



Alma Media Corporation

Half-Year Report 2020

17 July 2020



Alma Media's Half-Year Report January–June 2020:

The coronavirus epidemic significantly reduced revenue, cost savings slowed down the decline in adjusted operating profit. EPS improved by the capital gain from the sale of the regional news media business.

On 30 April 2020, Alma Media announced it had completed the sale of the regional news media business and printing operations to Sanoma Media Finland. The Group reports the divested business until the date of the transaction and the capital gain on the sale under discontinued operations. The divested business was previously reported under the Alma Consumer segment. The income statement figures presented in this Half-Year Report mostly represent only the Group's continuing operations. The cash flow figures include both continuing and discontinued operations.

Financial performance April–June 2020:

- Revenue from continuing operations MEUR 52.5 (64.1), down 18.2%.
- Adjusted operating profit from continuing operations MEUR 9.8 (11.9), down 17.6%.
- Operating profit from continuing operations MEUR 7.0 (11.8), down 41.0%.
- Earnings per share from continuing operations EUR 0.04 (0.09).
- Earnings per share including discontinued operations EUR 0.76 (0.12).
- The Group has a strong financial position and net cash totalled MEUR 57.4 at the end of June, while the gearing ratio was -23%.
- Alma Markets: Significant cost savings dampened the decline in profit performance.
- Alma Talent: The positive development of other businesses mitigated the impact of the sharp decline in advertising revenue.
- Alma Consumer: Profitability was reduced by a significant decline in advertising.

Financial performance January–June 2020:

- Revenue from continuing operations MEUR 114.3 (126.2), down 9.4%.
- Adjusted operating profit from continuing operations MEUR 21.0 (23.4), down 10.3%.
- Operating profit from continuing operations MEUR 19.2 (23.3), down 17.7%.
- Earnings per share from continuing operations EUR 0.14 (0.19).
- Earnings per share including discontinued operations EUR 0.97 (0.24).

Adjusted operating profit, April–June, MEUR**Adjusted operating profit, January–June, MEUR**

KEY FIGURES MEUR	2020 Q2	2019 Q2	Change %	2020 Q1-Q2	2019 Q1-Q2	Change %	2019 Q1-Q4
Revenue	52.5	64.1	-18.2	114.3	126.2	-9.4	250.2
Content revenue	14.9	16.0	-6.6	30.7	31.8	-3.2	64.2
Content revenue, print	10.7	12.8	-16.4	22.6	25.5	-11.4	50.9
Content revenue, digital	4.2	3.2	33.1	8.1	6.2	30.3	13.2
Advertising revenue	27.0	38.6	-30.0	63.0	75.4	-16.4	148.5
Advertising revenue, print	1.8	4.1	-57.1	5.4	8.2	-34.1	16.3
Advertising revenue, digital	25.3	34.5	-26.8	57.5	67.1	-14.3	132.2
Service revenue	10.5	9.5	10.6	20.6	19.1	8.1	37.6
Adjusted total expenses	42.9	52.2	-17.9	93.6	102.9	-9.0	201.1
Adjusted EBITDA	13.8	16.2	-14.6	29.2	32.1	-9.1	66.1
EBITDA	11.0	16.1	-31.8	27.3	32.0	-14.5	66.2
Adjusted operating profit	9.8	11.9	-17.6	21.0	23.4	-10.3	49.4
% of revenue	18.7	18.6		18.4	18.6		19.8
Operating profit (loss)	7.0	11.8	-41.0	19.2	23.3	-17.7	49.5
% of revenue	13.3	18.4		16.8	18.5		19.8
Profit for the period	4.2	9.3	-55.2	14.4	18.4	-22.0	40.5
Earnings per share, EUR (basic and diluted)	0.04	0.09	-62.8	0.14	0.19	-25.1	0.41
Digital business revenue	35.4	43.0	-17.7	77.5	83.8	-7.5	166.7
Digital business, % of revenue	67.5	67.1		67.8	66.4		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 (updated)

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

The COVID-19 crisis had a significant impact on advertising volume in the second quarter. According to Kantar TNS, the total advertising volume in Finland decreased by 38.2% (+4.8%) in April-June 2020, and the development of advertising in online media was also negative at 22.6% (+8.7%). Advertising in newspapers declined by 42.0% (-3.2%) and magazine advertising declined by 30.0% (-1.7%). In terms of volume, the total market for afternoon papers in Finland declined by -21.9% (-4.9%) in the second 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 per cent in 2020 and the unemployment rate will be 8.3

per cent. For 2021, the Commission predicts that Finland's GDP will grow by 2.8 per cent and the unemployment rate will be 7.7 per cent. The Czech GDP is predicted to decline by 7.8 per cent this year and the unemployment rate is expected to rise to 5.0 per cent. The European Commission predicts a quick recovery in 2021: GDP growth of 4.5 per cent and an unemployment rate of 4.2 per cent. The European Commission forecasts that Slovakia's GDP will decline by 9.0 per cent in 2020 and the unemployment rate will be 8.8 per cent. In 2021, the European Commission expects Slovakia to see GDP growth of 7.4 per cent and an unemployment rate of 7.1 per cent.

Impacts of the epidemic and measures taken by business segment:

- **Alma Markets**

Due to the coronavirus epidemic and economic uncertainty, customers significantly reduced their new recruitment and focused on carrying out only the most essential replacement recruitment. The online training business developed favourably during the coronavirus epidemic. The recruitment events organised by Alma Markets have been postponed until the autumn. During the period under review, the decline in Alma Markets' recruitment revenue ranged from 16 per cent to 60 per cent depending on the country. The revenue of the recruitment business decreased by 29 per cent (MEUR 5.6) in the second quarter. However, customer invoicing during the corresponding period declined more steeply, -44%, which will weaken the development of revenue from the recruitment business in the second half of the year, as invoicing turns into revenue over the 1–12 months following the invoicing month. The Czech koruna has depreciated by about 4 per cent 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 epidemic also had a negative effect on the housing and automotive marketplaces business, but the start of the recovery has been faster than in the recruitment business. Competitive bidding services among housing-related services and rental advertising developed favourably during the coronavirus epidemic. In the housing and automotive marketplaces business, revenue decreased by 10% (MEUR 0.6) in the second quarter, but there were signs of recovery in June, with revenue from these businesses being on par with the comparison period.

In the second quarter, the Alma Markets segment's cost savings compared to the corresponding period last year were MEUR 3.9, exceeding the previous estimate. The adjustment measures included a significant contraction of marketing investments, temporary layoffs, fixed-term reductions in pay within the limits of the applicable legislation, employee reductions and a reduction in the purchasing of external services. The marketing of the mobile recruitment service in Poland was significantly scaled down, recruitment consulting activities in the Baltic countries were contracted and the Workania business in Hungary was discontinued.

The recruitment market has shown slight signs of recovery since May, but the economic outlook remains very uncertain. The recruitment business as a whole is not expected to return to the pre-crisis level in 2020. There are indications of a gradual recovery in the housing and automotive marketplace business, but the business is highly dependent on the general economic development.

- **Alma Talent**

Advertising sales declined sharply due to the general uncertainty, with demand declining particularly in the automotive trade and recruitment advertising. At the same time, however, the coronavirus epidemic gave rise to growing demand for reliable and up-to-date information, which was reflected in significant growth in the audiences of Alma Talent's media brands, especially in financial media, along with a corresponding positive development in content sales for subscription media. In response to the coronavirus restrictions, Alma Talent's training activities were moved to digital channels for remote participation. Information services, book publishing, digital business premises services and telemarketing services brought stability to the segment's operations. Alma Talent's event business was contracted to a significant degree.

Alma Talent achieved MEUR 1.9 in cost savings in the second quarter relative to the comparison period, which exceeded the previous estimate of the cost savings to be accomplished. The adjustment measures included 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. External service purchasing was also reduced and non-critical development projects were postponed.

