LISTING PROSPECTUS

Sanoma Corporation
EUR 200,000,000 0.625 per cent. Notes due 18 March 2024

On 18 March 2021, Sanoma Corporation (the "**Issuer**" and the "**Company**" and together with its consolidated subsidiaries "**Sanoma**" and the "**Group**") issued EUR 200,000,000 0.625 per cent. notes due 18 March 2024 (the "**Notes**"). The Notes were offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit (in Finnish *arvo-osuuden yksikkökoko*) is EUR 100,000. Net proceeds from the issue of the Notes will be used to repay the EUR 200 million Bridge Loan Facility (as defined herein).

Each Note bears interest from, and including, 18 March 2021 at the rate of 0.625 per cent. per annum to, but excluding, the Maturity Date or such earlier date on which the Note is redeemed or purchased and cancelled. Interest will be payable annually in arrears on 18 March commencing on 18 March 2022, as described in "*Terms and Conditions of the Notes—Interest*".

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. The Notes were issued in the book-entry securities system of Euroclear Finland Oy ("**Euroclear Finland**") in dematerialised form under the Finnish Act on Book-Entry System and Clearing Activities (348/2017, as amended). The Notes may be held by holders of the Notes (the "**Noteholders**") directly through book-entry accounts with Euroclear Finland. The Notes are not evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator and cannot be physically delivered.

The Issuer will apply for listing of the Notes on Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") and the trading on the Notes is expected to commence by the end of March 2021. See "*Important Information*" for information on Issuer's obligation to supplement this Listing Prospectus (as defined herein) prior to the Listing. The Notes and the Issuer are not currently rated by any rating agency.

Investment in the Notes involves certain risks. The summary of certain principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes is presented under "*Risk Factors*". Each investor should carefully review this Listing Prospectus, including the risks involved, prior to making an investment decision.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")), except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act and in accordance with applicable state securities laws. The Notes have been offered and sold in offshore transactions outside the United States in reliance on Regulation S.

Joint Lead Managers

Nordea OP

The date of this Listing Prospectus is 19 March 2021.

IMPORTANT INFORMATION

PRIIPs Regulation / Prohibition of sales to EEA or UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). See "*General Information—Notice to Investors—Prohibition of Sales to EEA Retail Investors*" and "*General Information—Notice to Investors—Prohibition of Sales to EEA Retail Investors*". Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation, and consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In this Listing Prospectus, any reference to the "**Issuer**" means Sanoma Corporation, "**Sanoma**", the "**Company**" and the "**Group**" mean the Issuer and its consolidated subsidiaries, except where the context may otherwise require. Nordea Bank Abp ("**Nordea**") and OP Corporate Bank plc ("**OP**") are acting as lead managers (the "**Joint Lead Managers**") in relation to the offering and issue of the Notes.

This document (this listing prospectus and the documents incorporated by reference herein are jointly referred to as the "**Listing Prospectus**") has been prepared in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "**Finnish Securities Markets Act**"), the Prospectus Regulation, Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (Annexes 7, 15 and 20) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (together, the "**Delegated Prospectus Regulation**") and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA has approved this Listing Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA has only approved this Listing Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of this Listing Prospectus should not be considered as an endorsement of the issuer that is the subject of this Listing Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The record number of the FIN-FSA's approval is FIVA 7/02.05.04/2021. This Listing Prospectus has been prepared in English only.

This Listing Prospectus is valid until the Listing. Responsibility to supplement this Listing Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Listing Prospectus is no longer valid.

This Listing Prospectus should be read together with all documents which are incorporated herein by reference. This Listing Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Listing Prospectus. See "*Documents Incorporated by Reference*".

The Joint Lead Managers are acting exclusively for the Issuer as the lead managers in connection with the Listing and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor giving investment or other advice in relation to the Notes. Neither the Issuer nor the Joint Lead Managers have taken any action, nor will they take any action to make a public offer of the Notes in their possession, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any jurisdiction requiring special measures to be taken for the purpose of making a public offer. Any investor investing in the Notes becomes bound by the final terms and conditions for the Notes.

The distribution of the Listing Prospectus and the offer and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Prospectus comes are instructed by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Listing Prospectus may not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Singapore, or such other countries or otherwise in such circumstances in which the offering of the Notes would be unlawful or require measures other than those required under the laws of Finland. This Listing Prospectus does not constitute an offer of, or an invitation to purchase, the Notes in any jurisdiction. No offer will be made to persons whose participation in the offering requires any additional Listing Prospectus or registration. None of the Issuer, the Joint Lead Managers or any of their respective affiliates or representatives accepts any legal responsibility for any such violations by any person or entity, whether or not a prospective purchaser of Notes, and whether or not the person or entity is aware of such restrictions.

Prospective investors should rely solely on the information contained in this Listing Prospectus. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer. In making an investment decision, each investor must rely on their examination, analysis and enquiry of the Issuer and the terms of the Notes, including the risks and merits involved. Neither the Issuer, nor the Joint Lead Managers nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes. The contents of this Listing Prospectus are not to be construed as legal, business, tax, financial or other advice.

