



Alma Media Corporation

Interim Report Q3 2020

22 October 2020

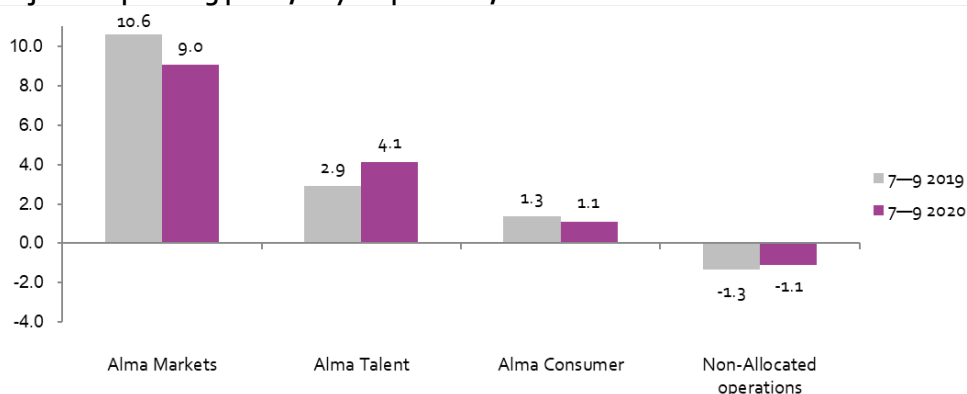
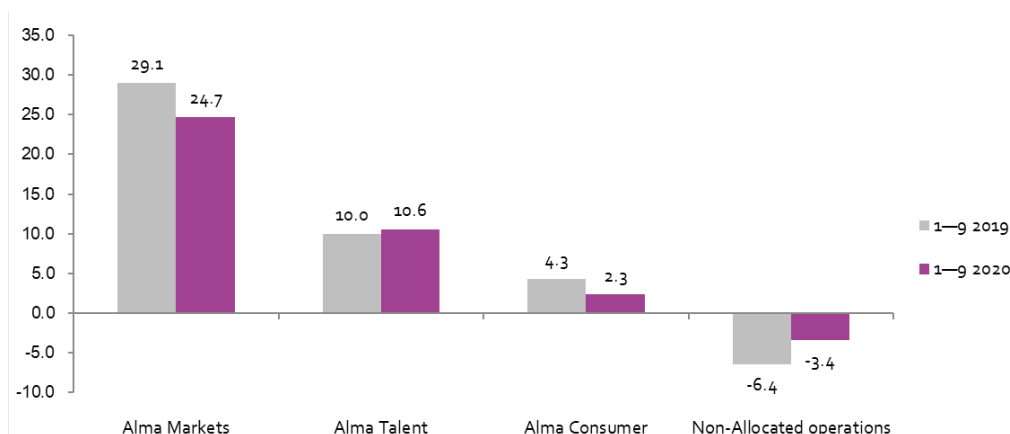


Alma Media's Interim Report January–September 2020:**In Q3, profitability at the level of the comparison period despite the decline in revenue****Financial performance July–September 2020:**

- Revenue from continuing operations MEUR 54.0 (58.2), down 7.4%.
- Adjusted operating profit from continuing operations MEUR 13.2 (13.5), down 2.3%.
- Operating profit from continuing operations MEUR 13.2 (13.6), down 3.2%.
- Earnings per share from continuing operations EUR 0.12 (0.12).
- Earnings per share including discontinued operations EUR 0.11 (0.14).
- The Group has a strong financial position, with net cash totaling MEUR 65.9 at the end of September, while the gearing ratio was -25.4%.
- Alma Markets: The decline of the recruitment business slowed down, while the growth of competitive tendering services and housing rental services mitigated the decrease in profitability.
- Alma Talent: Revenue increased and profitability improved, excluding the effect of the divested business operations in Sweden.
- Alma Consumer: The recovery of advertising and cost savings mitigated the decline of profitability.

Financial performance January–September 2020:

- Revenue from continuing operations MEUR 168.3 (184.5), down 8.8%.
- Adjusted operating profit from continuing operations MEUR 34.2 (36.9), down 7.4%.
- Operating profit from continuing operations MEUR 32.3 (36.9), down 12.4%.
- Earnings per share from continuing operations EUR 0.26 (0.31).
- Earnings per share including discontinued operations EUR 1.08 (0.37).

Adjusted operating profit, July–September, MEUR**Adjusted operating profit, January–September, MEUR**

KEY FIGURES MEUR	2020 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
Revenue	54.0	58.2	-7.4	168.3	184.5	-8.8	250.2
Content revenue	13.2	14.9	-11.7	43.9	46.7	-5.9	64.2
Content revenue, print	8.9	11.6	-23.5	31.5	37.1	-15.2	50.9
Content revenue, digital	4.3	3.3	29.5	12.4	9.6	30.0	13.2
Advertising revenue	30.5	34.8	-12.4	93.5	110.2	-15.2	148.5
Advertising revenue, print	2.2	3.4	-35.3	7.6	11.6	-34.4	16.3
Advertising revenue, digital	28.3	31.4	-9.9	85.9	98.5	-12.9	132.2
Service revenue	10.3	8.5	20.7	30.9	27.6	12.0	37.6
Adjusted total expenses	41.0	44.8	-8.5	134.6	147.7	-8.9	201.1
Adjusted EBITDA	17.0	17.6	-3.1	46.2	49.6	-7.0	66.1
EBITDA	17.0	17.6	-3.8	44.3	49.6	-10.7	66.2
Adjusted operating profit	13.2	13.5	-2.3	34.2	36.9	-7.4	49.4
% of revenue	24.5	23.2		20.3	20.0		19.8
Operating profit (loss)	13.2	13.6	-3.2	32.3	36.9	-12.4	49.5
% of revenue	24.4	23.3		19.2	20.0		19.8
Profit for the period	11.5	11.8	-2.9	25.8	30.2	-14.6	40.5
Earnings per share, EUR (basic and diluted)	0.12	0.12	-2.7	0.26	0.31	-16.3	0.41
Digital business revenue	38.5	40.1	-4.0	116.0	123.9	-6.4	166.7
Digital business, % of revenue	71.3	68.8		68.9	67.2		66.6

Operating environment in 2020

The global coronavirus epidemic creates significant uncertainty for economic development in 2020. As a result, the national economies of Finland and Alma Media's other operating countries are expected to weaken substantially in 2020 compared to the previous year.

In the prevailing exceptional circumstances, the consumption of digital content and services has grown significantly in general. The coronavirus epidemic 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 technology investments. 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 2020 (unchanged)

The uncertainty in Alma Media's operating environment is continuing and visibility remains weak. Alma Media expects its full-year revenue and adjusted operating profit from continuing operations in 2020 to decline significantly from the 2019 level. In 2019, the full-year revenue of the continuing operations was MEUR 250.2 and the adjusted operating profit was MEUR 49.4.

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 16.9 % (0.0%) in July–August 2020, while the development of advertising in online media was also negative at 6.2% (+10.1%). Advertising in newspapers declined by 22.8 % (13.0 %) and magazine advertising declined by 26.8 % (11.3 %). In terms of volume, the total market for afternoon papers in Finland declined by 16.4% (-9.2%) in the third quarter of 2020.