In Alma Talent Finland's media business, advertising revenue declined by -42% in the second quarter. In June, the advertising market recovered slightly and the decrease in advertising was -26 per cent. Due to the

continued economic uncertainty, advertising is not expected to return to the comparison period's level in 2020. The exceptional circumstances have led to higher demand for media content and the favourable development of content revenue is expected to continue.

- ***Alma Consumer***

In the Alma Consumer segment, advertising revenue declined due to the general uncertainty. Media advertising spending declined particularly in the automotive and travel sectors as well as among companies in the retail trade. The coronavirus-related restrictions and the closure of retail outlets selling magazines and newspapers in the travel industry, for example, had a negative impact on the single-copy sales of *Ilta-lehti*. There was a concurrent decline in the delivery and printing costs of print media. The unprecedented growth in *Ilta-lehti*'s audience levelled off slightly after the worst of the epidemic had passed. Visitor volumes for the second quarter as a whole were approximately 20 per cent higher than in the comparison period.

Alma Consumer's cost savings in the second quarter totalled approximately MEUR 1.3, exceeding the previous estimate. Marketing costs were reduced in digital services. Employee expenses were reduced by having employees exchange bonus holiday pay for time off and take previously accumulated time off during the spring. External service purchasing was reduced and non-critical development projects were postponed.

The coronavirus epidemic reduced Alma Consumer's advertising revenue by 32 per cent in the second quarter. While the advertising market recovered slightly in June, Alma Consumer's advertising sales did not rebound to a significant degree. The single-copy sales of *Ilta-lehti* decreased by 13 per cent in the second quarter and by 10 per cent in June.

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

The cost savings of shared operations amounted to MEUR 1.3 during the period under review. Costs were also affected by a year-on-year decrease in expenses associated with acquisitions and divestments as well as provisions related to incentive schemes.

The economic uncertainty caused by the coronavirus 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 second 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

Alma Media's operating environment changed quickly during the early part of the year as the coronavirus epidemic spread globally and the authorities imposed restrictions on movement and business activity to reduce the spread of the disease and uncertainty increased to a significant degree. Alma Media's revenue declined by 18.2 per cent in April–June to MEUR 52.5. Relative profitability remained on par with the comparison period with the operating profit margin at 18.7 per cent. The cost savings achieved in the second quarter exceeded the previously issued estimate and totalled MEUR 8.4.

The impact of the coronavirus epidemic was the hardest on the recruitment business. Revenue declined between 16 and 60 per cent depending on the country. The rate of decline was less sharp than expected in the Czech Republic, for example, where stability was brought by sales to small and medium-sized enterprises developing better than anticipated. The demand for recruitment services is now recovering to some extent, but the outlook remains unclear and a significant year-on-year decline in customer invoicing in April–June will have a negative impact on the development of revenue in the second half of 2020. The coronavirus epidemic also had an adverse effect on the housing and automotive marketplace business during the review period, although these businesses began to recover midway through the quarter. Thanks to significant cost savings of MEUR 3.9, particularly in marketing and employee expenses, the segment's profitability remained at a good level (operating profit margin 36.3 per cent).

Alma Talent's advertising revenue declined significantly, but the business was stabilized by other businesses, such as information services, book publishing, digital business premises services and direct marketing. The coronavirus crisis led to record-high growth in the demand for high-quality media content, with digital content revenue

increasing by 46 per cent. The sale of Alma Talent AB to New Technology Media Group in June represents the continuation of the consistent process of exiting the traditional media business in Sweden and shifting the strategic focus more clearly to digital business and services. Thanks to cost savings of MEUR 1.9, the segment's relative profitability was on par with the comparison period (operating profit margin 12.4 per cent).

In the Alma Consumer segment, advertising related to the automotive trade and travel declined particularly substantially. Advertising in general recovered slightly in June, but Alma Consumer's advertising revenue has not rebounded to a significant degree as the market situation remains very challenging. The rate of decline in Italehti's single-copy sales decreased slightly as a number of retail locations reopened and restrictions on movement were lifted. Among the segment's digital services, the loan comparison service Etua.fi developed well during the review period. The visitor volumes of Italehti's online service showed good growth in April–June, although growth levelled off after the epidemic subsided. The segment's cost savings totalled approximately MEUR 1.3.

The exceptional circumstances continue and estimating the demand for media content and services remains challenging. To ensure our long-term success and profitability, we are preparing for the future by developing various scenarios and planning adjustment measures for each scenario. Thanks to our strong financial position, we are also very well prepared to take advantage of future growth opportunities. The past spring has reinforced our view that the digital strategy we have chosen and our expansion from media to digital services will continue to be the right path for us going forward.

The impacts of the coronavirus 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 the Half-Year Report.

Strategy implementation during the review period

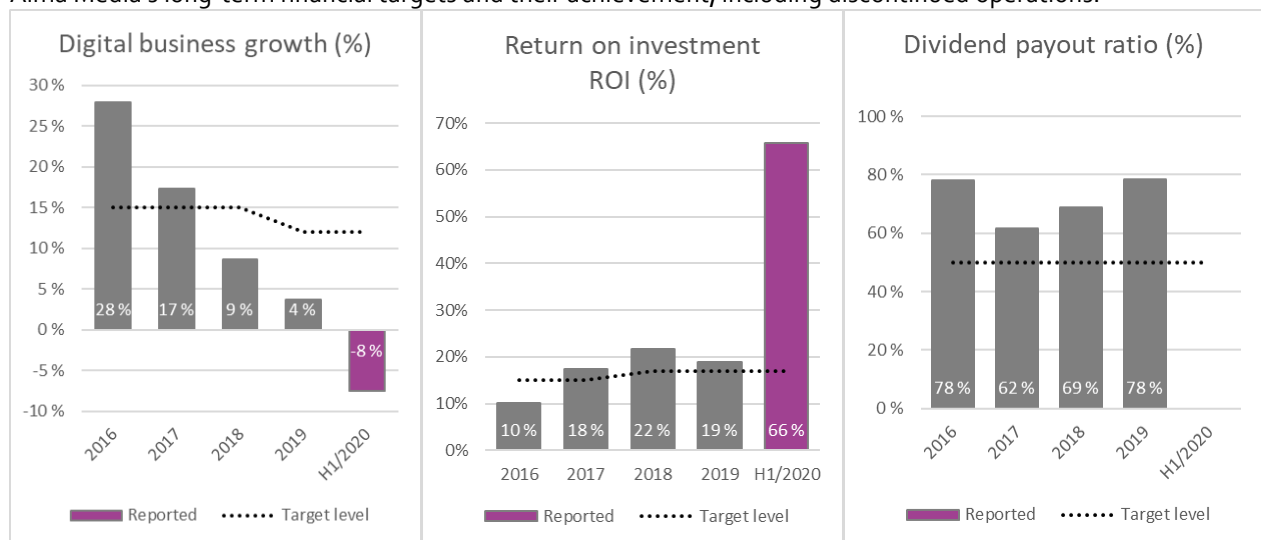
Alma Media creates sustainable growth by taking advantage of the opportunities presented by the digital transformation. The objective is to increase shareholder value through revenue growth and improved profitability. Alma Media is developing and expanding its current business operations and seeking 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 financial media and services for 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 sale of the regional news media business and printing operations to Sanoma was completed at the end of April. The divestment of the traditional media business also continued in the Group's operations in Sweden during the review period, signifying progress in the shift of the strategic focus to digital business. Alma Talent sold the share capital of Alma Talent Ab to New Technology Media Group Ab in June. 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. Earlier in 2020, Alma Talent sold the business of the Affärsvärlden to BörsPlus Ab, and Dagens Media was sold to Bonnier Business Media Sweden Ab in 2018.

