0 |
| Financial assets, short-term | 0.0 | 0.0 |
| Cash and cash equivalents | 48.0 | 48.4 |
| TOTAL CURRENT ASSETS | 76.7 | 78.6 |
| Assets classified as held for sale *) | | 83.3 |
| TOTAL ASSETS | 333.9 | 400.9 |
| EQUITY AND LIABILITIES | | |
| Share capital | 45.3 | 45.3 |
| Share premium reserve | 7.7 | 7.7 |
| Translation differences | 0.0 | -0.5 |
| Invested non-restricted equity fund | 19.1 | 19.1 |
| Retained earnings | 111.4 | 100.5 |
| Equity attributable to owners of the parent | 183.6 | 172.1 |
| Non-controlling interest | 21.0 | 30.4 |
| TOTAL EQUITY | 204.6 | 202.5 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Non-current interest-bearing liabilities | 31.9 | 36.9 |
| Deferred tax liabilities | 11.5 | 11.1 |
| Pension liabilities | 0.7 | 0.8 |
| Provisions | 0.0 | 0.4 |
| Other financial liabilities | 13.6 | 2.0 |
| Other non-current liabilities | 0.0 | 0.1 |
| TOTAL NON-CURRENT LIABILITIES | 57.8 | 51.3 |
| CURRENT LIABILITIES | | |
| Current financial liabilities | 9.8 | 9.0 |
| Advances received | 9.9 | 12.5 |
| Income tax liability | 3.4 | 2.5 |
| Provisions | 0.0 | 0.1 |
| Trade payables and other payables | 48.5 | 50.6 |
| TOTAL CURRENT LIABILITIES | 71.6 | 74.7 |
| Liabilities related to assets classified as held for sale *) | | 72.4 |
| TOTAL LIABILITIES | 129.4 | 198.4 |
| TOTAL EQUITY AND LIABILITIES | 333.9 | 400.9 |

*) The classification into assets and liabilities held for sale was made in connection with the financial statements for 2019.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Column headings:

A = Share capital

B = Share premium reserve

C = Translation differences

D = Invested non-restricted equity fund

E = Retained earnings

F = Total

G = Non-controlling interest

H = Equity total

| MEUR | Equity attributable to owners of the parent | | | | | | | |
|--|---|-----|------|------|-------|-------|-------|-------|
| | A | B | C | D | E | F | G | H |
| Equity 1 Jan 2020 | 45.3 | 7.7 | -0.5 | 19.1 | 100.5 | 172.1 | 30.4 | 202.5 |
| Profit for the period | | | | | 93.3 | 93.3 | 5.7 | 99.1 |
| Other comprehensive income | | | | | 0.2 | 0.2 | | 0.2 |
| Translation differences | | | 0.6 | | | 0.6 | -0.4 | 0.2 |
| Transactions with equity holders | | | | | | | | |
| Dividends paid by parent | | | | | -32.9 | -32.9 | | -32.9 |
| Dividends paid by subsidiaries | | | | | | 0.0 | -4.6 | -4.6 |
| Acquisition of own shares | | | | | -1.5 | -1.5 | | -1.5 |
| Share-based payment transactions and exercised share options | | | | | -0.3 | -0.3 | | -0.3 |
| Change in ownership in subsidiaries | | | | | -47.9 | -47.9 | -10.2 | -58.1 |
| Equity 31 Dec 2020 | 45.3 | 7.7 | 0.0 | 19.1 | 111.4 | 183.6 | 21.0 | 204.6 |