In addition to Finland, Alma Media's main markets are the Czech Republic and Slovakia in Eastern Central Europe. According to the European Commission's forecast, the restrictions introduced to reduce the spread of the coronavirus will result in a significant contraction in the GDP of these countries in 2020. The Commission published its latest GDP forecasts in July and its most recent unemployment forecasts in May 2020. The European Commission predicts that Finland's GDP will decline by 6.3% in 2020 and the unemployment rate will be 8.3%. For 2021, the Commission predicts that Finland's GDP will grow by 2.8% and the unemployment rate will be 7.7%. The

Czech GDP is predicted to decline by 7.8% this year and the unemployment rate is expected to rise to 5.0%. The European Commission predicts a quick recovery in 2021: GDP growth of 4.5% and an unemployment rate of 4.2%. The European Commission forecasts that Slovakia's GDP will decline by 9.0% in 2020 and the unemployment rate will be 8.8%. In 2021, the European Commission expects Slovakia to see GDP growth of 7.4% and an unemployment rate of 7.1%.

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 Italehti. After the outbreak COVID-19 of last spring, Italehti'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 Italehti 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.

From the President and CEO

The COVID-19 epidemic impacted Alma Media's businesses in the third quarter less than we expected. The slowing down of the epidemic and the lifting of the restrictions imposed by the authorities led to a gradual economic recovery, which was reflected in the slower decline of our revenue.

In the highly exceptional operating environment, our operating margin of 24.5% for the review period exceeded our expectations. It was attributable to the cost savings we have achieved (MEUR 3.1), the recovery of the sales of digital advertising and recruitment services and, in particular, the strong growth of digital subscription-based revenue (29.5%).

The demand for recruitment services in our operating countries in Eastern Central Europe showed signs of normalising as the restrictions imposed by the authorities on business activities were not as strict as they were in the spring. The revenue performance of the recruitment business will be weighed down until the first half of 2021 by the steep decline in customer invoicing in the second quarter and the delayed recognition of revenue. In the housing and automotive marketplaces business, revenue was higher than in the comparison period thanks to the strong growth of competitive tendering services and rental housing advertising. The cost savings achieved during the review period were not as high as in the spring as we increased our marketing, employee and product development costs upwards to ensure our long-term competitiveness.

Alma Talent is undergoing a structural transformation aimed at moving away from unprofitable businesses with limited digital growth potential. The sharper focus on digital business in all of the segment's business areas was reflected during the review period in a slight increase in revenue as well as improved profitability. The share of digital business exceeded the milestone of 50%. Demand for high-quality media content continued, which was seen in strong growth in digital subscriptions. Amongst Alma Talent's services, growth was achieved particularly in telemarketing and B2B marketplaces. The steep decline seen in media advertising in the previous quarter levelled off and sales recovered in September, returning close to the comparison period's level when the effect of the event business is eliminated.

For Alma Consumer, the past quarter was a defensive victory, with a recovery seen particularly in automotive and retail advertising during the review period, and profitability was supported by cost savings. Digital services developed favourably except for the digital service related to tourism. However, content revenue declined as the COVID-19 restrictions affected the travel sector and subsequently the number of outlets where single copies of print publications are sold. 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. Number of visitors grew by about 15% year-on-year during the review period.

During the past few weeks, the incidence of COVID-19 has increased significantly in our various operating countries. The escalation of the second wave of the epidemic increases economic uncertainty and our business outlook for the final quarter remains weak. Nevertheless, I am confident that our highly committed employees, competitiveness and strong balance sheet further provide us with a stable foundation and adequate resources to tackle a potentially very challenging operating environment.

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 pages 3–4 of this Interim Report.

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 marketplaces 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.

For the 2020–2022 strategy period, Alma Media has selected five strategic cross-business initiatives that are particularly aimed at the growth and development of digital business. Cooperation and synergies between the Group's various businesses will be leveraged in the execution of the initiatives. The strategic initiatives are as follows: 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 by means of the Digital Audiences initiative.

The focus of Alma Media's strategy is on expansion in digital services. One example of a scalable digital service is Seduo, a training service developed by Alma Media's Czech subsidiary LMC. The service was launched in Finland under the name Alma Talent Seduo during the review period and its content has been tailored to match Finnish working culture as well as the development of local competence and the expertise of Finnish specialists. Seduo provides a broad, continuously updated and expanding range of relevant courses taught by the leading specialists in their respective fields. The training service is set to be introduced in other Alma Career countries as well.

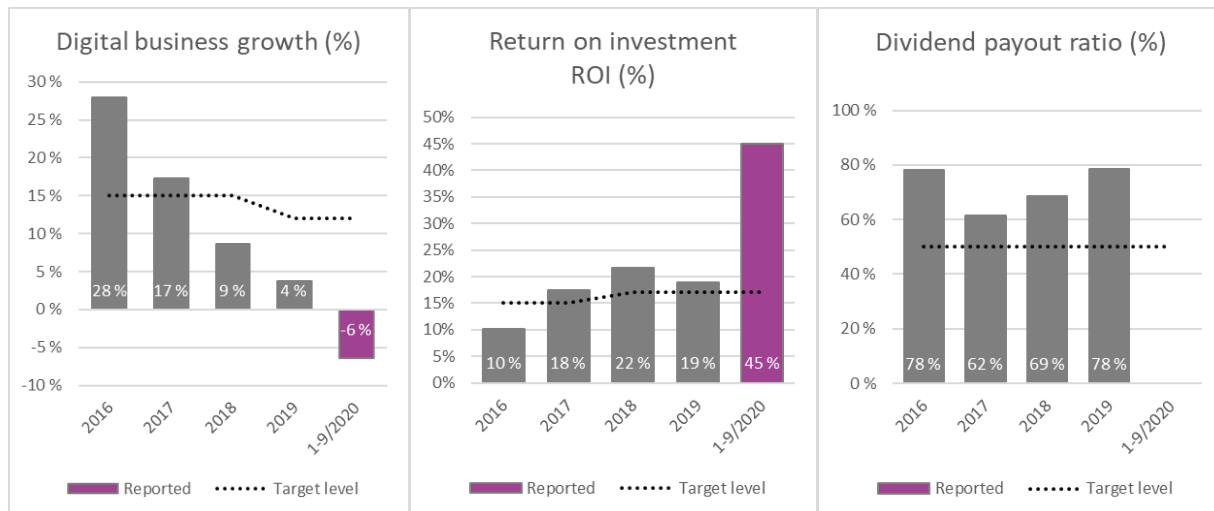
Alma Talent's strategic transformation to focus even more on the paid digital media business continued during the review period. Alma Talent initiated statutory personnel negotiations regarding efficiency improvements in the production and media sales of the publications Metalliteknikka, Tekniikan Historia and Markkinointi&Mainonta and their potential discontinuation. The need for operational restructuring arises from the weak development of the profitability of the media products, which has been intensified by the COVID-19 epidemic. According to the preliminary plan, the number of employees may be reduced by a maximum of 10 person-years as a consequence of the planned measures.

Alma Career invested MEUR 0.5 in the digital staffing services company Treamer during the review period. The agreement also includes subsequent investments in two stages totalling EUR 1.0 million, conditional on the achievement of business targets. Treamer digitalizes staffing services by providing a platform that connects, for example, gig workers and employers. Established in 2015, Treamer now has more than 40,000 registered users and its total revenue in 2019 amounted to MEUR 1.7. Employee outsourcing and digitalisation are transforming the

staffing industry permanently. The online recruitment market is estimated to grow by as much as 40–60% annually (Source: Staffing Industry Analysts).

Alma Media has introduced Alma Account as a single sign-on solution for the readers of digital content and the users of services. Alma Account enables smooth and secure switching from one service to another in Alma's digital network under the single sign-on principle. Alma Account is currently in use in 24 services and there are more than 370,000 registered users. The use of Alma Account will be expanded to include all of Alma Media's services. Alma Account offers increased business opportunities in advertising and content sales. Single sign-on for Alma's various services is also part of the Groups' preparations for increasingly stringent data protection legislation, such as the ePrivacy legislation currently being drafted and technical solutions employed by platform operators that restrict the activities of other companies.