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

ALMA MEDIA GROUP HALF-YEAR REPORT 1 JANUARY–30 JUNE 2020

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 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Revenue	52.5	64.1	-18.2	114.3	126.2	-9.4	250.2
Adjusted total expenses	42.9	52.2	-17.9	93.6	102.9	-9.0	201.1
Adjusted EBITDA	13.8	16.2	-14.6	29.2	32.1	-9.1	66.1
EBITDA	11.0	16.1	-31.8	27.3	32.0	-14.5	66.2
Adjusted operating profit	9.8	11.9	-17.6	21.0	23.4	-10.3	49.4
% of revenue	18.7	18.6		18.4	18.6		19.8
Operating profit (loss)	7.0	11.8	-41.0	19.2	23.3	-17.7	49.5
% of revenue	13.3	18.4		16.8	18.5		19.8
Profit for the period before tax	6.5	11.2	-42.2	18.9	22.5	-15.9	49.0
Profit for the period	4.2	9.3	-55.2	14.4	18.4	-22.0	40.5
BALANCE SHEET							
MEUR	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
ASSETS				356.9	387.3	-7.8	400.9
Net debt				-57.4	56.8	-201.0	23.7
Interest-bearing liabilities				40.3	100.0	-59.7	90.8
Non-interest-bearing liabilities				70.6	109.3	-35.4	107.6
Capital expenditure	0.6	6.1	-90.0	7.4	7.1	5.0	12.6
Equity ratio %				71.0	48.9	45.1	54.1
Gearing %				-23.0	32.6	-170.6	11.7
EMPLOYEES							
	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Average no. of employees, excl. telemarketers	1,522	1,538	-1.0	1,549	1,518	2.0	1,530
Telemarketers on average	342	301	13.4	331	310	6.7	304
KEY FIGURES							
	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Return on equity/ROE (annual)*	163.4	28.7	469.3	87.2	26.3	231.5	25.0
Return on investment/ROI (annual)*	117.3	18.3	540.7	65.8	19.2	242.5	19.0
Earnings per share, EUR (basic)	0.76	0.12	540.0	0.97	0.24	309.1	0.51
Earnings per share, EUR (diluted)	0.74	0.12	541.9	0.95	0.24	302.8	0.50
Earnings per share, continuing operations, basic	0.04	0.09	-62.8	0.14	0.09	53.4	0.41
Earnings per share, discontinued operations, basic	0.72	0.03	2,722.4	0.83	0.15	455.7	0.10
Cash flow from operating activities/share, EUR	0.04	0.18	-78.1	0.37	0.55	-32.9	0.04
Shareholders' equity per share				1.86	1.83	2.1	2.09
Dividend per share							0.40
Effective dividend yield %							5.0
P/E Ratio							15.5
Market capitalisation				563.5	482.8	16.7	655.8
Average number of shares, basic (YTD)**)	82,262	82,283		82,262	82,283		82,283
Average number of shares, diluted (YTD)	83,553	83,826		83,553	83,826		83,673
Number of shares at the end of the period (1,000 shares)	82,383	82,383		82,383	82,383		82,383

*) Annual return, see Accounting Principles of the Half-Year 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

April–June 2020

Revenue from continuing operations declined to MEUR 52.5 (64.1). Acquired and divested businesses had an effect of MEUR -0.1 on revenue. Digital content revenue growth of 33.1% 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 6.6% to MEUR 14.9 (16.0).

Advertising revenue for continuing operations decreased by 30.0% to MEUR 27.0 (38.6). Print media advertising revenue declined by 57.1% to MEUR 1.8 (4.1). Digital advertising revenue from continuing operations declined by 26.8% to MEUR 25.3 (34.5).

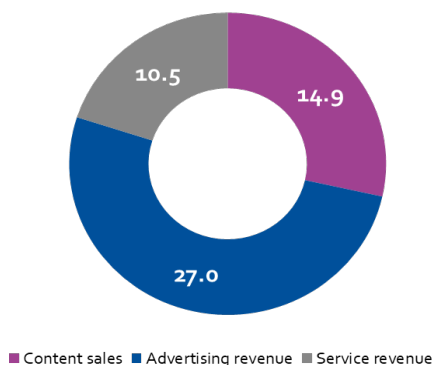
Service revenue from continuing operations increased by 10.6% to MEUR 10.5 (9.5). The growth of service revenue was attributable to acquired businesses as well as service charges related to the divested regional news media business and printing operations.

January–June 2020

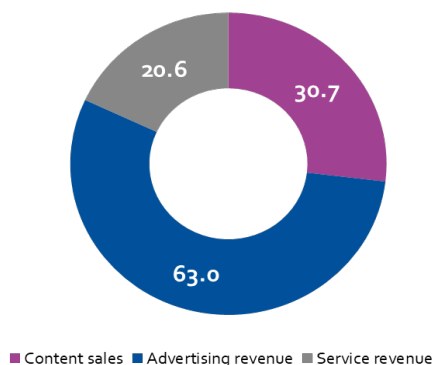
Revenue from continuing operations declined by 9.4% to MEUR 114.3 (126.2). Acquired and divested businesses had an effect of MEUR 1.2 on revenue. Content revenue decreased by 3.2% to MEUR 30.7 (31.8).

Advertising revenue from continuing operations declined by 16.4% to MEUR 63.0 (75.4). Print media advertising revenue declined by 34.1% to MEUR 5.4 (8.2). Digital advertising sales from continuing operations decreased by 14.3%. Service revenue from continuing operations increased by 8.1% to MEUR 20.6 (19.1).

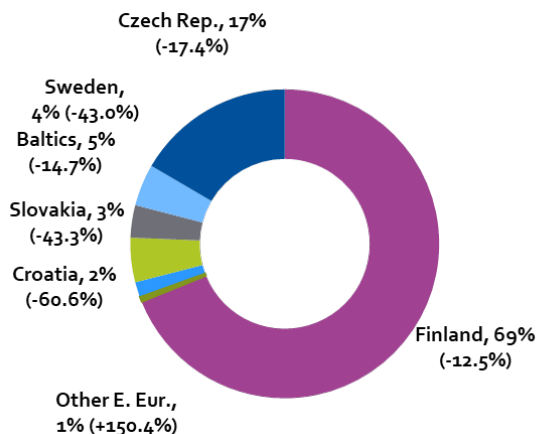
Revenue split Q2/2020, MEUR



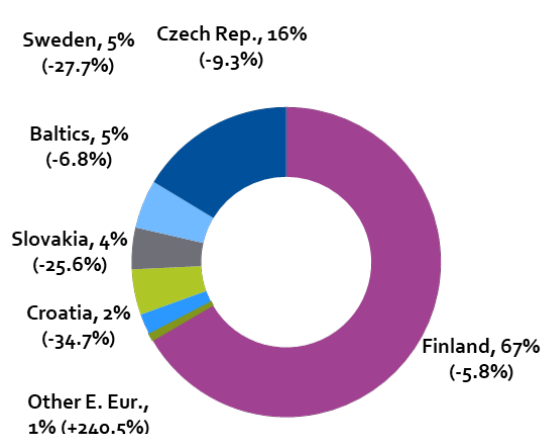
Revenue split Q1–Q2/2020, MEUR



Geographical revenue split Q2/2020, MEUR



Geographical revenue split Q1–Q2/2020, MEUR



REVENUE MEUR	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Alma Markets	19.4	25.6	-24.2	44.1	50.5	-12.7	100.0
Alma Talent	22.4	26.1	-14.4	48.0	52.3	-8.3	102.9
Alma Consumer	9.8	12.3	-20.2	21.4	23.2	-7.8	47.2
Segments total	51.6	64.1	-19.5	113.5	126.1	-10.0	250.1
Non-allocated operations	0.9	0.1	1,572.8	0.8	0.1	641.4	0.2
Total	52.5	64.1	-18.2	114.3	126.2	-9.4	250.2

REVENUE BY GEOGRAPHICAL AREA MEUR	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Finland	36.2	41.5	-12.8	76.3	81.4	-6.2	161.8
Other countries	16.3	22.6	-28.0	38.0	44.8	-15.2	88.5
Group total	52.5	64.1	-18.2	114.3	126.2	-9.4	250.2

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

RESULT

January–June 2020

Adjusted operating profit from continuing operations was MEUR 9.8 (11.9), or 18.7% (18.6%) of revenue. Operating profit from continuing operations was MEUR 7.0 (11.8), or 13.3% (18.4%) of revenue. The operating profit from continuing operations includes MEUR 2.9 in net adjusted items related to a loss recognised on the sale of Alma Talent's media business in Sweden 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 the second quarter by MEUR 6.7. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 4.0 (4.3). The result of continuing operations for April–June was MEUR 4.2 (9.3) and the adjusted result of continuing operations was MEUR 7.0 (9.4).