The Joint Lead Managers assume no responsibility for the accuracy or completeness of the information herein and, accordingly, no representation or warranty, express or implied, is made by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Listing Prospectus, and nothing contained in this Listing Prospectus is, or shall be relied upon as a promise or representation by the Joint Lead Managers in this respect, whether as to the past or the future. Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Lead Managers by Finnish law or under the regulatory regime of any other jurisdiction where exclusion of liability under Finnish law or the relevant regulatory regime of the other jurisdiction would be illegal, void or unenforceable, the Joint Lead Managers do not accept any responsibility whatsoever for the contents of this Listing Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Issuer or the Notes. The Joint Lead Managers accordingly disclaim to the fullest extent permitted by applicable law any and all liability whether arising in tort, contract, or otherwise (save as referred to above) which they may otherwise have in respect of such document or any such statement.

The information contained herein is current as of the date of this Listing Prospectus. The delivery of this Listing Prospectus, and the offer, sale or delivery of the Notes shall not mean that no adverse changes or events have occurred after the date of this Listing Prospectus, which could result in a material adverse effect on Sanoma's business, financial position, and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as on the value of the Notes. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Issuer or the Joint Lead Managers as to the future. If a significant new factor, material mistake or material inaccuracy relating to the information included in the Listing Prospectus which may affect the assessment of the securities arises or is noted prior to the Listing, this Listing Prospectus will be supplemented in accordance with the Prospectus Regulation. The obligation to supplement the Listing Prospectus under the Prospectus Regulation will end when the Listing Prospectus expires.

The Notes are governed by and construed in accordance with the laws of Finland. Any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

TABLE OF CONTENTS

RISK FACTORS

An investment in the Notes involves a number of risks, many of which are inherent in the Issuer's business and could be significant. Investors considering an investment in the Issuer's non-equity securities should carefully review the information contained in this Listing Prospectus, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Listing Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialise. Should one or more of the risk factors described in this Listing Prospectus materialise, it could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer also faces additional risks not currently known or not currently deemed material, which could also have a material adverse effect on the Issuer's business, financial condition and results of operations and, therefore, on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price of the Notes, and investors could lose part or all of their investment.

The risk factors presented herein have been divided into six categories based on their nature. These categories are:

- *strategic risks;*
- *operational risks;*
- *non-financial risks;*
- *financial risks;*
- *risks related to the Notes; and*
- *risks related to the terms and conditions of the Notes.*

Within each category, the risk factor estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialisation. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

Strategic Risks

The Group's merger, acquisition and divestment activity exposes it to various risks

Sanoma's strategic aim is to grow through acquisitions in both Sanoma Learning and Sanoma Media Finland. In Sanoma Learning, Sanoma is looking for growth opportunities in new geographies and to expand its offering in the current eleven operating countries. In Sanoma Media Finland, Sanoma is interested in synergistic acquisitions in the chosen strategic focus areas of news and feature, entertainment or business to business marketing solutions. However, Sanoma may not be able to identify suitable merger and acquisition ("**M&A**") opportunities or suitable targets may not be available at the right valuation. Even if suitable M&A opportunities were identified and feasible, there are several risks related to M&A transactions. M&A risks may relate to unidentified liabilities of the target companies or their assets, changes in the market conditions, the inability to ensure the right valuation and effective integration of acquisitions or that the anticipated economies of scale or synergies do not materialise. Despite actively maintaining its industrial networks, proactively seeking for potential targets, working with well-known parties in transaction processes and following its internal policies and procedures in decision-making, organisation and follow-up of M&A transactions, there can be no assurance that the acquisitions will be successful and that Sanoma will achieve its strategic aim of acquisition-based growth. Future M&A transactions may also be financed with debt, increasing Sanoma's overall indebtedness, which may, in turn, adversely affect the availability, costs or other terms of future financing. Regulation of M&A activity by competition authorities may, among other things, also restrict or delay the Group's ability to engage in M&A transactions. For example, on 4 March 2021, the Court of Rotterdam ruled that the Dutch Authority of Consumers and Markets is obliged to improve a part of the substantiation of the decision by which the acquisition of Iddink Group by Sanoma was approved on 29 August 2019, without imposing any obligations on Sanoma.

In 2020, the Group announced several transactions, including the acquisition of Santillana Spain, part of Santillana Group, the Spanish learning business division of Promotora de Informaciones S.A. ("**Grupo Prisa**") (the "**Santillana Acquisition**"). The Santillana Acquisition was completed on 31 December 2020 and it is estimated to create annual net synergies of approximately EUR 4 million, which are expected to be realised during 2022. For more information on the Santillana Acquisition, see "*Description of the Group—Santillana Acquisition*". The Group also acquired Alma Media Oyj's ("**Alma Media**") regional news media business in Finland that was completed on 30 April 2020. The acquisition of Alma Media is estimated to create total net synergies of approximately EUR 13 million that are expected to be realised during 2022. In 2019, the Group completed the acquisition of Iddink Group, a leading Dutch educational platform and services provider, which is expected to create total net synergies of approximately EUR 6 million that are expected to be realised by autumn 2022. The success of the above-mentioned acquisitions largely depends on the timely and efficient integration of the business operations, processes and ways of working. The process of integrating the acquired businesses into Sanoma's existing businesses involves uncertainties, and there can be no assurance that Sanoma will be able to integrate the business in the manner or within the timeframe anticipated, and, therefore, achieve the anticipated benefits of the acquisitions.