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 2019, 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 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
Revenue	54.0	58.2	-7.4	168.3	184.5	-8.8	250.2
Adjusted total expenses	41.0	44.8	-8.5	134.6	147.7	-8.9	201.1
Adjusted EBITDA	17.0	17.6	-3.1	46.2	49.6	-7.0	66.1
EBITDA	17.0	17.6	-3.8	44.3	49.6	-10.7	66.2
Adjusted operating profit	13.2	13.5	-2.3	34.2	36.9	-7.4	49.4
% of revenue	24.5	23.2		20.3	20.0		19.8
Operating profit (loss)	13.2	13.6	-3.2	32.3	36.9	-12.4	49.5
% of revenue	24.4	23.3		19.2	20.0		19.8
Profit for the period before tax	13.4	13.8	-2.9	32.3	36.3	-11.0	49.0
Profit for the period	11.5	11.8	-2.9	25.8	30.2	-14.6	40.5
BALANCE SHEET MEUR	2020 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
ASSETS				363.1	388.0	-6.4	400.9
Net debt				-65.9	50.5	-230.6	23.7
Interest-bearing liabilities				39.7	97.0	-59.0	90.8
Non-interest-bearing liabilities				66.3	109.3	-39.3	107.6
Capital expenditure	1.9	4.9	-61.3	9.3	12.0	-22.3	12.6
Equity ratio %				72.7	51.6	40.7	54.1
Gearing %				-25.4	32.6	-177.7	11.7
EMPLOYEES	2020 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
Average no. of employees, excl. telemarketers	1,458	1,546	-5.7	1,518	1,527	-0.6	1,530
Telemarketers on average	327	283	15.5	330	301	9.4	304
KEY FIGURES	2020 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
Return on equity/ROE (annual)*	19.2	28.7	-33.2	57.9	26.3	120.0	25.0
Return on investment/ROI (annual)*	16.7	18.3	-8.8	45.0	19.2	134.3	19.0
Earnings per share, EUR (basic)	0.11	0.14	-19.7	1.08	0.37	191.7	0.51
Earnings per share, EUR (diluted)	0.11	0.14	-21.0	1.06	0.37	187.0	0.50
Earnings per share, continuing operations, basic	0.12	0.12	-2.7	0.26	0.31	-16.3	0.41
Earnings per share, discontinued operations, basic	0.00	0.02	-114.0	0.82	0.06	1,215.7	0.10
Cash flow from operating activities per share, EUR***	0.13	0.12	10.4	0.49	0.66	-25.4	0.87
Shareholders' equity per share				2.74	1.94	41.7	2.09
Dividend per share							0.40
Effective dividend yield %							5.0
P/E							15.5
Market capitalisation				612.9	576.7	6.3	655.8
Average number of shares, basic (YTD)	82,262	82,283		82,262	82,283		82,283
Average number of shares, diluted (YTD)	83,605	83,826		83,605	83,826		83,673
Number of shares at the end of the period (1,000 shares)	82,383	82,383		82,383	82,383		82,283

*) Annual return, see Accounting Principles of the Interim Report. The key figures also include adjusted items **) The company has acquired 90,000 of its own shares during the review period and 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. ***) The figures include both continuing and discontinued operations

REVENUE

July–September 2020

Revenue from continuing operations declined by 7.4% to MEUR 54.0 (58.2). The effect of acquired and divested businesses on the decrease in revenue was MEUR 1.1. Digital content revenue growth of 29.5% compensated for the decline in print content revenue in Alma Talent, but the decrease in the single-copy sales of Ilta-lehti and the divestment of the media business in Sweden meant that content revenue declined by 11.7% to MEUR 13.2 (14.9).

Advertising revenue for continuing operations decreased by 12.4% to MEUR 30.5 (34.8). Print media advertising revenue declined by 35.3% to MEUR 2.2 (3.4). Digital advertising revenue for continuing operations decreased by 9.9% to MEUR 28.3 (31.4).

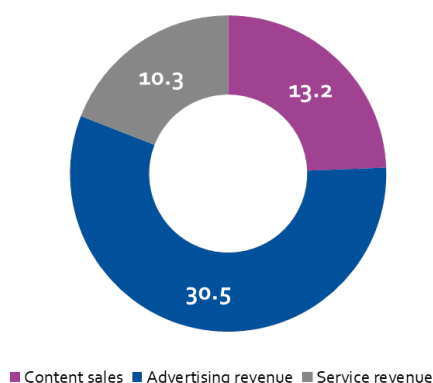
Service revenue from continuing operations increased by 20.7% to MEUR 10.3 (8.5). The growth of service revenue from continuing operations was attributable to acquired businesses as well as service charges related to the divested regional news media business and printing operations.

January–September 2020

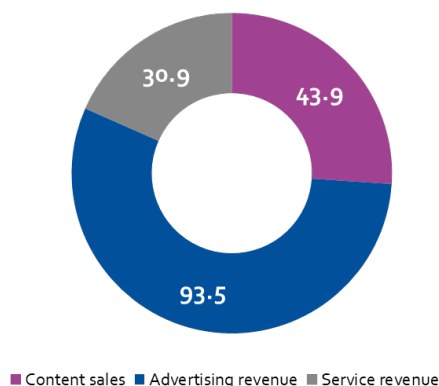
Revenue from continuing operations declined by 8.8% to MEUR 168.3 (184.5). Acquired and divested businesses had an effect of MEUR 2.7 on revenue. Content revenue decreased by 5.9% to MEUR 43.9 (46.7).

Advertising revenue for continuing operations decreased by 15.2% to MEUR 93.5 (110.2). Print media advertising revenue declined by 34.4% to MEUR 7.6 (11.6). Digital advertising sales from continuing operations decreased by 12.9%. Service revenue from continuing operations increased by 12.0% to MEUR 30.9 (27.6).

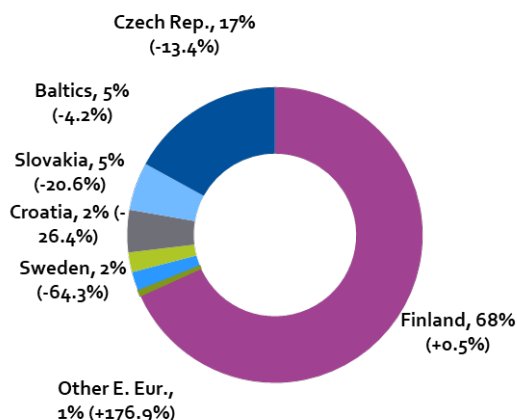
Revenue split Q3/2020, MEUR



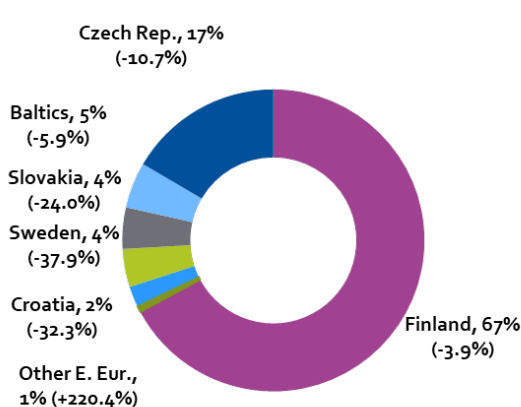
Revenue split Q1–Q3/2020, MEUR



Geographical revenue split Q3/2020



Geographical revenue split Q1–Q3/2020



REVENUE MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Alma Markets	22.2	24.9	-10.5	66.4	75.4	-12.0	100.0
Alma Talent	20.7	22.3	-7.4	68.7	74.7	-8.0	102.9
Alma Consumer	10.2	11.1	-8.1	31.6	34.4	-7.9	47.2
Segments total	53.1	58.3	-8.9	166.7	184.4	-9.6	250.1
Non-allocated operations	0.8	-0.1	1,333.6	1.6	0.0	3,769.2	0.2
Total	54.0	58.2	-7.4	168.3	184.5	-8.8	250.2

REVENUE BY GEOGRAPHICAL AREA MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Finland	36.9	36.9	-0.0	113.2	118.3	-4.3	161.8
Other countries	17.0	21.3	-20.1	55.1	66.2	-16.8	88.5
Group total	54.0	58.2	-7.4	168.3	184.5	-8.8	250.2

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

RESULT

July–September 2020

Adjusted operating profit from continuing operations was MEUR 13.2 (13.5), or 24.5% (23.2%) of revenue. Operating profit from continuing operations was MEUR 13.2 (13.6), or 24.4% (23.3%) of revenue. The operating profit from continuing operations does not include net adjusted items. The adjusted items in the comparison period were related to gains on the sale of assets.