| | | | | | | | | |
|--|------|-----|------|------|-------|-------|------|-------|
| Equity 1 Jan 2019 | 45.3 | 7.7 | -0.6 | 19.1 | 88.7 | 160.2 | 26.6 | 186.8 |
| Profit for the period | | | | | 42.2 | 42.2 | 6.4 | 48.7 |
| Other comprehensive income | | | | | -0.2 | -0.2 | | -0.2 |
| Translation differences | | | 0.1 | | | 0.1 | 0.1 | 0.1 |
| Transactions with equity holders | | | | | | | | |
| Dividends paid by parent | | | | | -28.8 | -28.8 | | -28.8 |
| Dividends paid by subsidiaries | | | | | | | -3.9 | -3.9 |
| Share-based payment transactions and exercised share options | | | | | 0.6 | 0.6 | | 0.6 |
| Change in ownership in subsidiaries | | | | | -2.0 | -2.0 | 1.2 | -0.8 |
| Equity 31 Dec 2019 | 45.3 | 7.7 | -0.5 | 19.1 | 100.5 | 172.1 | 30.4 | 202.5 |

| CASH FLOW STATEMENT | 2020 | 2019 | 2020 | 2019 |
|---|--------------|-------------|--------------|--------------|
| MEUR | Q4 | Q4 | Q1-Q4 | Q1-Q4 |
| OPERATING ACTIVITIES | | | | |
| Profit for the period | 5.6 | 13.1 | 99.0 | 48.7 |
| Adjustments | 6.4 | 9.2 | -39.6 | 35.2 |
| Change in working capital | 5.6 | 0.4 | 5.8 | 2.0 |
| Dividends received | 0.1 | 0.1 | 0.2 | 0.4 |
| Interest received | 0.0 | 0.0 | 0.1 | 0.1 |
| Interest paid and other finance expenses | -0.3 | -0.5 | -1.5 | -2.2 |
| Taxes paid | -2.1 | -4.6 | -8.1 | -12.4 |
| Net cash flow from operating activities | 15.3 | 17.3 | 56.0 | 71.8 |
| INVESTING ACTIVITIES | | | | |
| Acquisitions of tangible assets | -0.1 | -0.2 | -0.9 | -0.8 |
| Acquisitions of intangible assets | -0.5 | -0.2 | -2.2 | -0.7 |
| Proceeds from sale of tangible and intangible assets | | 0.0 | | 0.0 |
| Other investments | 0.3 | | -0.6 | 0.0 |
| Proceeds from sale of available-for-sale financial assets | | 0.4 | | 0.8 |
| Repayment of loan receivables | 0.3 | | 0.3 | |
| Business acquisitions less cash and cash equivalents at the time of acquisition | -67.0 | | -72.5 | -15.4 |
| Proceeds from sale of businesses less cash and cash equivalents at the time of sale | | 6.2 | 51.1 | 6.2 |
| Acquisition of associated companies | -4.0 | | -4.0 | |
| Proceeds from sale of associated companies | 0.4 | | 0.4 | |
| Net cash flows from/(used in) investing activities | -70.6 | 6.1 | -28.4 | -9.9 |
| Cash flow before financing activities | -55.3 | 23.4 | 27.6 | 61.9 |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | | | |
| Acquisition of own shares | | | -1.5 | |
| Payments of finance lease liabilities | -0.8 | -2.9 | -7.4 | -11.6 |
| Dividends paid | | | -37.6 | -32.7 |
| Net cash flows from/(used in) financing activities | -0.8 | -2.9 | -46.4 | -44.3 |
| Change in cash and cash equivalent funds (increase +/decrease -) | -57.7 | 20.4 | -18.9 | 17.6 |
| Cash and cash equivalents at beginning of period | 105.6 | 46.6 | 67.1 | 49.5 |
| Effect of change in foreign exchange rates | 0.1 | 0.1 | -0.2 | -0.1 |
| Cash and cash equivalents at end of period | 48.0 | 67.1 | 48.0 | 67.1 |

Associated companies

Alma Media acquired the remaining share capital of Kolektiv Ltd in January 2020 and the remaining share capital of Muuttomaailma Oy in February 2020. Both companies were previously reported as associated companies.

In December 2020, Alma Media sold its 35 per cent shareholding in Arena Interactive Oy to Arena Partners Oy for a price of EUR 0.4 million.