To focus its business on areas where it has clear competitive advantages and leading market positions, the Group has divested its non-core businesses in recent years. For example, the Group completed the divestment of one of its strategic business segments, Sanoma Media Netherlands, to DPG Media in April 2020 and the divestment of Oikotie Oy, an online classifieds business in Finland, to Schibsted in July 2020. Sanoma may divest additional businesses in order to further focus its operations, or for other reasons. Any future divestments may be affected by many factors, such as the availability of bank financing to potential buyers, interest rates and competitors' capacity, all of which are beyond the Group's control, and may also lead to exposure to indemnity claims. There can be no assurance that the Group will succeed in divestments of certain assets in a profitable way or that such divestments will be possible on acceptable terms, or at all. Divestments may also require attention from the Group's management, taking attention away from the management of its ongoing business.

The demand for the Group's products and services is subject to changes in consumer preferences, technology and industry trends

With the continued development of alternative forms of media, particularly digital media, the Group's media businesses and the strength of its media brands depend on its continued ability to identify and respond to constantly shifting consumer preferences and industry trends as well as its ability to develop new and appealing products and services in a timely manner. Ongoing digitalisation is currently the driving force behind many of these changes, and the increasing use of mobile devices is changing the way people consume media with viewing time of free-to-air television decreasing. The demand for advertising derived from printed media has also been in decline in the recent years. However, even the digital advertising ecosystem is changing. For example, the deprecation of third-party cookies may result in changes in business models related to the sales of digital advertising.

In learning, digital and blended (print-and-digital) learning materials, methods and platforms have gradually been gaining ground, and the outbreak of the coronavirus disease ("**COVID-19**") pandemic has further amplified the growing need for remote learning tools and digital learning materials. Also in the learning material distribution services, this shift is being paralleled by a move from renting and selling books towards subscription-based commercial models. Both trends and/or their acceleration may have an effect on the operational performance, financial performance and/or financial position of Sanoma Learning. In addition, Sanoma Learning is, by nature, subject to seasonal fluctuation, with most of the sales and earnings accrued during the second and third quarters when the new school year starts, which further increases the pressure to be able to respond to changes in a timely manner.

Sanoma is continuously developing digital and hybrid learning and media products and services. In addition, Sanoma maintains close and long-term relationships with schools, teachers and governing bodies and typically sells digital solutions and printed materials together. The wide cross-media offering provides Sanoma a solid base to constantly develop its offering to advertisers and to introduce new services, such as cross-media solutions, native or branded and premium content. However, there can be no assurance that Sanoma will be able to adjust to and meet the changes of consumer preferences and technological developments in the future. Failure to respond to market changes by developing and/or adopting new products and services through both established and new platforms on a competitive and profitable basis may result in the Group losing market share in its established businesses to competitors. See also "*—The media markets in which the Group operates are highly competitive*" below.

The media and learning markets in which the Group operates are highly competitive

The media and learning markets in which the Group operates are highly competitive and include many regional, national and international companies. In media, competition is affected by the level of consolidation within the Group's markets as well as by the development of alternative distribution channels for the products and services offered by the Group. Competition may arise from large international media and telecom companies entering new geographic markets or expanding the distribution of their products and services to new distribution channels, which may have a significant effect on competition as these companies enjoy high brand awareness and often have greater financial and other resources to penetrate new markets and gain market share. In addition, new entrants in the market may be able to take advantage of alternative forms of media and new technologies faster than the Group and, therefore, gain market share from Sanoma's established businesses. In Sanoma Learning there is a similar risk stemming from large international media companies, digital entrants, educational technology companies, open educational resources and user-generated content. Furthermore, Sanoma is exposed to competition also from traditional publishers in different countries.

The Group's ability to compete effectively will require continuous efforts by the Group in, among other things, sales and marketing, cost innovation and investment in technology to respond to changes in the markets. Although the Group currently holds strong positions in its key markets, there can be no assurance that it will be able to maintain these positions or that these positions will enable the Group to compete effectively in the future.

Changes in applicable laws and regulations could have a material adverse effect on the Groups operations

The Group's operations are subject to various laws and regulations in the countries in which the Group operates and changes in such laws and regulations could have a material effect on Sanoma's ability to conduct its business effectively. For example, changes in educational regulation could have a material effect on Sanoma's commercial propositions, content investment needs or financial performance. Although legislation related to learning is typically country-specific, which limits the magnitude of said risk at group level, Sanoma faces an increased legislative risk in Poland, one of its largest markets, where broad or abrupt education related legislative changes could have a material effect on Sanoma Learning. While this risk is most notable in the Polish market, the introduction or delay, pace, scope and timing of changes in education-related legislation in the other markets in which Sanoma Learning operates may also influence the performance of Sanoma Learning as a whole. In addition, any adverse developments affecting the freedom of press or source protection could have an adverse effect on Sanoma.