Total expenses allocated to continuing operations decreased in the third quarter by MEUR 3.8. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 3.8 (4.0). The result of continuing operations for July–September was MEUR 11.5 (11.8), and the adjusted result of continuing operations was MEUR 11.5 (11.7).

January–September 2020

Adjusted operating profit from continuing operations was MEUR 34.2 (36.9), or 20.3% (20.0%) of revenue. Operating profit from continuing operations was MEUR 32.3 (36.9), or 19.2% (20.0%) of revenue. The operating profit from continuing operations includes MEUR -1.9 in net adjusted items related to sales gains on acquisitions achieved in stages, losses recognised on sales and 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 January–September by MEUR 10.0. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 12.0 (12.7). The result of continuing operations for January–June was MEUR 25.8 (30.2), and the adjusted result of continuing operations was MEUR 27.7 (30.3).

ADJUSTED OPERATING PROFIT/LOSS MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Alma Markets	9.0	10.6	-14.8	24.7	29.1	-15.0	37.7
Alma Talent	4.1	2.9	42.6	10.6	10.0	5.9	14.8
Alma Consumer	1.1	1.3	-17.5	2.3	4.3	-46.5	6.2
Segments total	14.3	14.9	-3.9	37.6	43.4	-13.3	58.7
Non-allocated operations	-1.1	-1.3	19.5	-3.4	-6.4	47.5	-9.2
Total	13.2	13.5	-2.3	34.2	36.9	-7.4	49.4

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 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	2019 Q1-Q4
Alma Markets					
Restructuring	-0.1		-0.1		
Gains (losses) on the sale of assets		0.1	1.4	0.1	0.1
Alma Talent					
Restructuring			-0.4		
Gains (losses) on the sale of assets	0.0		-2.8		
Non-allocated					
Gains (losses) on the sale of assets				-0.1	
Adjusted items in operating profit	0.0	0.1	-1.9	0.0	0.1
Adjusted items in profit before tax	0.0	0.1	-1.9	0.0	0.1

OPERATING PROFIT/LOSS MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Alma Markets	9.0	10.7	-16.0	26.0	29.1	-10.7	37.7
Alma Talent	4.1	2.9	43.3	7.4	10.0	-26.0	14.8
Alma Consumer	1.1	1.3	-17.5	2.3	4.3	-46.5	6.2
Segments total	14.2	14.9	-4.6	35.7	43.5	-17.8	58.7
Non-allocated operations	-1.1	-1.3	19.5	-3.4	-6.6	48.4	-9.2
Total	13.2	13.6	-3.2	32.3	36.9	-12.4	49.5

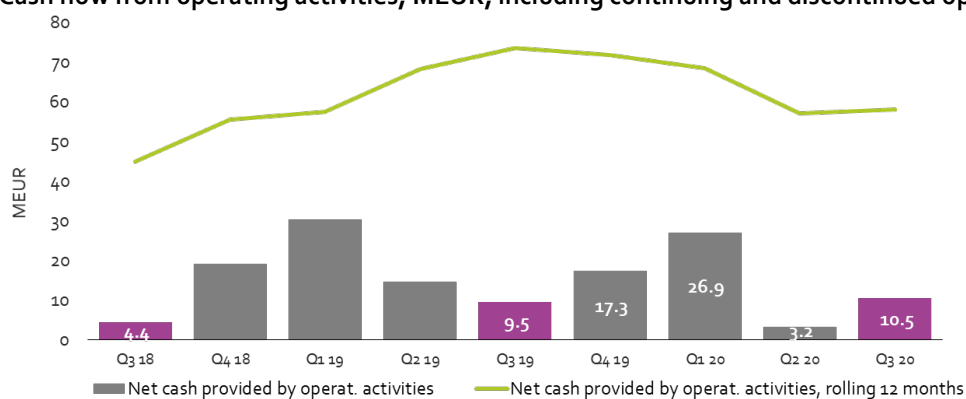
BALANCE SHEET AND FINANCIAL POSITION

At the end of September 2020, the consolidated balance sheet stood at MEUR 363.1 (388.0). The Group's equity ratio at the end of September was 72.7% (51.6%) and equity per share was EUR 2.74 (1.94). The consolidated cash flow from operations in July–September, including discontinued operations, was MEUR 10.5 (9.5). Cash flow before financing was MEUR 10.2 (6.3) in July–September.

The consolidated cash flow from operations in January–September, including discontinued operations, was MEUR 40.6 (54.5). 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 from investing activities reflects the consideration received from the sale of the regional news media business and printing operations. Cash flow before financing was MEUR 83.2 (38.5) in January–September.

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.

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



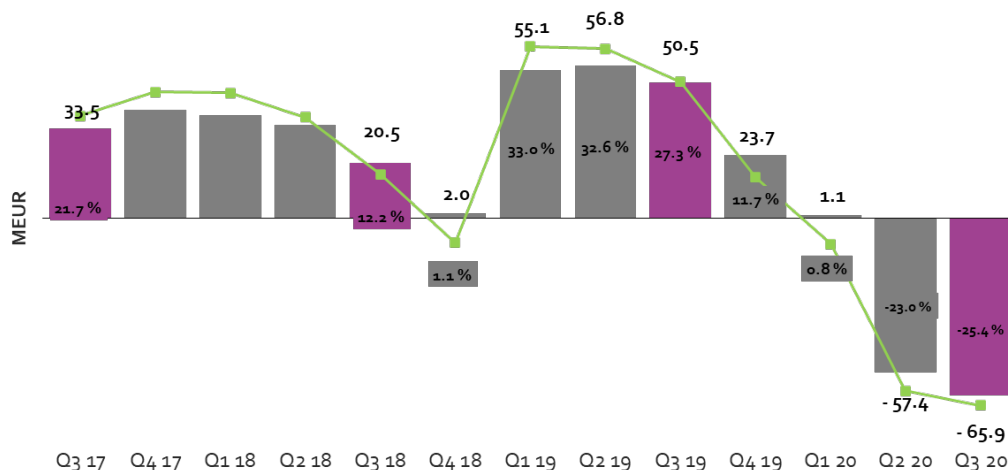
At the end of September 2020, the Group's interest-bearing debt amounted to MEUR 39.7 (97.0), consisting entirely of lease liabilities. The Group's interest-bearing net debt stood at MEUR -65.9 (50.5).

INTEREST-BEARING NET DEBT MEUR	2020 Q1–Q3	2019 Q1–Q3	2019 Q1–Q4
Interest-bearing long-term liabilities	32.7	85.1	79.0
Short-term interest-bearing liabilities	7.0	11.9	11.8
Cash and cash equivalents	105.6	46.6	67.1
Interest-bearing net debt	-65.9	50.5	23.7

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 30 September 2020. The company also has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused as at 30 September 2020.