In December 2020, Alma Media acquired a 21.5 per cent stake in Bolt Group Oy.

| SHARE OF RESULT OF ASSOCIATED COMPANIES | | | | |
|---|------------|------------|---------------|---------------|
| MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1-Q4 | 2019 Q1-Q4 |
| Alma Markets | -0.2 | 0.1 | 0.1 | 0.6 |
| Alma Talent | 0.0 | 0.0 | 0.0 | 0.0 |
| Alma Consumer | 0.0 | 0.0 | 0.0 | 0.0 |
| Other associated companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | -0.2 | 0.1 | 0.1 | 0.5 |

Acquired businesses in 2020

Alma Media acquired the following business operations in 2020:

| | <u>Business</u> | <u>Acquisition date</u> | <u>Acquired share</u> | <u>Group share</u> |
|-----------------------------|-----------------|-------------------------|-----------------------|--------------------|
| <u>Alma Markets segment</u> | | | | |
| Kolektiv Ltd | Online | 9 January 2020 | 70% | 83% |
| Muuttomaailma Oy | Online | 25 February 2020 | 75% | 65% |
| <u>Alma Talent segment</u> | | | | |
| Digitaalinen asuntokauppa | | | | |
| DIAS Oy | Online | 30 December 2020 | 75.5% | 75.5% |

Alma Markets segment's information on acquired businesses is presented in combined form.

| MEUR | Fair values entered in integration |
|--|------------------------------------|
| Property, plant and equipment | 0.1 |
| Intangible assets | 1.5 |
| Trade receivables and other receivables | 0.3 |
| Cash and cash equivalents | 0.6 |
| Total | 2.6 |
| Deferred tax liabilities | 0.2 |
| Trade payables and other payables | 0.4 |
| Total | 0.6 |
| Total identifiable net assets at fair value 100% | 1.9 |
| Group's share of net assets | 1.5 |
| IFRS acquisition cost | 6.1 |
| Goodwill | 4.6 |

Alma Talent segment's acquired business

| MEUR | Fair values entered in integration |
|--|------------------------------------|
| Intangible assets | 8.9 |
| Trade receivables and other receivables | 0.2 |
| Cash and cash equivalents | 1.1 |
| Total | 10.3 |
| Deferred tax liabilities | 1.7 |
| Trade payables and other payables | 1.0 |
| Total | 2.7 |
| Total identifiable net assets at fair value 100% | 7.6 |
| Group's share of net assets | 6.1 |
| IFRS acquisition cost | 24.1 |
| Goodwill | 18.0 |

Contingent considerations

Contingent considerations arising from business acquisitions are classified as financial liabilities recognised at fair value through profit or loss. The amount of the contingent considerations due to acquisitions and business arrangements is based on the profits of the acquired businesses in 2020–2024.

| CONTINGENT CONSIDERATION LIABILITY | |
|---|------------|
| MEUR | |
| Initial recognition of the liability | 18.7 |
| Change in fair value during previous financial periods | -0.4 |
| Considerations, settled in cash | -2.0 |
| Change in fair value during the financial period | 0.0 |
| Fair value of the contingent consideration liability at the end of the period | 16.3 |

| CONTINGENT CONSIDERATION ASSETS | |
|--|-------------|
| MEUR | |
| Initial recognition of the assets | 1.8 |
| Change in fair value during previous financial periods | |
| Considerations, settled in cash | |
| Change in fair value during the financial period | -0.5 |
| Fair value of the contingent consideration assets at the end of the period | 1.3 |

Discontinued operations

On 11 February 2020, Alma Media announced the sale of its regional news media business and printing operations to Sanoma Media Finland. The Finnish Competition and Consumer Authority issued its approval for the transaction on 19 March 2020 and the transaction was finalised on 30 April 2020. The divested businesses were previously reported primarily under the Alma Consumer segment.

Alma Media has applied the provisions of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation and recognition of the divestment of the regional news media business and printing operations. Alma Media has classified the businesses as assets held for sale and reports them as discontinued operations.