Changes in taxation as well as in the interpretation of tax laws and practices applicable to Sanoma's products and services or their distribution (*e.g.*, value-added tax ("**VAT**")) may have an effect on the operations of the Group or on its financial performance. For example, imposing additional value added taxes on newspapers and magazines could have a material adverse effect on the Group's circulation sales due to a decrease of demand. See also "*—Financial Risks—Sanoma's tax costs could increase as a result of changes to tax laws or their application or as a result of a tax audit"* below. Furthermore, the deterioration of publishers' and broadcasters' copyright protection or increase in legal obligations (such as reporting or monetary obligations) towards original authors of copyright protected works affects the Group's ability to provide its customers with new products and services and may increase costs related to acquiring and managing copyrights. Sanoma aims to anticipate any changes by closely monitoring regulatory developments and adapting its business models accordingly. However, implementing changes to its business models in order to adapt to new regulations is likely to impose additional costs. Violations of any applicable laws or regulations could also result in penalties and fines.

Data is an increasingly essential part of Sanoma's business putting privacy and consumer trust at the core of the Group's daily operations. Regulatory changes regarding the use of consumer data for commercial purposes could, therefore, have an adverse effect on Sanoma's ability to utilise data in its business. For example, the proposed regulation of the European Parliament and of the Council concerning the respect for private life and the protection of personal data in electronic communications and repealing the Directive 2002/58/EC (Regulation on Privacy and Electronic Communication) may require consent for telesales for subscriptions and may also have a negative impact on cookie-related usage. This would have an effect on business to consumer media sales and business to business advertising both in news and video-on-demand (VOD) businesses. See also "*—The Group may face data breaches or failure to comply with privacy laws*" below.

An uncertain economic or political environment could have an effect on the markets and regions in which the Group operates

The general economic and political conditions in Sanoma's operating countries and overall industry trends could influence Sanoma's business activities and operational performance. In general, political risks associated with the performance of Sanoma Learning relate to the development of public and private education spending especially during the curriculum renewals. Sanoma faces political risks particularly in Poland, where a change in the political landscape could have a material effect on Sanoma Learning as described in "*—Changes in applicable laws and regulations could have a material adverse effect on the Groups operations*" above.

In Sanoma Media Finland, risks associated with business and financial performance typically relate to advertising demand and consumer spending. A significant portion of the Group's sales is derived from advertising sales in magazines, newspapers, television, radio and digital (online and mobile) media as well as circulation sales of printed media. Both of these sources of income are sensitive to changes in the general economic environment and consumer confidence, with advertising sales being historically somewhat more sensitive to economic downturns than circulation sales, in particular subscription sales.

Economic conditions may be affected by various additional events that are beyond Sanoma's control, such as natural disasters and epidemics. For example, the ongoing COVID-19 pandemic has in general caused a reduction in business activity and financial transactions, lockdowns, quarantines, labour shortages, supply chain interruptions and overall economic and financial market instability. The COVID-19 pandemic has affected and is expected to continue to affect certain parts of Sanoma's businesses, particularly on advertising and events sales. On 22 April 2020, the Finnish government decided to prohibit all large events until the end of July 2020. As a consequence, all Sanoma Media Finland's festivals and events for the summer season 2020 were cancelled. In addition, the COVID-19 pandemic has decreased the profitability of Sanoma Media Finland's business to business advertising. Furthermore, Sanoma incurred some additional costs due to the increased use of Sanoma's digital services during the COVID-19 pandemic and Sanoma's COVID-19-related initiatives. Although Sanoma's diversified well-balanced business portfolio to a certain extent has offset the overall effects that COVID-19 has had on the Group's business, should restrictions due to COVID-19 be imposed for extended periods of time or should they be broadened further, they may cause disruption to Sanoma, its employees, markets, suppliers and customers, any of which could have a material adverse effect on Sanoma's business, financial condition and/or results of operations. The spread of COVID-19 has also led Sanoma to modify certain of its operational practices, and it may take further actions required by authorities or that it determines are in the best interests of its employees, customers and other stakeholders.

Operational Risks

The Group may face data breaches or failure to comply with privacy laws

Data is an increasingly essential part of Sanoma's products and services in both Sanoma Learning and Sanoma Media Finland. The Group holds large volumes of personal data including that of employees, customers and, in its assessment businesses, students and citizens. Sanoma is subject to the General Data Protection Regulation ((EU) 2016/679, the "**GDPR**"), which sets strict requirements for implementing data subject rights, and for companies to demonstrate their accountability for complying with the regulation. Compliance with the GDPR in Sanoma's business and operations or potential inadequacy of the data protection processes and practices may cause problems, difficulties or additional costs to Sanoma. Any infringement of the GDPR could adversely affect Sanoma's reputation. Furthermore, under the GDPR, a national data protection authority is vested with the power to impose corrective actions, such as temporary or definitive bans on processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or four per cent. of the total worldwide annual turnover of a company. The Directive on privacy and electronic communications 2002/58/EC also imposes requirements for online data collection and use. Although Sanoma runs a privacy programme that monitors development and enforcement of privacy regulations, there can be no assurance that such measures will be successful in ensuring compliance with privacy laws, which could lead to penalties, significant remediation costs and reputational damage.