January–June 2020

Adjusted operating profit from continuing operations was MEUR 21.0 (23.4), or 18.4% (18.6%) of revenue. Operating profit from continuing operations was MEUR 19.2 (23.3), or 16.8% (18.5%) of revenue. The operating profit from continuing operations includes MEUR 1.8 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–June by MEUR 6.3. Depreciation and impairment allocated to the total expenses of continuing operations amounted to MEUR 8.1 (8.7). The result of continuing operations for January–June was MEUR 14.4 (18.4), and the adjusted result of continuing operations was MEUR 16.2 (18.6).

ADJUSTED OPERATING PROFIT/LOSS MEUR	2020 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Alma Markets	7.0	9.8	-28.0	15.7	18.4	-15.1	37.7
Alma Talent	2.8	3.3	-15.3	6.5	7.1	-9.1	14.8
Alma Consumer	0.5	2.0	-73.3	1.2	3.0	-59.6	6.2
Segments total	10.3	15.1	-31.3	23.3	28.5	-18.2	58.7
Non-allocated operations	-0.5	-3.1	83.5	-2.3	-5.1	54.8	-9.2
Total	9.8	11.9	-17.6	21.0	23.4	-10.3	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 Q2	2019 Q2	2020 Q1-Q2	2019 Q1-Q2	2019 Q1-Q4
Alma Markets					
Gains (losses) on the sale of assets			1.4		0.1
Alma Talent					
Restructuring	-0.2		-0.4		
Gains (losses) on the sale of assets	-2.8		-2.8		
Non-allocated					
Restructuring	0.1				
Gains (losses) on the sale of assets		-0.1		-0.1	
Adjusted items in operating profit	-2.9	-0.1	-1.8	-0.1	0.1
Adjusted items in profit before tax	-2.9	-0.1	-1.8	-0.1	0.1

OPERATING PROFIT/LOSS MEUR	2020 Q2	2019 Q2	Change %	2020 Q1-Q2	2019 Q1-Q2	Change %	2019 Q1-Q4
Alma Markets	7.0	9.8	-28.0	17.0	18.4	-7.7	37.7
Alma Talent	-0.2	3.3	-107.4	3.2	7.1	-54.3	14.8
Alma Consumer	0.5	2.0	-73.3	1.2	3.0	-59.6	6.2
Segments total	7.3	15.1	-51.3	21.5	28.5	-24.7	58.7
Non-allocated operations	-0.4	-3.3	88.6	-2.3	-5.2	55.8	-9.2
Total	7.0	11.8	-41.0	19.2	23.3	-17.7	49.5

BALANCE SHEET AND FINANCIAL POSITION

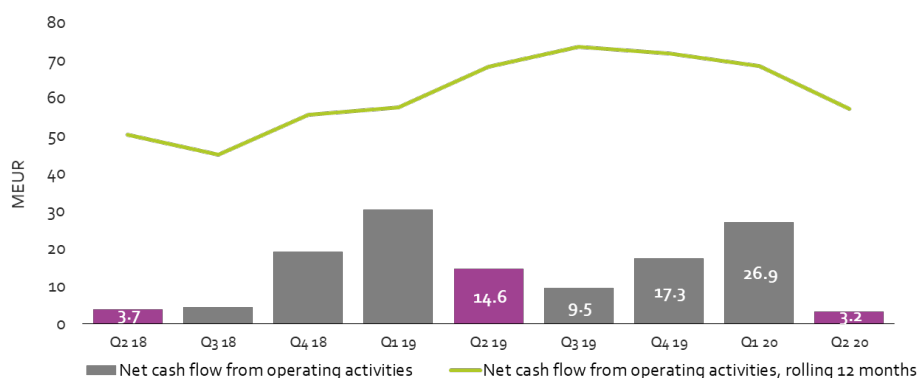
At the end of June 2020, the consolidated balance sheet stood at MEUR 356.9 (387.3). The Group's equity ratio at the end of June was 71.0% (48.9%) and equity per share was EUR 1.86 (1.83).

Cash flow from operations in April-June, including discontinued operations, was MEUR 3.2 (14.6). Cash flow before financing was MEUR 51.1 (2.3) in April-June. Cash flow from operations was reduced by the weaker result as well as the decrease in customer invoicing in the recruitment business in the second quarter. Cash flow from operations in the comparison period was exceptionally strong. Cash flow from investing activities reflects the consideration received from the sale of the regional news media business and printing operations.

Cash flow from operations in January-June, including discontinued operations, was MEUR 30.1 (44.9). Cash flow from operations was lower than in the comparison period due to the weaker result and higher working capital. Cash flow before financing was MEUR 73.3 (32.2) in January-June.

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



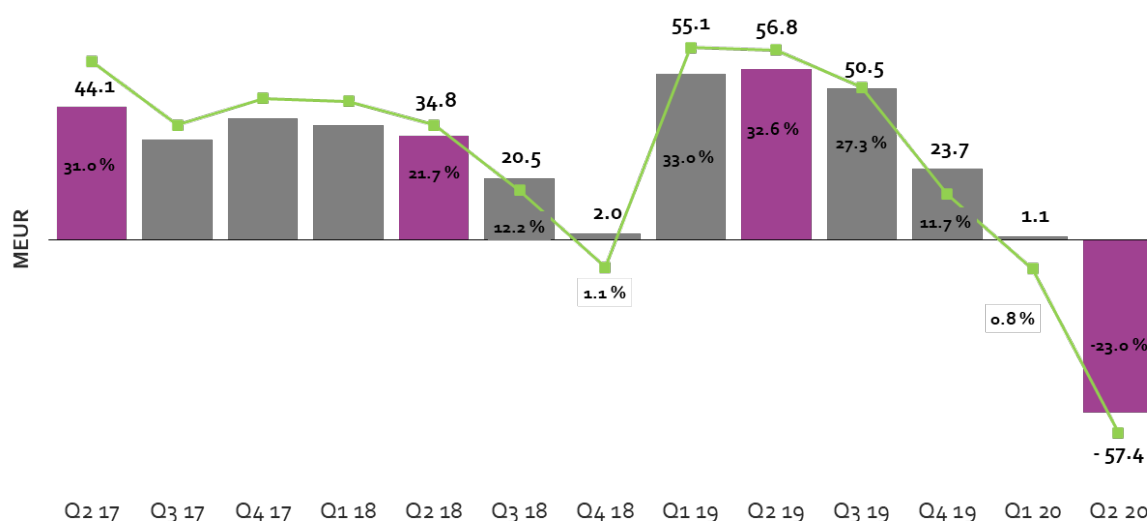
At the end of June 2020, the Group's interest-bearing debt amounted to MEUR 40.3 (100.0), consisting entirely of lease liabilities. The Group's interest-bearing net debt stood at MEUR -57.4 (56.8).