The consolidated income statement presents the discontinued operations separately from continuing operations and the figures for the comparison period have been adjusted accordingly. The balance sheet figures for prior

periods have not been adjusted. The assets and liabilities associated with the discontinued operations are presented as separate line items on the balance sheet.

The result, assets and liabilities of the discontinued operations are presented in the following tables.

Income statement for discontinued operations

| MEUR | 1-4/2020 | 1-4/2019 | 1-12/2019 |
|--|------------|------------|------------|
| Revenue | 27.1 | 30.9 | 92.2 |
| Other operating income *) | 8.0 | 0.1 | 0.2 |
| Expenses | -24.8 | -25.4 | -75.8 |
| Depreciation and write-downs **) | 0.0 | -1.7 | -5.2 |
| Net financial expenses | -0.5 | -0.4 | -1.1 |
| Profit before tax | 9.8 | 3.5 | 10.4 |
| Income tax | -1.9 | -0.7 | -2.2 |
| Profit from discontinued operations | 7.9 | 2.8 | 8.2 |

Detailed information on the sale of a subsidiary

| | |
|---|-------------|
| Consideration received or to be received: | 79.1 |
| Transaction costs | -1.6 |
| Book value of net assets sold | -19.5 |
| Gain on sale | 57.9 |

Assets classified as held for sale 2020

| MEUR | 30 Apr 2020 | 31 Dec 2019 |
|--|-------------|-------------|
| Property, plant and equipment | 44.0 | 43.2 |
| Goodwill | 11.7 | 11.7 |
| Other intangible assets | 0.7 | 0.7 |
| Other non-current assets | 0.1 | 0.1 |
| Non-current receivables | 0.0 | 0.3 |
| Deferred tax assets | 1.0 | 1.0 |
| Inventories | 2.4 | 2.1 |
| Trade receivables and other receivables | 6.2 | 5.5 |
| Cash and cash equivalents | 24.7 | 18.7 |
| Total assets included in the category of assets held for sale | 91.0 | 83.3 |

Liabilities directly related to the assets classified as held for sale 2020

| MEUR | 30 Apr 2020 | 31 Dec 2019 |
|--|-------------|-------------|
| Interest-bearing long-term liabilities | 40.7 | 42.1 |
| Deferred tax liabilities | 0.6 | 0.6 |
| Pension liabilities | 0.2 | 0.4 |
| Other non-current liabilities | 0.0 | 0.0 |
| Short-term interest-bearing liabilities | 4.4 | 4.3 |
| Advances received | 13.0 | 14.0 |
| Income tax liability | 1.9 | 0.0 |
| Provisions | 0.4 | 0.4 |
| Trade payables and other current liabilities | 10.3 | 10.4 |
| Total liabilities transferred to the category of assets held for sale | 71.4 | 72.4 |

*) includes MEUR 8.0 in sales gains recognised in connection with the outsourcing of delivery operations.

***) depreciation was suspended due to asset classification at the beginning of the financial year 2020. Depreciation amounted to MEUR 1.6.

Transactions between continuing operations and discontinued operations have been eliminated in accordance with IFRS 10. The intragroup sales of printing and other services by the discontinued operations to the continuing operations amounted to MEUR 1.7 (1.4). These items have been eliminated from the revenue of the discontinued operations and the corresponding expenses have been eliminated from the expenses of the discontinued operations.

The amount of MEUR 0.7 (0.7) has been deducted from the expenses of the discontinued operations in January–April and these expenses have been transferred to the profit for continuing operations. These expenses consist of the fixed expenses of support services that are expected to continue to be borne by the continuing operations following the divestment.

In addition, the expenses allocated to discontinued operations include an estimated incentive bonus totalling MEUR 0.6 for the successful transfer of the divested business to the buyer after a transitional service period.