In addition, Sanoma is exposed to potential data breaches resulting from unauthorised or accidental loss of or access to personal data managed by Sanoma or by third parties processing data on Sanoma's behalf. For example, Sanoma's or its third-party suppliers' systems could be vulnerable to unauthorized access, misuse, breaches due to employee error or malfeasance, computer viruses, attacks by hackers or other similar threats. Data is key in the development of Sanoma's products and services, as it enables content and learning services to be better tailored to the needs of customers, for example by providing individualised learning paths and even more compelling media content. Continuing the use of data in the future is dependent on maintaining the trust of customers, and potential data breaches could significantly undermine this trust. Sanoma's key privacy implementation processes include conducting privacy impact assessments, data lifecycle management, negotiating data processing agreements with third parties, information security measures to protect data, data breach management procedures and implementation of data subject rights. However, there can be no assurance that data breaches will not occur despite these efforts to prevent such breaches or, in the event that breaches occur, that Sanoma will be able to mitigate the effects of such a breach. This could lead to reputational damage which could ultimately lead to Sanoma's inability to effectively compete for future business and to potential cancellations of existing contracts.

Failures of information and communication technology systems could have a material adverse effect on the Group

Functioning and reliable information and communication technology systems are integral aspects of the Group's business. The systems include online services, digital learning platforms, newspaper and magazine subscriptions, advertising and delivery systems, as well as various systems for production control, customer relations management, and supporting functions, information and communication technology security risks relate to confidentiality, integrity, and/or availability of information, as well as to reliability and compliance of data processing. The risks can be divided into physical risks, such as fire, sabotage and equipment breakdown and logical risks, such as information security risks, such as malware attacks, hacking of personal data or other sensitive data assets, and employee or software failure. Sanoma has continuity and disaster recovery plans in place for its critical systems and clear responsibilities regarding information and communication technology security. Information security controls include the use of threat intelligence capabilities, cyber security incident detection capabilities, identity and access management solutions, log management capabilities and the use of external information security audits. Although Sanoma has several information security control measures in place, there can be no assurances that such measures will be adequate to prevent failures of one or more of the Group's essential information and communication technology systems, which could cause disruptions to its business and reputational damage resulting from possible data breaches. For more information on risks related to data breaches, see "*—The Group may face data breaches or failure to comply with privacy laws*" above.

Sanoma is exposed to risks related to its network of third parties

A wide network of third parties plays an integral role in Sanoma's daily business. Third-party suppliers in Sanoma's value chain include, among others, technology solution and service providers, paper, print and logistics suppliers as well as content providers both for Sanoma Learning and Sanoma Media Finland. Therefore, risks relating to the availability, price, quality and delivery schedules of third-party suppliers are material for Sanoma's operations. Sanoma also utilises freelancers to support Sanoma's own editorial staff in content creation. The status of freelancers may vary by authority and country, but no individual case is estimated by Sanoma to become material unless it escalates to concern a large group of freelancers working for Sanoma. In addition, certain advertising and marketing efforts are executed with the help of third parties. The advertising technology ecosystem consists of players, such as Google and Facebook, that have dominant market power, which may lead to an imbalance between their rights and liabilities in agreements entered into with Sanoma.

Although Sanoma is not dependent on individual suppliers, Sanoma's daily business is dependent on its ability to find third party suppliers that meet Sanoma's standards and identified business and technology requirements. Sanoma follows the guiding principles of supplier risk management set in the Group's procurement policy, Supplier Code of Conduct and legal framework and the most significant suppliers are selected through competitive bidding and qualification processes, including a Know Your Counterparty (KYC) process to identify any risks related to anti-bribery, sanctions and other issues. Despite the processes that Sanoma has in place, Sanoma may not be able to ensure that its third-party suppliers comply with all relevant regulations and its internal policies and standards, which could, for example, lead to legal processes and/or reputational damage. In addition, cooperation with third parties exposes Sanoma to certain data related risks. See "—*The Group may face data breaches or failure to comply with privacy laws*" above.

Failure or inability to protect the Group's intellectual property could have a material adverse effect on the Group

The Group's products and services largely consist of intellectual property delivered through a variety of media. Key intellectual property rights ("**IPR**") related to Sanoma's products and services are copyrights including publishing rights, trademarks, business names, domains, and know-how owned and licensed by the Group. The Group relies on copyright, trademark and other intellectual property laws as well as its group-wide IPR policy and procedures to establish and protect its proprietary rights in these products. However, there can be no assurance that the Group's proprietary rights will not be challenged, invalidated or circumvented. In addition, the Group conducts business in certain countries where the extent of effective legal protection and enforcement of IPRs may differ, and, therefore, cause uncertainty. Moreover, despite trademark and copyright protection, third parties may copy, commercially exploit, infringe on or otherwise profit from the Group's proprietary rights without authorisation. These unauthorised activities may be more easily facilitated by the internet. The scarcity of internet-specific legislation relating to trademark and copyright protection or enforcement of rights as well as effective and concrete means to intervene with online IPR infringements create an additional challenge for the Group in protecting its proprietary rights relating to its online business processes and other digital rights, and failure to protect its proprietary rights or IPRs could result in the loss or diminution in value of these rights. Sanoma also uses a high volume of third-party IPRs in its operations, which exposes it to possible infringement claims from third parties. Such claims could result in burdensome litigations and additional costs as well as adversely affect Sanoma's reputation.