INTEREST-BEARING NET DEBT MEUR	2020 Q1-Q2	2019 Q1-Q2	2019 Q1-Q4
Interest-bearing long-term liabilities	33.4	88.2	79.0
Short-term interest-bearing liabilities	6.9	11.9	11.8
Cash and cash equivalents	97.7	43.2	67.1
Interest-bearing net debt	-57.4	56.8	23.7

Alma Media has two MEUR 12.5 committed financing limits at its disposal, which were entirely unused as at 30 June 2020. The company also has a commercial paper programme of MEUR 100 in Finland. The commercial paper programme was entirely unused as at 30 June 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 per cent 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–June 2020 totalled MEUR 7.4 (7.3). 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 Q2	2019 Q2	2020 Q1–Q2	2019 Q1–Q2	2019 Q1–Q4
Alma Markets	0.3	5.9	6.6	6.3	6.8
Alma Talent	0.2	0.0	0.3	0.2	0.4
Alma Consumer	0.0	0.0	0.0	0.0	4.3
Segments total	0.4	5.9	6.9	6.5	11.6
Non-allocated	0.2	0.2	0.5	0.5	1.0
Continuing operations total	0.6	6.1	7.4	7.1	12.6
Discontinued operations		0.2		0.3	0.2
Total, including assets held for sale		6.3		7.3	12.8

CAPITAL EXPENDITURE AND ACQUISITIONS MEUR	2020 Q2	2019 Q2	2020 Q1–Q2	2019 Q1–Q2	2019 Q1–Q4
Capex	0.6	0.3	1.3	1.2	2.5
Acquisitions		5.8	6.1	5.8	10.2
Continuing operations total	0.6	6.1	7.4	7.1	12.6
Discontinued operations		0.2		0.2	0.2
Total, including assets held for sale		6.3		7.3	12.8

DEPRECIATION MEUR	2020 Q2	2019 Q2	2020 Q1–Q2	2019 Q1–Q2	2019 Q1–Q4
Depreciation of tangible and intangible assets	2.6	2.9	5.4	5.9	11.0
Amortisation of intangible assets related to acquisitions	1.4	1.4	2.8	2.8	5.7
Continuing operations total	4.0	4.3	8.1	8.7	16.7
Discontinued operations		1.3		2.6	5.2
Total, including assets held for sale		5.6		11.3	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 Q2	2019 Q2	Change %	2020 Q1-Q2	2019 Q1-Q2	Change %	2019 Q1-Q4
Revenue	19.4	25.6	-24.2	44.1	50.5	-12.7	100.0
Advertising revenue	17.1	23.4	-26.9	39.3	46.2	-15.0	91.3
Service revenue	2.3	2.2	4.2	4.9	4.4	11.4	8.7
Adjusted total expenses	12.6	15.9	-20.8	28.7	32.2	-10.7	62.5
Adjusted EBITDA	8.2	11.0	-25.6	18.0	21.0	-13.9	42.5
EBITDA	8.2	11.0	-25.6	19.4	21.0	-7.4	42.6
Adjusted operating profit	7.0	9.8	-28.0	15.7	18.4	-15.1	37.7
% of revenue	36.3	38.2		35.5	36.5		37.7
Operating profit (loss)	7.0	9.8	-28.0	17.0	18.4	-7.7	37.7
% of revenue	36.3	38.2		35.5	36.5		37.7
Employees on average	718	682	5.2	729	682	7.0	679
Digital business revenue	19.4	25.6	-24.2	44.1	50.5	-12.7	100.0
Digital business, % of revenue	100.0	100.0		100.0	100.0		100.0

April-June 2020

The Alma Markets segment's revenue decreased by 24.2% to MEUR 19.4 (25.6) in the second quarter of 2020. Acquired businesses had an effect of MEUR 0.4 on revenue. The recruitment business declined by 29.2% and accounted for 69.6% of the segment's revenue. In Finland, the housing and automotive marketplace and system business declined by 10%. The rate of decline was slowed down by the increased demand for competitive bidding services related to housing and cars. The revenue of the housing marketplace business was MEUR 3.9 (4.5), representing 20.3% of the segment's total revenue. The revenue of the automotive marketplace business was MEUR 2.0 (2.0), representing 10.2% of the segment's total revenue.

The segment's total expenses decreased by MEUR 3.3 as a result of significant cost saving measures and amounted to MEUR 12.6 (15.9). The Alma Markets segment's adjusted operating profit was MEUR 7.0 (9.8) in the second quarter. The adjusted operating profit was 36.3% (38.2%) of revenue. The segment's operating profit was MEUR 7.0 (9.8). No adjusted items were reported during the review period or the comparison period.

January-June 2020

The Alma Markets segment's revenue decreased by 12.7% to MEUR 44.1 (50.5) in January-June of 2020. Acquired businesses had an effect of MEUR 1.2 on revenue. The recruitment business declined by 16.2% and accounted for 72.3% of the segment's revenue. In Finland, the housing and automotive marketplace and system business declined by 2.0%. The revenue of the housing marketplace business was MEUR 8.0 (8.6), representing 18.1% of the segment's total revenue. The automotive business represented 9.6% of the segment's revenue and grew by 9.8%.

Total expenses for the period amounted to MEUR 28.7 (32.2). The Alma Markets segment's adjusted operating profit was MEUR 15.7 (18.4) in January–June. The adjusted operating profit was 35.5% (36.5%) of revenue. The segment's operating profit was MEUR 17.0 (18.4). The adjusted items recognised during the review period were related to sales gains on acquisitions achieved in stages. No adjusted items were reported during the comparison period.

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 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Revenue	22.4	26.1	-14.4	48.0	52.3	-8.3	102.9
Content revenue	11.3	11.8	-4.1	23.0	23.5	-2.1	46.6
Content revenue, print	7.1	8.6	-49.1	14.9	17.3	-13.7	33.5
Content revenue, digital	4.2	3.1	33.5	8.0	6.2	30.7	13.1
Advertising revenue	4.7	7.6	-38.0	11.9	15.2	-21.3	30.2
Advertising revenue, print	1.4	3.4	-49.1	4.6	6.9	-29.2	13.7
Advertising revenue, digital	3.3	4.2	-22.4	7.4	8.3	-10.9	16.4
Service revenue	6.4	6.8	-5.8	13.1	13.7	-4.5	26.2
Adjusted total expenses	19.6	22.9	-14.3	41.6	45.3	-8.2	88.2
Adjusted EBITDA	3.9	4.5	-14.1	8.7	9.6	-9.2	19.9
EBITDA	0.9	4.5	-80.8	5.5	9.6	-42.5	19.9
Adjusted operating profit	2.8	3.3	-15.3	6.5	7.1	-9.1	14.8
% of revenue	12.4	12.5		13.4	13.6		14.4
Operating profit (loss)	-0.2	3.3	-107.4	3.2	7.1	-54.3	14.8
% of revenue	-1.1	12.5		6.8	13.6		14.4
Average no. of employees, excl. telemarketers	467	494	-5.5	476	487	-2.3	489
Telemarketers on average	342	301	13.4	331	310	6.8	304
Digital business revenue	10.6	10.3	3.5	21.3	20.1	6.0	40.3
Digital business, % of revenue	47.5	39.3		44.3	38.3		39.2

April–June 2020

The Alma Talent segment's revenue decreased by 14.4% to MEUR 22.4 (26.1) in April–June. Revenue declined due to divestments and a significant decline in advertising sales. Digital business accounted for 47.5% (39.3%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 4.1% due to the divestment of the media business in Sweden and amounted to MEUR 11.3 (11.8). Content revenue in Finland grew by 5.6%, which was significantly attributable to a 46.0% increase in digital content revenue from the media business.

Advertising revenue in January–June declined by 38.0% to MEUR 4.7 (7.6) due to the coronavirus epidemic and divestments. Advertising revenue declined in both Finland and Sweden. Service revenue declined by 5.8% to MEUR 6.4 (6.8). The decline in service revenue was due to the coronavirus epidemic-related restrictions on organising training events.

The segment's adjusted total expenses amounted to MEUR 19.6 (22.9). The Alma Talent segment's adjusted operating profit was MEUR 2.8 (3.3) and operating profit MEUR -0.2 (3.3). The adjusted items in the review period were related to operational restructuring and a loss recognised on a sale. No adjusted items were reported during the comparison period.

January–June 2020

In January–June, the Alma Talent segment's revenue decreased by 8.3% to MEUR 48.0 (52.3). Revenue declined due to divestments and a significant decline in advertising sales. Digital business accounted for 44.3% (38.3%) of the segment's revenue.

The Alma Talent segment's content revenue decreased by 2.1% to MEUR 23.0 (23.5). Digital content revenue grew by 30.7%. In the Finnish media business, digital content revenue grew by 40.1%.