Employees

| EMPLOYEES BY GEOGRAPHICAL AREA | 2020 Q4 | 2019 Q4 | 2020 Q1–Q4 | 2019 Q1–Q4 |
|--------------------------------|------------|------------|---------------|---------------|
| Employees, Finland | 836 | 882 | 864 | 883 |
| Employees, other countries | 597 | 654 | 634 | 647 |
| Employees, total | 1,434 | 1,536 | 1,497 | 1,530 |

Provisions

The company had no provisions on 31 December 2020 (MEUR 1.0). It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

| COMMITMENTS AND CONTINGENCIES MEUR | 31 Dec 2020 | 31 Dec 2019 |
|---|-------------|-------------|
| Collateral for others | | |
| Guarantees | | 0.9 |
| Other commitments and contingencies | 0.1 | 0.2 |
| Minimum lease payments on other lease agreements: | | |
| Within one year | 0.3 | 0.9 |
| Within 1–5 years | 0.4 | 0.5 |
| After 5 years | 0.0 | 0.0 |
| Total | 0.7 | 1.4 |

| DERIVATIVE CONTRACTS MEUR | 31 Dec 2020 | 31 Dec 2019 |
|---|-------------|-------------|
| Commodity derivative contracts, electricity derivatives | | |
| Fair value* | 0.0 | 0.0 |
| Nominal value | 0.1 | 0.2 |
| Foreign currency derivatives | | |
| Fair value* | 0.0 | -0.1 |
| Nominal value | 6.0 | 4.5 |

* The fair value represents the return that would have arisen if the derivative had been cleared on the balance sheet date.

Related party transactions

Alma Media Group's related parties are the major shareholders of the parent company, associated companies and companies owned by them. Related parties also include the Group's senior management and their related parties (members of the Board of Directors, President and CEO and Managing Directors, and the Group Executive Team). The following table summarises the business operations undertaken between Alma Media and its related parties as well as the status of their receivables and liabilities:

| RELATED PARTY TRANSACTIONS MEUR | 2020 Q4 | 2019 Q4 | 2020 Q1-Q4 | 2019 Q1-Q4 | 2019 Q1-Q4 |
|--|------------|------------|---------------|---------------|---------------|
| Sales of goods and services | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 |
| Associated companies | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 |
| Principal shareholders | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Corporations where management exercises influence | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Purchases of goods and services | -3.6 | 0.1 | 0.6 | 0.5 | 0.5 |
| Associated companies | 0.1 | 0.1 | 0.3 | 0.5 | 0.5 |
| Principal shareholders | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 |
| Corporations where management exercises influence | -3.8 | 0.0 | 0.1 | 0.0 | |
| Trade receivables, loan and other receivables at the end of the reporting period | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Associated companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Principal shareholders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Corporations where management exercises influence | 0.0 | 0.0 | 0.0 | | 0.0 |
| Trade payables at the reporting date | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Associated companies | 0.0 | 0.0 | 0.0 | 0.0 | |
| Principal shareholders | 0.0 | 0.0 | 0.0 | 0.0 | |