Alma Media had MEUR 1.8 in financial assets created in conjunction with business combinations measured at fair value and recognised through profit or loss and MEUR 2.0 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 businesses to be divested include regional newspapers Aamulehti and Satakunnan Kansa, local newspapers Janakkalan Sanomat, Jämsän Seutu, Kankaanpään Seutu, KVM-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 are 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.

Capital expenditure

Alma Media Group's capital expenditure in January–September 2020 totalled MEUR 9.3 (12.2). The capital expenditure consisted of the acquisition of shares in Muuttomaailma Oy and Kolektiv Ltd as well as normal operating and maintenance investments.

CAPITAL EXPENDITURE BY SEGMENT MEUR	2020 Q3	2019 Q3	2020 Q1–Q3	2019 Q1–Q3	2019 Q1–Q4
Alma Markets	0.8	0.3	7.4	6.6	6.8
Alma Talent	0.7	0.1	1.0	0.3	0.4
Alma Consumer	0.0	4.3	0.0	4.3	4.3
Segments total	1.5	4.7	8.4	11.2	11.6
Non-allocated	0.4	0.2	0.9	0.8	1.0
Continuing operations total	1.9	4.9	9.3	12.0	12.6
Discontinued operations		0.0		0.2	0.2
Total, including assets held for sale		4.9		12.2	12.8
CAPITAL EXPENDITURE AND ACQUISITIONS MEUR	2020 Q3	2019 Q3	2020 Q1–Q3	2019 Q1–Q3	2019 Q1–Q4
Capex	1.9	0.6	3.2	1.8	2.5
Acquisitions	0.0	4.3	6.1	10.2	10.2
Continuing operations total	1.9	4.9	9.3	12.0	12.6
Discontinued operations		0.2		0.2	0.2
Total, including assets held for sale		5.1		12.2	12.8
DEPRECIATION MEUR	2020 Q3	2019 Q3	2020 Q1–Q3	2019 Q1–Q3	2019 Q1–Q4
Depreciation of tangible and intangible assets	2.5	2.6	7.9	8.5	11.0
Amortisation of intangible assets related to acquisitions	1.3	1.4	4.1	4.2	5.7
Continuing operations total	3.8	4.0	12.0	12.7	16.7
Discontinued operations		1.5		3.9	5.2
Total, including assets held for sale		5.6		16.6	21.9

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 Muuttomailma.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 Nettikoti and Talosofta, which specialise in software for ERP systems in new construction and renovation, Kivi, a real estate agency system, and Urakkamaailma, a marketplace for renovation and construction work.

KEY FIGURES MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Revenue	22.2	24.9	-10.5	66.4	75.4	-12.0	100.0
Advertising revenue	20.0	22.8	-12.2	59.2	68.9	-14.1	91.3
Service revenue	2.3	2.1	7.6	7.1	6.5	10.2	8.7
Adjusted total expenses	13.3	14.3	-6.8	42.0	46.5	-9.5	62.5
Adjusted EBITDA	10.2	11.8	-13.2	28.3	32.8	-13.7	42.5
EBITDA	10.2	11.9	-14.3	29.6	32.8	-9.9	42.6
Adjusted operating profit	9.0	10.6	-14.8	24.7	29.1	-15.0	37.7
% of revenue	40.7	42.7		37.2	38.5		37.7
Operating profit (loss)	9.0	10.7	-16.0	26.0	29.1	-10.7	37.7
% of revenue	40.4	43.0		37.2	38.6		37.7
Employees on average	674	668	0.9	711	677	5.0	679
Digital business revenue	22.2	24.9	-12.0	66.4	75.4	-12.0	100.0
Digital business, % of revenue	100.0	100.0		100.0	100.0		100.0

July–September 2020

The Alma Markets segment's revenue decreased by 10.5% to MEUR 22.2 (24.9) in the third quarter of 2020. Acquired businesses had an effect of MEUR 0.4 on revenue. The recruitment business declined by 15.9% and accounted for 69.8% of the segment's revenue. In Finland, the revenue of the housing and automotive marketplace and system business increased by 4% thanks to the growth of volume in competitive tendering services and rental housing advertising. The revenue of the housing marketplace business was MEUR 4.7 (4.4), representing 21.1% of the segment's total revenue. The revenue of the automotive marketplace business was MEUR 2.0 (2.0), representing 9.1% of the segment's total revenue.

The segment's total expenses decreased by MEUR 1.0 as a result of cost saving measures and amounted to MEUR 13.3 (14.3). The Alma Markets segment's adjusted operating profit was MEUR 9.0 (10.6) in the third quarter. The adjusted operating profit was 40.7% (42.7%) of revenue. The segment's operating profit was MEUR 9.0 (10.7). The adjusted items in the review period were related to operational restructuring. The adjusted items in the comparison period were related to gains on the sale of assets.

January–September 2020

The Alma Markets segment's revenue decreased by 12.0% to MEUR 66.4 (75.4) in January–September 2020. Acquired businesses had an effect of MEUR 1.8 on revenue. The recruitment business declined by 16.1% and accounted for 71.5% of the segment's revenue. In Finland, the housing and automotive marketplace and system business was on a par with the comparison period. The revenue of the housing marketplace business was MEUR

12.7 (13.0), representing 19.1% of the segment's total revenue. The automotive marketplace business represented 9.4% of the segment's revenue and grew by 6.0%.

Total expenses for the period amounted to MEUR 42.0 (46.5). The Alma Markets segment's adjusted operating profit was MEUR 24.7 (29.1) in the third quarter. The adjusted operating profit was 37.2% (38.5%) of revenue. The segment's operating profit was MEUR 26.0 (29.1). The adjusted items recognised during the review period were related to sales gains on acquisitions achieved in stages and operational restructuring. The adjusted items in the comparison period were related to gains on the sale of assets.

Alma Talent

The Alma Talent business segment publishes trade and financial media as well as books about business and law. The business unit also offers skills development and growth services to professionals and businesses in different fields, from events and training to information and marketing services. Alma Talent has operations in Finland, Sweden and the Baltics. Alma Talent media include Kauppalehti, Talouselämä, Tekniikka & Talous and Arvopaperi.

KEY FIGURES MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
Revenue	20.7	22.3	-7.4	68.7	74.7	-8.0	102.9
Content revenue	9.4	10.1	-7.4	32.4	33.6	-3.7	46.6
Content revenue, print	5.1	6.8	-33.2	20.0	24.2	-17.1	33.5
Content revenue, digital	4.3	3.3	29.8	12.4	9.5	30.4	13.1
Advertising revenue	5.0	6.4	-20.8	17.0	21.5	-21.2	30.2
Advertising revenue, print	1.9	2.8	-33.2	6.5	9.7	-30.3	13.7
Advertising revenue, digital	3.2	3.6	-11.8	10.5	11.8	-11.2	16.4
Service revenue	6.2	5.8	7.2	19.3	19.5	-1.0	26.2
Adjusted total expenses	16.6	19.5	-15.0	58.1	64.8	-10.2	88.2
Adjusted EBITDA	5.1	4.1	23.7	13.9	13.8	0.7	19.9
EBITDA	5.1	4.1	24.2	10.7	13.8	-22.5	19.9
Adjusted operating profit	4.1	2.9	42.6	10.6	10.0	5.9	14.8
% of revenue	19.9	12.9		15.4	13.4		14.4
Operating profit (loss)	4.1	2.9	43.3	7.4	10.0	-26.0	14.8
% of revenue	20.0	12.9		10.8	13.4		14.4
Average no. of employees, excl. telemarketers	446	497	-10.3	466	490	-5.0	489
Telemarketers on average	327	283	15.5	330	301	9.6	304
Digital business revenue	10.4	9.5	10.0	31.7	29.5	7.3	40.3
Digital business, % of revenue	50.5	42.5		46.2	39.6		39.2

July–September 2020

The Alma Talent segment's revenue decreased by 7.4% to MEUR 20.7 (22.3) in July–September. Divestments had an effect of MEUR -2.1 on revenue. Digital business accounted for 50.5% (42.5%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 7.4% due to the divestment of the media business in Sweden and amounted to MEUR 9.4 (10.1). Content revenue in Finland grew by 8.0%, which was significantly attributable to a 45.6% increase in digital content revenue from the media business.