Advertising revenue in January–June declined by 21.3% due to the coronavirus epidemic and amounted to MEUR 11.9 (15.2). Service revenue declined by 4.5% to MEUR 13.1 (13.7). The decline in service revenue was due to the coronavirus epidemic-related restrictions on organising training events.

The segment's adjusted total expenses amounted to MEUR 41.6 (45.3). The Alma Talent segment's adjusted operating profit was MEUR 6.5 (7.1) and operating profit MEUR 3.2 (7.1). The adjusted operating profit was 13.4% (13.6%) 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 Q2	2019 Q2	Change %	2020 Q1–Q2	2019 Q1–Q2	Change %	2019 Q1–Q4
Revenue	9.8	12.3	-20.2	21.4	23.2	-7.8	47.2
Content revenue *)	3.7	4.2	-13.3	7.7	8.3	-6.5	17.6
Advertising revenue	5.2	7.7	-31.8	11.8	14.1	-16.0	27.2
Advertising revenue, print	0.4	0.9	-53.3	1.0	1.7	-40.2	3.2
Advertising revenue, digital	4.8	6.8	-29.1	10.8	12.4	-12.6	24.0
Service revenue	0.9	0.4	115.9	1.8	0.9	111.6	2.4
Adjusted total expenses	9.3	10.3	-9.7	20.2	20.2	-0.2	41.0
Adjusted EBITDA	0.7	2.2	-66.2	1.6	3.3	-51.2	6.8
EBITDA	0.7	2.2	-66.2	1.6	3.3	-51.2	6.8
Adjusted operating profit	0.5	2.0	-73.3	1.2	3.0	-59.6	6.2
% of revenue	5.5	16.5		5.6	12.9	-56.1	13.1
Operating profit (loss)	0.5	2.0	-73.3	1.2	3.0	-59.6	6.2
% of revenue	5.5	16.5		5.6	12.9	-56.1	13.1
Average no. of employees	183	186	-1.7	187	180	3.9	183
Digital business revenue	5.7	7.2	-19.7	12.7	13.2	-3.7	26.4
Digital business, % of revenue	58.4	58.0		59.2	56.6		55.9

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

April–June 2020

The Alma Consumer segment's revenue declined by 20.2% to MEUR 9.8 (12.3) in April–June. Acquired businesses had an effect of MEUR 0.4 on revenue. Digital business accounted for 58.4% (58.0%) of the segment's revenue.

The segment's advertising sales declined by 31.8% to MEUR 5.2 (7.7). Digital advertising revenue declined by 29.1% to MEUR 4.8 (6.8). Print media advertising revenue declined by 53.3% to MEUR 0.4 (0.9). The most significant decline was seen in advertising in the automotive and travel sectors as well as among companies in the retail trade.

The segment's content revenue decreased by 13.3% to MEUR 3.7 (4.2). The segment's service revenue increased by 115.9% due to the acquisition of the loan comparison service Etua.fi and amounted to MEUR 0.9 (0.4).

The segment's total expenses decreased by 9.7% due to cost savings and amounted to MEUR 9.3 (10.3). The segment's adjusted operating profit was MEUR 0.5 (2.0), or 5.5% (16.5%) of revenue. The segment's operating profit was MEUR 0.5 (2.0). No adjusted items were reported during the review period or the comparison period.

January–June 2020

The Alma Consumer segment's revenue declined by 7.8% to MEUR 21.4 (23.2) in January–June. Acquired businesses had an effect of MEUR 0.9 on revenue. Digital business accounted for 59.2% (56.6%) of the segment's revenue.

The segment's advertising revenue declined by 16% to MEUR 11.8 (14.1). Digital advertising revenue declined by 12.6% to MEUR 10.8 (12.4). Print media advertising revenue declined by 40.2% to MEUR 1.0 (1.7). The segment's content revenue decreased by 6.5% to MEUR 7.7 (8.3). The segment's service revenue increased by 111.6% due to the acquisition of the loan comparison service Etua.fi and amounted to MEUR 1.8 (0.9).

The segment's adjusted total expenses were on a par with the comparison period at MEUR 20.2 (20.2). The segment's adjusted operating profit was MEUR 1.2 (3.0), or 5.6% (12.9%) of revenue. The segment's operating profit was MEUR 1.2 (3.0). 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 Jun 2020	30 Jun 2019	31 Dec 2019
Alma Markets	107.8	110.6	108.2
Alma Talent	90.7	100.9	98.1
Alma Consumer	11.5	59.8	11.9
Segments total	210.0	271.3	218.1
Discontinued operations			83.3
Non-allocated assets and eliminations	146.9	116.0	99.4
Total	356.9	387.3	400.9

LIABILITIES BY SEGMENT			
MEUR	30 Jun 2020	30 Jun 2019	31 Dec 2019
Alma Markets	29.5	39.0	35.7
Alma Talent	24.3	30.4	26.9
Alma Consumer	5.5	73.3	60.8
Segments total	59.4	142.8	123.3
Liabilities related to assets classified as held for sale			72.4
Non-allocated liabilities and eliminations	52.5	67.5	2.7
Total	111.8	210.3	198.4

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

GOVERNANCE

Annual General Meeting 2020

Alma Media Corporation's Annual General Meeting was held on 29 April 2020 with special precautions in place due to the coronavirus situation. The Annual General Meeting re-elected Peter Immonen, Esa Lager, Alexander Lindholm, Petri Niemisvirta, Jorma Ollila, Päivi Rekonen and Catharina Stackelberg-Hammarén as members of the Board of Directors for the term ending at the close of the next Annual General Meeting. In its constitutive meeting 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 Oy, 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 Recommendation 10 of the Corporate Governance Code).

Mikko Korttila, General Counsel of Alma Media Corporation, serves as the secretary to the Board of Directors in accordance with the Board's Charter. The Annual General Meeting appointed PricewaterhouseCoopers Oy as the company's auditors, with Markku Launis, APA, as the principal auditor.

Remuneration Policy

The Annual General Meeting confirmed the Remuneration Policy of the Governing Bodies on 29 April 2020. The Remuneration Policy is available on the company's website at <https://www.almamedia.fi/en/investors/governance/remuneration>.

Remuneration of Board members

In accordance with the proposal of the Shareholders' Nomination Committee, the Annual General Meeting on 29 April 2020 decided that the remuneration be kept unchanged, and that the following annual remuneration be paid to the members of the Board of Directors for the term of office ending at the close of the Annual General Meeting 2021: to the Chairman of the Board of Directors, EUR 62,500 per year; to the Vice Chairman, EUR 40,000 per year, and to members EUR 32,500 per year.

In addition, the Chair of the Board of Directors and the Chair of the Audit Committee will be paid a fee of EUR 1,500, the Chair of the Nomination and Compensation Committee a fee of EUR 1,000, the Deputy Chairs of the committees a fee of EUR 700 and members a fee of EUR 500 for those Board and Committee meetings that they attend. The travel expenses of Board members will be compensated in accordance with the company's travel policy.

The attendance fees for each meeting are:

- doubled for (i) members living outside Finland in Europe or (ii) meetings held outside Finland in Europe; and
- tripled for (i) members resident outside Europe or (ii) meetings held outside Europe.

The members of the Board shall, as decided by the Annual General Meeting, acquire a number of Alma Media Corporation shares corresponding to approximately 40 per cent of the full amount of the annual remuneration for Board members, taking into account tax deduction at source, at the trading price on the regulated market arranged by the Helsinki Stock Exchange. Members of the Board are required to arrange the acquisition of the shares within two weeks of the release of the first quarter 2020 interim report or, if this is not possible due to insider trading regulations, as soon as possible thereafter. If it is not possible to acquire the shares by the end of 2020 for a reason such as pending insider transactions, the annual remuneration shall be paid in cash. Shares acquired in this way

cannot be transferred until the recipient's membership on the Board has ended. The company is liable to pay any asset transfer taxes that may arise from the acquisition of shares.

Dividends

In accordance with the proposal of the Board of Directors, the Annual General Meeting on 29 April 2020 resolved that a dividend of EUR 0.40 per share be paid for the financial year 2019. 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, 4 May 2020. The payment was made on 11 May 2020.