| QUARTERLY INFORMATION MEUR | 2020 Q4 | 2020 Q3 | 2020 Q2 | 2020 Q1 | 2019 Q4 | 2019 Q3 | 2019 Q2 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUE | 61.9 | 54.0 | 52.5 | 61.9 | 65.8 | 58.2 | 64.1 |
| Alma Markets | 21.9 | 22.2 | 19.4 | 24.7 | 24.6 | 24.9 | 25.6 |
| Alma Talent | 26.4 | 20.7 | 22.4 | 25.6 | 28.3 | 22.3 | 26.1 |
| Alma Consumer | 12.7 | 10.2 | 9.8 | 11.6 | 12.8 | 11.1 | 12.3 |
| Eliminations and non-allocated | 0.9 | 0.8 | 0.9 | -0.1 | 0.1 | -0.1 | 0.1 |
| ADJUSTED TOTAL EXPENSES | 51.4 | 41.0 | 42.9 | 50.7 | 53.4 | 44.8 | 52.2 |
| Alma Markets | 16.1 | 13.3 | 12.6 | 16.2 | 16.0 | 14.3 | 15.9 |
| Alma Talent | 20.8 | 16.6 | 19.6 | 22.0 | 23.4 | 19.5 | 22.9 |
| Alma Consumer | 10.2 | 9.1 | 9.3 | 10.9 | 11.0 | 9.8 | 10.3 |
| Eliminations and non-allocated | 4.3 | 2.0 | 1.4 | 1.7 | 2.9 | 1.3 | 3.2 |
| ADJUSTED EBITDA | 14.6 | 17.0 | 13.8 | 15.3 | 16.5 | 17.6 | 16.2 |
| Alma Markets | 7.0 | 10.2 | 8.2 | 9.8 | 9.8 | 11.8 | 11.0 |
| Alma Talent | 6.6 | 5.1 | 3.9 | 4.9 | 6.1 | 4.1 | 4.5 |
| Alma Consumer | 2.8 | 1.3 | 0.7 | 0.9 | 2.0 | 1.5 | 2.2 |
| Eliminations and non-allocated | -1.7 | 0.4 | 1.0 | -0.2 | -1.5 | 0.1 | -1.5 |
| ADJUSTED OPERATING PROFIT/LOSS | 11.1 | 13.2 | 9.8 | 11.2 | 12.5 | 13.5 | 11.9 |
| Alma Markets | 6.0 | 9.0 | 7.0 | 8.6 | 8.6 | 10.6 | 9.8 |
| Alma Talent | 5.7 | 4.1 | 2.8 | 3.7 | 4.8 | 2.9 | 3.3 |
| Alma Consumer | 2.6 | 1.1 | 0.5 | 0.7 | 1.8 | 1.3 | 2.0 |
| Eliminations and non-allocated | -3.1 | -1.1 | -0.5 | -1.8 | -2.8 | -1.3 | -3.1 |
| % OF REVENUE | 18.0 | 24.5 | 18.7 | 18.1 | 19.0 | 23.2 | 18.6 |
| Alma Markets | 27.4 | 40.7 | 36.3 | 34.9 | 35.0 | 42.7 | 38.2 |
| Alma Talent | 21.5 | 19.9 | 12.4 | 14.4 | 17.1 | 12.9 | 12.5 |
| Alma Consumer | 20.2 | 10.9 | 5.5 | 5.8 | 14.3 | 12.1 | 16.5 |
| Non-allocated operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| ADJUSTED ITEMS | -0.4 | 0.0 | -2.9 | 1.0 | 0.2 | 0.7 | -0.1 |
| Alma Markets | -0.4 | -0.1 | 0.0 | 1.4 | 0.0 | 0.1 | 0.0 |
| Alma Talent | 0.0 | 0.0 | -3.0 | -0.2 | 0.0 | 0.0 | 0.0 |
| Alma Consumer | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-allocated operations | 0.0 | 0.0 | 0.1 | -0.1 | 0.2 | 0.6 | -0.1 |
| OPERATING PROFIT/LOSS | 10.8 | 13.2 | 7.0 | 12.2 | 12.6 | 13.6 | 11.8 |
| Alma Markets | 5.6 | 9.0 | 7.0 | 10.0 | 8.6 | 10.7 | 9.8 |
| Alma Talent | 5.7 | 4.1 | -0.2 | 3.5 | 4.8 | 2.9 | 3.3 |
| Alma Consumer | 2.6 | 1.1 | 0.5 | 0.7 | 1.8 | 1.3 | 2.0 |
| Non-allocated operations | -3.1 | -1.1 | -0.4 | -1.9 | -2.6 | -1.3 | -3.3 |
| Finance income | 0.1 | 0.0 | 0.1 | 0.6 | 0.0 | 0.0 | 0.2 |
| Finance expenses | -0.7 | 0.1 | 0.7 | 0.3 | 0.1 | 0.0 | 1.0 |
| Share of profit of associated companies | -0.2 | 0.2 | 0.2 | 0.0 | 0.1 | 0.2 | 0.1 |
| PROFIT BEFORE TAX | 9.9 | 13.4 | 6.5 | 12.5 | 12.7 | 13.8 | 11.2 |
| Income tax | -2.5 | -1.9 | -2.3 | -2.3 | -2.5 | -2.0 | -1.9 |
| PROFIT FOR THE PERIOD | 7.4 | 11.5 | 4.2 | 10.2 | 10.2 | 11.8 | 9.3 |