Advertising revenue for the third quarter declined by 20.8% to MEUR 5.0 (6.4) due to the COVID-19 epidemic and divestments. Service revenue increased by 7.2% to MEUR 6.2 (5.8). Service revenue was increased by the growth of the telemarketing business.

The segment's adjusted total expenses amounted to MEUR 16.6 (19.5). The Alma Talent segment's adjusted operating profit was MEUR 4.1 (2.9) and operating profit MEUR 4.1 (2.9). 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.

January–September 2020

In January–September, the Alma Talent segment's revenue decreased by 8.0% to MEUR 68.7 (74.7). Revenue declined due to divestments and a decrease in advertising sales. Digital business accounted for 46.2% (39.6%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 3.7% to MEUR 32.4 (33.6). Digital content revenue grew by 30.4%. In the Finnish media business, digital content revenue grew by 42.0%.

Advertising revenue for January–September declined by 21.2% due to the COVID-19 epidemic and amounted to MEUR 17.0 (21.5). Service revenue totalled MEUR 19.3 (19.5). The decline in service revenue was due to the COVID-19 restrictions on organising training events.

The segment's adjusted total expenses amounted to MEUR 58.1 (64.8). The Alma Talent segment's adjusted operating profit was MEUR 10.6 (10.0) and operating profit MEUR 7.4 (10.0). The adjusted operating profit was 15.4% (13.4%) of revenue. The adjusted items in the review period were related to operational restructuring and losses recognised on sales. 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 MEUR	2020 Q3	2019 Q3	Change %	2020 Q1–Q3	2019 Q1–Q3	Change %	2019 Q1–Q4
Revenue	10.2	11.1	-8.1	31.6	34.4	-7.9	47.2
Content revenue *)	3.8	4.8	-20.9	11.5	13.1	-11.8	17.6
Advertising revenue	5.5	5.7	-4.3	17.3	19.8	-12.6	27.2
Advertising revenue, print	0.4	0.7	-34.8	1.5	2.4	-38.7	3.2
Advertising revenue, digital	5.1	5.1	-0.2	15.9	17.4	-9.0	24.0
Service revenue	1.0	0.6	55.4	2.8	1.5	88.3	2.4
Adjusted total expenses	9.1	9.8	-6.7	29.3	30.0	-2.3	41.0
Adjusted EBITDA	1.3	1.5	-15.6	2.9	4.8	-39.8	6.8
EBITDA	1.3	1.5	-15.6	2.9	4.8	-39.8	6.8
Adjusted operating profit	1.1	1.3	-17.5	2.3	4.3	-46.5	6.2
% of revenue	10.9	12.1		7.3	12.6	-41.9	13.1
Operating profit (loss)	1.1	1.3	-17.5	2.3	4.3	-46.5	6.2
% of revenue	10.9	12.1		7.3	12.6	-41.9	13.1
Employees on average	186	200	-6.9	186	186	0.0	183
Digital business revenue	6.0	5.7	4.5	18.6	18.9	-1.2	26.4
Digital business, % of revenue	58.5	51.4		58.9	54.9		55.9

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

July–September 2020

The Alma Consumer segment's revenue declined by 8.1% to MEUR 10.2 (11.1) in July–September. Digital business accounted for 58.5% (51.4%) of the segment's revenue.

The segment's advertising sales declined by 4.3% to MEUR 5.5 (5.7). Digital advertising revenue was on a par with the comparison period, totalling MEUR 5.1 (5.1). Print media advertising revenue declined by 34.8% to MEUR 0.4 (0.7). The decrease in advertising revenue was the most significant in travel-related advertising. The segment's content revenue decreased by 20.9% to MEUR 3.8 (4.8). The number of Iltalehti'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 increased by 55.4% to MEUR 1.0 (0.6).

The segment's total expenses decreased by 6.7% due to cost savings and amounted to MEUR 9.1 (9.8). The segment's adjusted operating profit was MEUR 1.1 (1.3), or 10.9% (12.1%) of revenue. The segment's operating profit was MEUR 1.1 (1.3). No adjusted items were reported during the review period or the comparison period.

January–September 2020

The Alma Consumer segment's revenue declined by 7.9% to MEUR 31.6 (34.4) in January–September. Acquired businesses had an effect of MEUR 1.1 on revenue. Digital business accounted for 58.9% (54.9%) of the segment's revenue.

The segment's advertising revenue declined by 12.6% to MEUR 17.3 (19.8). Digital advertising revenue declined by 9.0% to MEUR 15.9 (17.4). Print media advertising revenue declined by 38.7% to MEUR 1.5 (2.4). The most significant decline was seen in advertising in the automotive, travel and retail sectors. The segment's content revenue decreased by 11.8% to MEUR 11.5 (13.1). The segment's service revenue increased by 88.3% due to the acquisition of the loan comparison service Etua.fi and amounted to MEUR 2.8 (1.5).

The segment's adjusted total expenses decreased by 2.3% and amounted to MEUR 29.3 (30.0). The segment's adjusted operating profit was MEUR 2.3 (4.3), or 7.3% (12.6%) of revenue. The segment's operating profit was MEUR 2.3 (4.3). 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	30 Sep 2020	30 Sep 2019	31 Dec 2019
Alma Markets	108.5	109.1	108.2
Alma Talent	91.1	100.6	98.1
Alma Consumer	11.2	63.5	11.9
Segments total	210.8	273.3	218.1
Discontinued operations			83.3
Non-allocated assets and eliminations	146.0	114.8	99.4
Total	356.9	388.0	400.9

LIABILITIES BY SEGMENT			
MEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Alma Markets	28.2	36.6	35.7
Alma Talent	23.3	28.0	26.9
Alma Consumer	5.2	57.2	6.1
Segments total	56.7	121.8	68.7
Liabilities related to assets classified as held for sale			72.4
Non-allocated liabilities and eliminations	55.2	77.9	57.3
Total	111.8	199.7	198.4

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

The Alma Media share

In July–September, altogether 984,380 Alma Media shares were traded at the NASDAQ Helsinki Stock Exchange, representing 1.2% 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 September 2020, was EUR 7.44. The lowest quotation during the review period was EUR 6.80 and the highest EUR 7.94. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 612.9. 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 Groups governing bodies and the key terms applicable to service contracts on 14 February 2020. The Remuneration Policy is available on the company website at <https://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, 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 has 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 third 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 group subscriptions of the major financial and technology-related magazines are significant in scale. Changes to the subscription agreements could have a substantial impact on the magazines' total subscription volumes. 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 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. Business operations outside Finland, such as in Eastern and Central European countries, include country-specific risks relating to market development and economic growth. The expansion of business outside Finland has reduced the risks inherent in operating in one market area.

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

There were no significant events after the review period.