The Group is exposed to business interruption, health and safety and environmental risks

Operational disruption to the Group's business may be caused by a major disaster and/or external threats that could restrict its ability to supply products and services to its customers. The Group is exposed to various health and safety and environmental risks, such as natural disasters, that are beyond Sanoma's control and that could cause business interruption and result in significant costs. External threats, including, but not limited to pandemics, such as COVID-19, terrorist attacks, strikes and weather conditions, could affect the Group's businesses and employees, disrupting daily business activities.

Any failure to maintain high levels of safety management could result in physical injury, sickness or liability to Sanoma's employees, which could, in turn, result in the impairment of Sanoma's reputation or inability to attract and retain skilled employees. Despite Sanoma's operational policies, efficient and accurate process management and contingency planning, there can be no assurance that these will be sufficient in preventing any of the above-mentioned risks or recovering from such risks. Sanoma's insurance programme provides coverage for insurable hazard risks, subject to insurance terms and conditions, but there can be no assurances that Sanoma's insurance coverage would adequately cover all or any of such costs, if such an incident were to occur, which could result in significant costs.

Non-financial Risks

The Group may be unable to recruit or retain diversely skilled personnel

The Group's success depends on having competent, skilled and engaged management and employees, and on their competencies and skills in developing appealing products and services in accordance with customer needs in a changing environment. Sanoma aims to enhance a corporate culture that supports training, innovation, creativity, diversity, as well as an ethical and efficient way of working, for which the framework is set in Sanoma's Code of Conduct and Diversity Policy. Recruiting and retaining skilled and motivated personnel may become increasingly difficult as a result of various factors, including a shortage of skills in the labour market and intensifying competition for personnel. In addition, Sanoma's involvement in M&A transactions generally exposes it to risk of employees, including senior management and other key employees, leaving before such projects are completed or the acquired businesses integrated to Sanoma's existing business. Should the Group fail to attract, retain, develop, train and motivate qualified, engaged and diverse employees at all levels, it could have an adverse effect on the Group's profitability and value creation, competitiveness and development of its business operations in the long-term.

The Group may not be able to ensure compliance of energy-efficient and sustainable standards across its value chain

Sanoma's most significant environmental impacts derive from emissions and energy use in its value chain, use of paper as well as print supplies and Sanoma's own energy use (*e.g.*, in printing houses and offices as well as the emissions from the transportation and distribution of its learning and media products). Even though Sanoma's business is not highly carbon-intensive, all companies face increasing stakeholder interest in their environmental practices. Sanoma uses purchased electricity in its printing and office facilities, as well as for digital services and technological solutions, and it may not be able to directly impact the mix of energy sources used. In addition, Sanoma may not be able to control the use of energy of its third-party suppliers. The declining demand trend for printed media decrease Sanoma's newsprint and magazine production emissions and paper use over time, while the use of book paper in Sanoma Learning is expected to remain relatively stable on a comparable basis.

The Group may not be able to ensure that its operating standards relating to human rights, anti-corruption and bribery are complied with across its value chain

Sanoma operates in eleven European countries and is committed to conducting business in a legal and ethical manner in compliance with local and international laws and regulations applicable to its business as well as its Code of Conduct. Nevertheless, there is a risk that Sanoma's employees or business partners may act in a way that violates human rights or anti-corruption and bribery laws and regulations or they may act unethically.

In Sanoma Learning, Sanoma's business partners mainly include municipalities, other governmental units and schools, while Sanoma Media Finland, for example, uses many third-party content providers. All of Sanoma's employees must comply with Sanoma's Code of Conduct, which supports the international standards on human rights and labour conditions and clearly prohibits all corruption and bribery. The requirements of the Code of Conduct are extended to Sanoma's suppliers through the Supplier Code of Conduct. Sanoma aims to ensure compliance with a mandatory e-learning course on the Code of Conduct to all employees, however, there can be no assurance that Sanoma's internal control measures will detect and prevent misbehaviour by individual employees or third-party suppliers. Breaches of applicable laws and regulations or corporate policies by Sanoma's employees or business partners may lead to legal processes, sanctions and fines as well as reputational damages affecting Sanoma's operations, which could have a material adverse effect on Sanoma's business, financial condition or results of operations.

Financial Risks

The Group is exposed to interest rate risk on its floating rate loans

The Group's interest rate risk is mainly related to changes in the reference rates and loan margins of floating rate loans in the Group's debt portfolio. The Group manages its exposure to interest rate risk by ensuring that the interest duration of the gross debt of the Group is within a certain time range approved by the Board of Directors as part of the Group's treasury policy. The Group may also manage its exposure to interest rate risk by using a mix of fixed rate and floating rate loans or by utilising interest rate derivatives. As at 31 December 2020, the Group's total interest-bearing liabilities were all denominated in euro and amounted to EUR 582.6 million (excluding "*IFRS 16 – Leases*" liabilities), of which EUR 565.4 million was at floating rate. As a result of the floating rate loans, a significant rise in interest rates would lead to an increase in interest charges. A failure to manage interest rate risk may have an adverse effect on the Group's financial condition.