Main accounting principles (IFRS)

This Interim Report has been prepared according to IFRS standards (IAS 34). The Interim Report applies the same accounting principles and calculation methods as the annual accounts dated 31 December 2020 and the new and revised IFRS standards described in the 2020 financial statements. The Interim Report does not, however, contain all the information or notes to the accounts included in the annual financial statements. This report should therefore be read in conjunction with the company's financial statements for 2020. This Interim Report applies the same accounting principles as the consolidated financial statements, with the exception of the following new standards adopted at the start of the financial year:

The key indicators are calculated using the same formulae as applied in the previous annual financial statements. The quarterly percentages of Return on Investment (ROI) and Return on Equity (ROE) have been annualised using the formula $((1 + \text{quarterly return})^4 - 1)$. The percentage of digital business of revenue is calculated as $\text{digital business} / \text{revenue} * 100$. The figures in this Interim report are independently rounded.

The continuing operations consist of Alma Markets, which focuses on digital marketplaces, Alma Talent, a provider of financial media and services aimed at professionals and businesses, and Alma Consumer, which focuses on the national consumer media business. The post-divestment estimated and fixed costs related to support services have been allocated to the continuing operations and the comparison figures for 2019 have been adjusted accordingly.

Alternative Performance Measures

Alma Media Corporation additionally uses and presents Alternative Performance Measures to better illustrate the operative development of its business and to improve comparability between reporting periods. The Alternative Performance Measures are reported in addition to IFRS key figures.

The Alternative Performance Measures used by Alma Media Corporation are the following:

| | |
|---|---|
| Adjusted operating profit (MEUR and % of revenue) | Profit before tax and financial items excluding adjusted items |
| Adjusted EBITDA | Operating profit excluding depreciation, amortisation, impairment losses and adjusted items |

Items adjusting operating profit are income or expenses arising from non-recurring or rare events. Gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations as well as impairment losses of goodwill and other assets are recognised by the Group as adjustments. Adjustments are recognised in the income statement within the corresponding income or expense group.

Interest-bearing net debt (MEUR)

Interest-bearing debt — cash and cash equivalents

The figures in this release are unaudited.

Seasonality

The Group recognises its content revenue from publishing activities as paid. For this reason, content revenues accrue in the income statement fairly evenly during the four quarters of the year. The bulk of subscription invoicing takes place at the beginning of the year and, therefore, the cash flow from operating activities is the strongest early in the year. This also affects the company's balance sheet position in different quarters.

General statement

This report contains certain statements that are estimates based on the management's best knowledge at the time they were made. For this reason, they contain a certain amount of risk and uncertainty. The estimates may change in the event of significant changes in the general economic conditions.

ALMA MEDIA CORPORATION
Board of Directors

More information:

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Juha Nuutinen, CFO, telephone +358 (0)10 665 3873

Alma Media's financial calendar 2021

- Interim Report for January–March 2021 on Wednesday, 21 April 2021 at approximately 8:00 EET
- Interim Report for January–June 2021 on Wednesday, 21 July 2021 at approximately 8:00 EET
- Interim Report for January–September 2021 on Thursday, 21 October 2021 at approximately 8:00 EET

Financial Statements, Report by the Board of Directors and Corporate Governance Statement for the 2020 financial year will be published on Wednesday, 25th February 2021.

The Annual General Meeting is planned to be held on Wednesday, 24 March 2021. The materials related to the Annual General Meeting will be available on the Alma Media website.