SUMMARY OF INTERIM REPORT AND NOTES

COMPREHENSIVE INCOME STATEMENT MEUR	2020 Q3	2019 Q3	Change %	2020 Q1-Q3	2019 Q1-Q3	Change %	2019 Q1-Q4
REVENUE	54.0	58.2	-7.4	168.3	184.5	-8.8	250.2
Other operating income	0.2	0.2	63.1	1.9	0.4	438.2	0.6
Materials and services	7.0	8.9	-21.5	24.0	28.1	-14.3	38.3
Expenses arising from employee benefits	20.9	21.8	-3.9	68.7	72.2	-4.9	97.4
Depreciation and write-downs	3.8	4.0	-5.7	12.0	12.7	-5.8	16.7
Other operating expenses	9.3	10.1	-7.6	33.2	35.0	-5.0	48.9
OPERATING PROFIT	13.2	13.6	-3.2	32.3	36.9	-12.4	49.5
Finance income	0.3	0.0	1,025.9	0.7	0.2	191.7	0.3
Finance expenses	0.2	0.0	3,315.2	1.0	1.2	-181.0	1.3
Share of result of assoc. companies	0.2	0.2	13.9	0.3	0.4	-23.0	0.5
PROFIT BEFORE TAX	13.4	13.8	-2.9	32.3	36.3	-11.0	49.0
Income tax	1.9	2.0	-2.8	6.5	6.1	7.0	8.6
PROFIT FROM CONTINUING OPERATIONS	11.5	11.8	-2.9	25.8	30.2	-14.6	40.5
PROFIT FROM DISCONTINUED OPERATIONS	-0.4	1.3	-130.2	67.7	5.4	1,163.2	8.2
PROFIT FOR THE PERIOD	11.1	13.1	-15.3	93.5	35.6	162.7	48.7
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
Items that may later be transferred to be recognised through profit or loss							
Translation differences	0.6	-0.3		0.2	-0.7		0.1
Share of other comprehensive income of associated companies	0.0	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		0.0
Other comprehensive income for the year, net of tax	0.6	-0.3		0.2	-0.7		-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11.7	12.7		93.7	34.9		48.5
Profit for the period attributable to:							
– Owners of the parent	9.6	11.2		88.8	30.6		42.2
– Non-controlling interest	1.8	1.9		4.7	4.9		6.4
Total comprehensive income for the period attributable to:							
– Owners of the parent	10.2	10.8		89.0	29.9		42.1
– Non-controlling interest	1.8	1.9		4.7	4.9		6.4
Distribution of total comprehensive income							
– Continuing operations	12.0	11.5		26.0	29.5		40.3
– Discontinued operations	-0.4	1.3		67.7	5.4		8.2
EPS calculated from the profit for the period attributable to the parent company shareholders:							
– Earnings per share, basic	0.11	0.14		1.08	0.37		0.51
– Earnings per share, diluted	0.11	0.14		1.06	0.37		0.50
– Earnings per share, continuing operations	0.12	0.12		0.26	0.31		0.41
– Earnings per share, discontinued operations	0.00	0.02		0.82	0.06		0.10

BALANCE SHEET			
MEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
NON-CURRENT ASSETS			
Goodwill	131.9	141.4	130.3
Intangible assets	47.0	56.6	54.3
Tangible assets	43.0	97.2	47.4
Investments in associated companies	3.1	3.1	3.2
Other non-current financial assets	4.2	3.5	3.3
Deferred tax assets	0.3	1.5	0.4
TOTAL NON-CURRENT ASSETS	229.5	303.3	238.9
CURRENT ASSETS			
Inventories	0.8	2.9	0.7
Current tax assets	0.3	0.9	1.5
Trade receivables and other receivables	26.6	34.3	28.0
Financial assets, short-term	0.2	0.0	0.0
Cash and cash equivalents	105.6	46.6	48.4
TOTAL CURRENT ASSETS	133.6	84.7	78.6
Assets classified as held for sale			83.3
TOTAL ASSETS	363.1	388.0	400.9
EQUITY AND LIABILITIES			
Share capital	45.3	45.3	45.3
Share premium reserve	7.7	7.7	7.7
Translation differences	-0.3	-1.3	-0.5
Invested non-restricted equity fund	19.1	19.1	19.1
Retained earnings	154.3	88.7	100.5
Equity attributable to owners of the parent	226.1	159.5	172.1
Non-controlling interest	29.9	28.8	30.4
TOTAL EQUITY	256.0	188.3	202.5
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	32.7	85.1	36.9
Deferred tax liabilities	9.5	12.0	11.1
Pension liabilities	0.8	1.1	0.8
Provisions	0.0	0.4	0.4
Other financial liabilities	2.0	2.0	2.0
Other non-current liabilities	0.1	0.2	0.1
TOTAL NON-CURRENT LIABILITIES	45.1	100.8	51.3
CURRENT LIABILITIES			
Current financial liabilities	7.1	13.9	9.0
Advances received	10.8	23.2	12.5
Income tax liability	1.5	1.6	2.5
Provisions	0.1	0.5	0.1
Trade payables and other payables	42.6	59.7	50.6
TOTAL CURRENT LIABILITIES	62.0	98.9	74.7
Liabilities related to assets classified as held for sale			72.4
TOTAL LIABILITIES	107.2	199.8	198.4
TOTAL EQUITY AND LIABILITIES	363.1	388.0	400.9

*) The classification into assets and liabilities held for sale was made in connection with the financial statements for 2019. The balance sheet information for the comparison periods has not been adjusted.

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					88.8	88.8	4.7	93.5
Other comprehensive income					0.2	0.2		0.0
Translation differences			0.2			0.2	-0.1	0.1
Transactions with equity holders								
Dividends paid by parent					-32.9	-32.9		-32.9
Dividends paid by subsidiaries						0.0	-4.8	-4.8
Acquisition of own shares					-1.5	-1.5		-1.5
Disposal of own shares					-1.1	-1.1		-1.1
Share-based payment transactions and exercised share options					0.6	0.6		0.6
Change in ownership in subsidiaries					-0.1	-0.1	-0.3	-0.4
Equity 30 Sep 2020	45.3	7.7	-0.3	19.1	154.3	226.2	29.9	256.0
Equity 1 Jan 2019	45.3	7.7	-0.6	19.1	88.7	160.2	26.6	186.8
Profit for the period					30.6	30.6	4.9	35.6
Other comprehensive income								
Translation differences			-0.7			-0.7	0.1	-0.7
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					0.2	0.2		0.2
Change in ownership in subsidiaries					-2.0	-2.0	1.2	-0.8
Equity 30 Sep 2019	45.3	7.7	-1.3	19.1	88.7	159.5	28.9	188.4

CASH FLOW STATEMENT	2020	2019	2020	2019	2019
MEUR	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
OPERATING ACTIVITIES					
Profit for the period	11.1	13.1	93.5	35.6	48.7
Adjustments	6.4	9.0	-45.9	26.3	35.2
Change in working capital	-4.8	-11.4	0.2	1.6	2.0
Dividends received	0.0	0.1	0.1	0.3	0.4
Interest received	0.0	0.0	0.1	0.1	0.1
Interest paid and other finance expenses	-0.3	-0.5	-1.2	-1.7	-2.2
Taxes paid	-2.0	-0.8	-6.0	-7.8	-12.4
Net cash flow from operating activities	10.5	9.5	40.6	54.5	71.8
INVESTING ACTIVITIES					
Acquisitions of tangible assets	-0.4	-0.1	-0.8	-0.6	-0.8
Acquisitions of intangible assets	-0.9	-0.1	-1.6	-0.4	-0.7
Other investments	-0.5	0.0	-0.9	0.0	0.0
Proceeds from sale of available-for-sale financial assets		0.1		0.4	0.8
Repayment of loan receivables	0.3		0.3		
Business acquisitions less cash and cash equivalents at the time of acquisition		-3.0	-5.5	-15.4	-15.4
Proceeds from sale of businesses less cash and cash equivalents at the time of sale	1.2	0.0	51.1	0.0	6.2
Net cash flows from/(used in) investing activities	-0.3	-3.2	42.5	-16.0	-9.9
Cash flow before financing activities	10.2	6.3	83.2	38.5	61.9
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Acquisition of own shares			-1.5		
Payments of finance lease liabilities	-1.5	-3.0	-6.6	-8.7	-11.6
Dividends paid			-37.6	-32.7	-32.7
Net cash flows from/(used in) financing activities	-1.5	-3.0	-45.6	-41.3	-44.3
Change in cash and cash equivalent funds (increase +/decrease -)	7.8	-1.2	37.5	-2.9	17.6
Cash and cash equivalents at beginning of period	97.7	47.6	67.1	49.5	49.5
Effect of change in foreign exchange rates	0.1	0.1	1.0	-0.1	-0.1
Cash and cash equivalents at end of period	105.6	46.6	105.6	46.6	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.