Other decisions by the Annual General Meeting

Authorisation to the Board of Directors to repurchase own shares

The Annual General Meeting of 29 April 2020 authorised the Board of Directors to decide on the repurchase of a maximum of 824,000 shares in one or more lots. The maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The shares shall be acquired using the company's non-restricted shareholders' equity through trading on a regulated market arranged by Nasdaq Helsinki Ltd and in accordance with its rules and instructions, for which reason the acquisition is directed, in other words, the shares will be purchased otherwise than in proportion to the shareholders' current holdings. The price paid for the shares shall be based on the price of the company share on the regulated market, so that the minimum price of purchased shares is the lowest market price of the share quoted on the regulated market during the term of validity of the authorisation and the maximum price, correspondingly, the highest market price quoted on the regulated market during the term of validity of the authorisation. Shares can be purchased for the purpose of improving the company's capital structure, financing or carrying out corporate acquisitions or other arrangements, implementing incentive schemes for the management or key employees or to be otherwise transferred or cancelled. The authorisation is valid until the following AGM, but not later than 30 June 2021.

Authorisation to the Board of Directors to decide on the transfer of own shares

The AGM authorised the Board of Directors to decide on a share issue by transferring shares in possession of the company. A maximum of 824,000 shares may be issued on the basis of this authorisation. The maximum authorised quantity represents approximately one (1) per cent of the company's entire share capital. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more lots. The Board of Directors can use the authorisation to implement incentive programmes for the management or key employees of the company.

The authorisation is valid until the following AGM, but not later than 30 June 2021. This authorisation overrides the corresponding share issue authorisation granted at the Annual General Meeting of 15 March 2019.

Authorisation to the Board of Directors to decide on a share issue

The AGM authorised the Board of Directors to decide on a share issue. A maximum of 16,500,000 shares may be issued on the basis of this authorisation. The maximum number of shares issuable under the authorisation corresponds to approximately 20 per cent of the company's entire share capital. The share issue can be implemented by issuing new shares or by transferring treasury shares. The authorisation entitles the Board to decide on a directed share issue, which entails deviating from the pre-emption rights of shareholders. The Board can use the authorisation in one or more lots.

The Board can use the authorisation for developing the capital structure of the company, widening the ownership base, financing or executing acquisitions or other arrangements, or for other purposes decided on by the Board. The authorisation cannot, however, be used to implement incentive schemes for the management or key employees of the company.

The authorisation is valid until the following AGM, but not later than 30 June 2021. This authorisation overrides the corresponding share issue authorisation granted at the AGM of 15 March 2019, but not the share issue authorisation proposed above.

Charitable donations

The AGM authorised the Board to decide on donations amounting to no more than a total of EUR 50,000 to universities in 2020–2021, with the more detailed conditions of the donations to be decided by the Board of Directors.

The Alma Media share

In January–June, altogether 1,091,387 Alma Media shares were traded on 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 June 2020, was EUR 6.84. The lowest quotation during the review period was EUR 6.02 and the highest EUR 8.48. Alma Media Corporation's market capitalisation at the end of the review period was MEUR 563.5. Alma Media Corporation holds a total of 121,011 of its own shares.

Purchase and disposal of own shares

Alma Media began purchasing its own shares on 17 February 2020 and 29 April 2020. The purchasing of the company's own shares ended on 3 June 2020. By 30 June 2020, the company had acquired 180,000 shares, representing approximately 0.2 per cent of all Alma Media shares. The shares were acquired for the purpose of implementing the company's share-based incentive programme.

The company's own shares were acquired using the company's non-restricted shareholders' equity at the market price valid at the time of purchase of the shares through trading in a regulated market arranged by NASDAQ Helsinki Ltd, and the shares were purchased otherwise than in proportion to shareholders' current holdings. The shares are acquired and paid for according to the rules and instructions of NASDAQ Helsinki Oy and Euroclear Finland Ltd.

Alma Media Corporation conveyed a total of 158,784 treasury shares without consideration and according to the plan terms to the key management participating in the company's share-based incentive plans LTI 2015 I, LTI 2015 III & LTI 2015 IV, launched in 2015.

The directed share issue was based on an authorisation given by the Annual General Meeting held on 15 March 2019. Alma Media held 121,011 of its own shares on 30 June 2020.

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.

Market liquidity guarantee

The Alma Media Corporation share has no market liquidity guarantee in effect.

Flagging notices

On 15 May 2020, Alma Media received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Market Act from Mariatorp Oy (Business ID 2690035-7) and Heikki Herlin, according to which Heikki Herlin has control over Mariatorp Oy following the division of the estate of Niklas Herlin on 14 May 2020. Mariatorp Oy and Heikki Herlin jointly have a 19.04% holding of the shares and votes in Alma Media.

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 HALF-YEAR REPORT AND NOTES

COMPREHENSIVE INCOME STATEMENT							
MEUR	2020 Q2	2019 Q2	Change %	2020 Q1-Q2	2019 Q1-Q2	Change %	2019 Q1-Q4
REVENUE	52.5	64.1	-18.2	114.3	126.2	-9.4	250.2
Other operating income	0.2	0.1	90.3	1.7	0.2	716.5	0.6
Materials and services	7.7	9.6	-20.3	17.0	19.2	-11.0	38.3
Expenses arising from employee benefits	22.1	25.5	-13.0	47.7	50.4	-5.3	97.4
Depreciation and write-downs	4.0	4.3	-6.4	8.1	8.7	-5.9	16.7
Other operating expenses	11.9	13.1	-8.8	23.9	24.9	-3.9	48.9
OPERATING PROFIT	7.0	11.8	-41.0	19.2	23.3	-17.7	49.5
Finance income	0.1	0.2	-50.9	0.6	0.2	169.7	0.3
Finance expenses	0.7	1.0	-32.1	0.9	1.2	-25.6	1.3
Share of result of assoc. companies	0.2	0.1	3.3	0.1	0.3	-46.3	0.5
PROFIT BEFORE TAX	6.5	11.2	-42.2	18.9	22.5	-15.9	49.0
Income tax	2.3	1.9	22.5	4.6	4.1	11.7	8.6
PROFIT FROM CONTINUING OPERATIONS	4.2	9.3	-55.2	14.4	18.4	-22.0	40.5
PROFIT FROM DISCONTINUED OPERATIONS	59.3	2.0	2,923.8	68.0	4.1	1,567.5	8.2
PROFIT FOR THE PERIOD	63.5	11.3	463.7	82.4	22.5	266.0	48.7
OTHER COMPREHENSIVE INCOME:							
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	2.1	0.2		0.2	-0.1		0.1
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	2.1	0.2		0.2	-0.1		-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	65.6	11.5		82.6	22.4		48.5
Profit for the period attributable to:							
– Owners of the parent	2.9	9.7		79.6	19.4		42.2
– Non-controlling interest	1.3	1.5		2.9	3.1		6.4
Total comprehensive income for the period attributable to:							
– Owners of the parent	5.0	10.0		79.7	19.4		42.1
– Non-controlling interest	1.3	1.5		2.9	3.1		6.4
Distribution of total comprehensive income							
– Continuing operations	6.3	9.5		14.5	18.4		40.3
– Discontinued operations	59.3	2.0		68.0	4.1		8.2
Earnings per share calculated from the profit for the period attributable to the parent company shareholders:							
– Earnings per share, basic	0.76	0.12		0.97	0.24		0.51
– Earnings per share, diluted	0.74	0.12		0.95	0.24		0.50
– Earnings per share, continuing operations	0.04	0.09		0.14	0.09		0.41
– Earnings per share, discontinued operations	0.72	0.03		0.83	0.15		0.10