The Group is exposed to changes in foreign currency exchange rates

The majority of the Group cash flow from operations is denominated in euros. However, the Group is exposed to transaction risk resulting from cash flows related to sales and expenditure in different currencies. The Group has adopted forward contracts as means of hedging against significant transaction risks. Group companies are responsible for monitoring and hedging against transaction risk related to their business operations in accordance with the Group's treasury policy. The majority of the Group's transaction risk in 2020 was related to the procurement of IT services and TV programming rights, both denominated in U.S. dollars. If the hedged currencies weakened by 10 per cent. against the euro at the year-end date, the change in the value of forward contracts would increase financial expenses by EUR 0.3 million (EUR 0.4 million for the year ended 31 December 2019). If the currencies strengthened by 10 per cent. against the euro, financial income would increase by EUR 0.3 million (EUR 0.4 million for the year ended 31 December 2019). Derivative instruments are used to hedge future cash flows, hence changes in their value offset changes in the value of cash flows. Materialisation of any of these risks could have a material adverse effect on the Group's earnings and cash flow directly, and there can be no assurance that the hedging of these risks is sufficient.

The Group is also exposed to translation risk resulting from converting the income statement and balance sheet items of foreign subsidiaries into euros. For the year ended 31 December 2020, business operations outside the euro area (countries in which the currency is not pegged to the euro) accounted for approximately 14.1 per cent. (12.7 per cent. for the year ended 31 December 2019) of consolidated net sales of continuing operations and mainly consisted of sales in Polish zlotys, Norwegian kroner and Swedish kronor. If all reporting currencies had been 10 per cent. weaker against the euro during the year, the Group net sales would have decreased by EUR 13.6 million (EUR 10.5 million for the year ended 31 December 2019). If all reporting currencies had been 10 per cent. stronger against the euro, the Group net sales would have increased by EUR 16.6 million (EUR 12.9 million for the year ended 31 December 2019). A significant change in exchange rates may also have an effect on the value of the businesses in Poland, Norway or Sweden. The Group did not hedge against translation risk in 2020.

The Group is exposed to liquidity risk

Under all circumstances, the Group seeks to maintain adequate liquidity, which depends on a number of factors. The Group's liquidity risk relates to servicing debt, financing investments and retaining adequate working capital. In order to minimise its liquidity risk, Sanoma aims to ensure sufficient sales and maintain adequate committed credit limits.

There can be no assurance that the Group will be able to maintain a sufficient level of liquidity, or that the Group will be able to obtain, on a timely basis or at all, sufficient funds on acceptable terms to provide adequate liquidity in the event that cash flows from operations, unused committed credit line and cash reserves prove to be insufficient. Failure to generate additional funds, whether from operations or additional debt or equity financings, may, for example, require the Group to delay or abandon some or all of its strategy initiatives, including its strategic aim of acquisition-based growth, which could have a material adverse effect on the Group's business, financial condition or results of operations. In addition, any future adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may adversely affect Sanoma's ability to borrow additional funds as well as the cost and other terms of the funding. For example, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruptions due to COVID-19, which may adversely affect Sanoma's funding costs and access to funding and ultimately affect Sanoma's ability to finance its operations.

Failure to effectively manage credit and counterparty risk could have a material adverse effect on the Group's financial condition and results of operations

The Group is exposed to credit risks related to its business operations, that is, the risk of the Group not being able to collect the payments for its receivables. Possible weakening of the economy, whether related to COVID-19 or not, may increase the Group's credit risk, although potential concentrations of credit risk are offset by the Group's diversified operations and the fact that no individual customer or group of customers is material to the Group. The financial instruments Sanoma has agreed with financial institutions contain an element of risk of the counterparties being unable to meet their obligations, which could have a material adverse effect on Sanoma's business, financial condition or results of operation. In accordance with the Group's treasury policy, financing and derivative transactions are carried out with counterparties of good credit standing and divided between a sufficient number of counterparties in order to protect financial assets. The Group has spread its credit risks efficiently by dealing with several financing institutions. Sanoma's ability to manage its financial counterparty-related risks depends on a number of factors, including market conditions affecting its financial counterparties, and there can be no assurance that Sanoma's measures will be successful in preventing the realisation of financial counterparty-related risks, which could have a material adverse effect on Sanoma's business, financial condition or results of operations.

The Group is exposed to the risk of impairment of goodwill, immaterial rights and other intangible assets

As at 31 December 2020, the Group's consolidated balance sheet included EUR 1,438 million (EUR 949 million as at 31 December 2019) in goodwill, immaterial rights and other intangible assets compared to consolidated equity of EUR 710 million (EUR 551 million), respectively. Majority of the balance of goodwill, immaterial rights and other intangible assets are related to Sanoma Learning. In accordance with the International Financial Reporting Standards adopted by the European Union ("**EU**") ("**IFRS**"), instead of goodwill being amortised regularly, it is tested for impairment on an annual basis or more frequently, if there is any indication of impairment. The impairment losses on goodwill, immaterial rights and other intangible assets for continued and discontinued operations for the year ended 31 December 2020 totalled EUR 5 million (EUR 110 million for the year ended 31 December 2019). Changes in business fundamentals could lead to further impairment, thus, impacting negatively Sanoma's equity and equity-related ratios. Further, as Sanoma's strategic aim is to grow through acquisitions, material amounts of goodwill, immaterial rights and other intangible assets might be recorded in Sanoma's balance sheet in the future in connection with the completions of acquisitions.