SHARE OF RESULT OF ASSOCIATED COMPANIES					
MEUR	2020 Q3	2019 Q3	2020 Q1–Q3	2019 Q1–Q3	2019 Q1–Q4
Alma Markets	0.2	0.2	0.3	0.4	0.6
Alma Talent	0.0	0.0	0.0	0.0	0.0
Alma Consumer	0.0	0.0	0.0	0.0	0.0
Other associated companies	0.0	0.0	0.0	0.0	0.0
Total	0.2	0.2	0.3	0.4	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%

Information on the segment's 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

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 profit of the acquired businesses in 2019 and 2020.

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	
Fair value of the contingent consideration assets at the end of the period	1.8
CONTINGENT CONSIDERATION LIABILITY, CONTINUING OPERATIONS	
MEUR	

Initial recognition of the liability	4.6
Change in fair value during previous financial periods	-0.4
Considerations, settled in cash	-2.0
Change in fair value during the financial period	-0.2
Fair value of the contingent consideration liability at the end of the period	2.0

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 operation

MEUR	Jan–Apr/2020	Jan–Apr/2019	2019
Revenue	27.1	30.9	92.2
Other operating income *)	8.0	0.1	0.2
Expenses	-24.6	-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	10.1	3.5	10.4
Income tax	-1.9	-0.7	-2.2
Profit from discontinued operations	8.1	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	-17.9
Gain on sale	59.6

*) 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.

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

Employees

EMPLOYEES BY GEOGRAPHICAL AREA	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	2019 Q1-Q4
Employees, Finland	862	907	873	887	883
Employees, other countries	596	639	646	640	647
Employees, total	1,458	1546	1518	1527	1,530

Provisions

The company's provisions totalled MEUR 0.1 (1.0) on 30 September 2020. It has not been necessary to change the estimates made when the provisions were entered.

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES			
MEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Collateral for others			
Guarantees	0.9	0.9	0.9
Other commitments and contingencies	0.0	0.2	0.2
Minimum lease payments on other lease agreements:			
Within one year	0.1	0.9	0.9
Within 1–5 years	0.7	0.5	0.5
After 5 years	0.0	0.0	0.0
Total	0.8	1.4	1.4

DERIVATIVE CONTRACTS			
MEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Commodity derivative contracts, electricity derivatives			
Fair value *)	0.0	0.0	0.0
Nominal value	0.1	0.2	0.2
Foreign currency derivatives			
Fair value *)	0.2	-0.1	-0.1
Nominal value	8.2	6.8	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	2020	2019	2020	2019	2019
MEUR	Q3	Q3	Q1–Q3	Q1–Q3	Q1–Q4
Sales of goods and services	0.1	0.1	0.2	0.2	0.3
Associated companies		0.0	0.0	0.2	0.2
Principal shareholders	0.0	0.0	0.0	0.1	0.1
Purchases of goods and services	0.0	0.1	0.3	0.4	0.5
Associated companies	0.0	0.1	0.3	0.4	0.5
Principal shareholders	0.0	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	

QUARTERLY INFORMATION MEUR	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
REVENUE	54.0	52.5	61.9	65.8	58.2	64.1	62.1
Alma Markets	22.2	19.4	24.7	24.6	24.9	25.6	25.0
Alma Talent	20.7	22.4	25.6	28.3	22.3	26.1	26.2
Alma Consumer	10.2	9.8	11.6	12.8	11.1	12.3	10.9
Eliminations and non-allocated	0.8	0.9	-0.1	0.1	-0.1	0.1	0.1
ADJUSTED TOTAL EXPENSES	41.0	42.9	50.7	53.4	44.8	52.2	50.7
Alma Markets	13.3	12.6	16.2	16.0	14.3	15.9	16.3
Alma Talent	16.6	19.6	22.0	23.4	19.5	22.9	22.4
Alma Consumer	9.1	9.3	10.9	11.0	9.8	10.3	9.9
Eliminations and non-allocated	2.0	1.4	1.7	2.9	1.3	3.2	2.0
ADJUSTED EBITDA	17.0	13.8	15.3	16.5	17.6	16.2	15.9
Alma Markets	10.2	8.2	9.8	9.8	11.8	11.0	9.9
Alma Talent	5.1	3.9	4.9	6.1	4.1	4.5	5.1
Alma Consumer	1.3	0.7	0.9	2.0	1.5	2.2	1.1
Eliminations and non-allocated	0.4	1.0	-0.2	-1.5	0.1	-1.5	-0.3
ADJUSTED OPERATING PROFIT/LOSS	13.2	9.8	11.2	12.5	13.5	11.9	11.5
Alma Markets	9.0	7.0	8.6	8.6	10.6	9.8	8.7
Alma Talent	4.1	2.8	3.7	4.8	2.9	3.3	3.8
Alma Consumer	1.1	0.5	0.7	1.8	1.3	2.0	1.0
Eliminations and non-allocated	-1.1	-0.5	-1.8	-2.8	-1.3	-3.1	-2.0
% OF REVENUE	24.5	18.7	18.1	19.0	23.2	18.6	18.5
Alma Markets	40.7	36.3	34.9	35.0	42.7	38.2	34.7
Alma Talent	19.9	12.4	14.4	17.1	12.9	12.5	14.6
Alma Consumer	10.9	5.5	5.8	14.3	12.1	16.5	8.8
Non-allocated operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADJUSTED ITEMS	0.0	-2.9	1.0	0.2	0.7	-0.1	0.0
Alma Markets	-0.1	0.0	1.4	0.0	0.1	0.0	0.0
Alma Talent	0.0	-3.0	-0.2	0.0	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	0.1	-0.1	0.2	0.6	-0.1	0.0
OPERATING PROFIT/LOSS	13.2	7.0	12.2	12.6	13.6	11.8	11.5
Alma Markets	9.0	7.0	10.0	8.6	10.7	9.8	8.7
Alma Talent	4.1	-0.2	3.5	4.8	2.9	3.3	3.8
Alma Consumer	1.1	0.5	0.7	1.8	1.3	2.0	1.0
Non-allocated operations	-1.1	-0.4	-1.9	-2.6	-1.3	-3.3	-2.0
Finance income	0.0	0.1	0.6	0.0	0.0	0.2	0.0
Finance expenses	0.1	0.7	0.3	0.1	0.0	1.0	0.2
Share of profit of associated companies	0.2	0.2	0.0	0.1	0.2	0.1	0.1
PROFIT BEFORE TAX	13.4	6.5	12.5	12.7	13.8	11.2	11.4
Income tax	-1.9	-2.3	-2.3	-2.5	-2.0	-1.9	-2.2
PROFIT FOR THE PERIOD	11.5	4.2	10.2	10.2	11.8	9.3	9.1

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 2019 and the new and revised IFRS standards described in the 2019 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 2019. 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

- Financial Statements Bulletin for the financial year 2020 on Wednesday, 17 February 2021 at approximately 8:00 EET
- 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, Auditor's Report and Corporate Governance Statement for the 2020 financial year will be published on Wednesday, 3 March 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.