BALANCE SHEET				
MEUR	30 Jun 2020	30 Jun 2019	31 Dec 2019	
ASSETS				
NON-CURRENT ASSETS				
Goodwill	132.3	138.5		130.3
Intangible assets	48.6	57.0		54.3
Tangible assets	43.7	100.9		47.4
Investments in associated companies	3.0	4.3		3.2
Other non-current financial assets	3.7	4.3		3.3
Deferred tax assets	0.2	1.5		0.4
CURRENT ASSETS				
Inventories	0.8	3.0		0.7
Current tax assets	0.2	0.7		1.5
Trade receivables and other receivables	26.6	33.9		28.0
Financial assets, short-term	0.1	0.0		0.0
Cash and cash equivalents	97.7	43.2		48.4
Assets classified as held for sale				83.3
TOTAL ASSETS	356.9	387.3		400.9
EQUITY AND LIABILITIES				
Share capital	45.3	45.3		45.3
Share premium reserve	7.7	7.7		7.7
Translation differences	-0.4	-0.7		-0.5
Invested non-restricted equity fund	19.1	19.1		19.1
Retained earnings	144.6	79.1		100.5
Equity attributable to owners of the parent	216.4	150.6		172.1
Non-controlling interest	28.6	26.4		30.4
TOTAL EQUITY	245.0	177.0		202.5
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current interest-bearing liabilities	33.4	88.2		36.9
Deferred tax liabilities	9.7	11.9		11.1
Pension liabilities	0.8	1.1		0.8
Provisions	0.0	0.4		0.4
Other financial liabilities	2.0	0.0		2.0
Other non-current liabilities	0.1	0.2		0.1
CURRENT LIABILITIES				
Current financial liabilities	7.0	14.5		9.0
Advances received	11.8	25.6		12.5
Income tax liability	1.6	0.9		2.5
Provisions	0.1	0.6		0.1
Trade payables and other payables	45.4	66.8		50.6
Liabilities related to assets classified as held for sale				72.4
TOTAL LIABILITIES	111.8	210.3		198.4
TOTAL EQUITY AND LIABILITIES	356.9	387.3		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					79.5	79.5	2.9	82.4
Other comprehensive income					0.2	0.2	-0.2	-0.2
Translation differences			0.2			0.2	-0.2	-0.1
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
Disposal of own shares					-1.2	-1.2		-1.2
Share-based payment transactions and exercised share options					0.1	0.1		0.1
Change in ownership in subsidiaries					0.0	0.0	0.5	0.4
Equity 30 Jun 2020	45.3	7.7	-0.4	19.1	144.6	216.5	28.6	245.0

Equity 1 Jan 2019	45.3	7.7	-0.6	19.1	88.7	160.2	26.6	186.8
Profit for the period					19.4	19.4	3.1	22.5
Other comprehensive income								
Translation differences			-0.1			-0.1	0.0	-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					-0.2	-0.2		-0.2
Change in ownership in subsidiaries							0.5	0.5
Equity 30 Jun 2019	45.3	7.7	-0.7	19.1	79.1	150.6	26.4	177.0

CASH FLOW STATEMENT	2020	2019	2020	2019	2019
MEUR	Q2	Q2	Q1-Q2	Q1-Q2	Q1-Q4
OPERATING ACTIVITIES					
Profit for the period	63.5	11.3	82.4	22.5	48.7
Adjustments	-60.5	8.2	-52.4	17.4	35.2
Change in working capital	2.6	-1.6	4.9	13.0	2.0
Dividends received	0.1	0.2	0.1	0.2	0.4
Interest received	0.0	0.0	0.1	0.1	0.1
Interest paid and other finance expenses	-0.1	-0.6	-0.9	-1.2	-2.2
Taxes paid	-2.4	-3.0	-4.0	-7.1	-12.4
Net cash flow from operating activities	3.2	14.6	30.1	44.9	71.8
INVESTING ACTIVITIES					
Acquisitions of tangible assets	-0.1	-0.2	-0.3	-0.4	-0.8
Acquisitions of intangible assets	-0.4	-0.1	-0.8	-0.3	-0.7
Other investments		0.0	-0.4	0.0	0.0
Proceeds from sale of available-for-sale financial assets		0.4		0.4	0.8
Repayment of loans	0.3		0.3		
Business acquisitions less cash and cash equivalents at the time of acquisition	-1.3	-12.4	-5.5	-12.4	-15.4
Proceeds from sale of businesses less cash and cash equivalents at the time of sale	49.5		49.9		6.2
Net cash flows from/(used in) investing activities	47.9	-12.3	43.2	-12.8	-9.9
Cash flow before financing activities	51.1	2.3	73.3	32.2	61.9
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Acquisition of own shares	-0.7		-1.5		
Payments of finance lease liabilities	-0.8	-0.7	-5.1	-5.7	-11.6
Dividends paid	-37.4	-3.8	-37.6	-32.7	-32.7
Net cash flows from/(used in) financing activities	-38.9	-4.5	-44.1	-38.3	-44.3
Change in cash and cash equivalent funds (increase +/decrease -)	55.7	-4.5	29.2	-6.2	17.6
Cash and cash equivalents at beginning of period	41.9	47.6	67.1	49.5	49.5
Effect of change in foreign exchange rates	0.1	0.1	1.4	-0.1	-0.1
Cash and cash equivalents at end of period	97.7	43.2	97.7	43.2	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 Q2	2019 Q2	2020 Q1-Q2	2019 Q1-Q2	2019 Q1-Q4
Alma Markets	0.2	0.2	0.1	0.3	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	0.1	0.1	0.3	0.5

Acquired businesses in 2020

Alma Media acquired the following business operations in 2020:

	Business	Acquisition date	Acquired share	Group share
<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 operations

MEUR	30 Apr 2020	30 Apr 2019	2019
Revenue	27.1	30.9	92.2
Other operating income *)	8.0	0.1	0.2
Expenses	-24.0	-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	10.6	3.5	10.4
Income tax	-1.9	-0.7	-2.2
Profit from discontinued operations	8.7	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.

Revenue from discontinued operations declined by 12.5%, with the decline of print media advertising revenue being the most significant factor behind the decrease. The coronavirus epidemic had a significant impact on the decline in advertising revenue. Revenue from discontinued operations was also reduced by the outsourcing of delivery operations and the decline of print revenue.

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 Q2	2019 Q2	2020 Q1–Q2	2019 Q1–Q2	2019 Q1–Q4
Employees, Finland	1,244	1,222	1,228	1,294	1,264
Employees, other countries	653	632	671	647	649
Employees, total	1897	1854	1899	1943	1913

Provisions

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

Commitments and contingencies

COMMITMENTS AND CONTINGENCIES			
MEUR	30 Jun 2020	30 Jun 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	0.3	0.8	0.9
Within 1–5 years	0.8	0.8	0.5
After 5 years	0.0	0.0	0.0
Total	1.1	1.6	1.4

DERIVATIVE CONTRACTS			
MEUR	30 Jun 2020	30 Jun 2019	31 Dec 2019
Commodity derivative contracts, electricity derivatives			
Fair value*	-0.1	0.0	0.0
Nominal value	0.2	0.2	0.2
Interest rate derivatives			
Fair value*		-0.6	
Nominal value		15.4	
Foreign currency derivatives			
Fair value*	0.1	-0.1	-0.1
Nominal value	8.2	6.8	4.5

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	Q2	Q2	Q1–Q2	Q1–Q2	Q1–Q4
Sales of goods and services	0.0	0.1	0.0	0.2	0.3
Associated companies	0.0	0.1	0.0	0.1	0.2
Principal shareholders	0.0	0.0	0.0	0.0	0.1
Purchases of goods and services	0.1	0.1	0.3	0.3	0.5
Associated companies	0.1	0.1	0.2	0.3	0.5
Principal shareholders	0.0	0.0	0.0	0.0	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
Trade payables at the reporting date	0.0	0.0	0.0	0.0	0.0
Principal shareholders	0.0		0.0		

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

Main accounting principles (IFRS)

This Half-Year Report has been prepared according to IFRS standards (IAS 34). The Half-Year 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 Half-Year 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 Half-Year 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 Half-Year 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

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Alma Media's financial calendar 2020

– Interim report for January–September 2020 on Thursday, 22 October 2020 at approximately 8:00 EET