Sanoma's tax costs could increase as a result of changes to tax laws or their application or as a result of a tax audit

Sanoma's tax burden depends on certain tax laws and regulations and their application and interpretation. Changes in tax laws and regulations or their interpretation and application may increase Sanoma's tax costs to a significant degree, which could have an adverse effect on Sanoma's financial condition and/or results of operations. In addition, Sanoma may at times be subject to tax audits conducted by national tax authorities. Tax audits or other auditing measures carried out by tax or other authorities, such as customs officials, could result in an imposition of additional taxes (such as income taxes, taxes at source and property, capital, transfer and VATs), which could lead to an increase in Sanoma's tax liability. For example, the Finnish tax administration has performed tax audits in Sanoma Media Finland Oy covering the years 2015 and 2016–2018. The tax audit reports did not include any adjustments to the VAT treatment of magazines distributed from Norway, which has been treated exempt from VAT. The Finnish tax ombudsman has, however, made an appeal to the Finnish tax adjustment board claiming that the Finnish tax administration's tax audit decisions regarding VAT for the years 2015 and 2016–2018 should be adjusted by approximately EUR 20 million. The amount does not include potential penalties or interests. Sanoma considers the claims unjustified and no provisions have been recorded in Sanoma's accounts for this matter. However, there can be no assurance that the tax audit decisions will not be adjusted as a result of the Finnish tax ombudsman's appeal. As at the date of this Listing Prospectus, the Finnish tax adjustment board's decision on the matter is pending.

The Pro Forma Information in this Listing Prospectus is presented for illustrative purposes only and may differ materially from Sanoma's actual results of operations

In the past, Sanoma and Santillana Spain have operated their respective businesses separately and there are no consolidated results including Santillana Spain prepared before the acquisition date of 31 December 2020, available for the Company as Santillana Spain's results will be consolidated to Sanoma's from 1 January 2021, onwards. The Pro Forma Information (as defined herein) in this Listing Prospectus is presented for illustrative purposes only and is not necessarily indicative of Sanoma's actual results of operations had the Santillana Acquisition been completed on the date indicated. Moreover, the Pro Forma Information does not purport to project the future results of operations of Sanoma. The Pro Forma Information has been prepared based on available information and certain preliminary assumptions and estimates that Sanoma believes to be reasonable under the current circumstances. The actual impacts of the Santillana Acquisition may materially differ from the assumptions used in the Pro Forma Information. The Pro Forma Information reflects pro forma adjustments, which are based on preliminary accounting policy alignments of Santillana Spain's historical carve-out financial information with Sanoma's current policies, provisional fair value estimates of Santillana Spain's acquired assets and assumed liabilities, and estimates of the financing costs arising from the financing for the Santillana Acquisition. In addition, the Pro Forma Information does not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or incurred. See "*Unaudited Pro Forma Financial Information*". If the actual impacts of the Santillana Acquisition differ materially from the Pro Forma Information presented herein, Sanoma may lose the trust of its investors and other interest groups.

Risks Related to the Notes

Investors are exposed to credit risk in respect of the Issuer and investors may lose their investment in the Notes

Investors in the Notes carry a credit risk relating to the Issuer. The payments by the Issuer to investors under the Notes will, therefore, be dependent on the Issuer's ability to meet its payment obligations, which in turn is to a large extent dependent on developments in the Issuer's business and financial performance. An investor is always solely responsible for the economic consequences of his/her/its investment decisions.

An increased credit risk may cause the market to charge the Notes a higher risk premium, which could affect the Notes' value negatively. Another aspect of the credit risk is that a deteriorating financial condition of the Issuer may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes and such debt financing might be needed for the Issuer to be able to meet its payment obligations under the Notes. In addition, should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part.

The Notes constitute unsecured obligations of the Issuer

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. The Notes are not guaranteed by any person or entity. No one other than the Issuer will accept any liability in respect of any failure by the Issuer to pay any amount due under the Notes.

This means that in the event of bankruptcy, re-organisation or winding-up of the Issuer, the Noteholders normally receive payment after any priority creditors have been fully paid. Accordingly, the prospects of the Issuer may adversely affect the liquidity and the market price of the Notes and may increase the risk that the Noteholders will not receive prompt and full payment, when due, for interest, principal and/or any other amounts payable to the Noteholders pursuant to the Notes from time to time.

There is currently no public market for the Notes and if an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes

The Notes constitute a new issue of securities by the Issuer. Prior to the contemplated Listing on Nasdaq Helsinki, there is no public market for the Notes. Although an application will be made to list the Notes on Nasdaq Helsinki, no assurance can be given that such application will be approved within the contemplated timeframe, or at all. In addition, the Listing will not guarantee that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Joint Lead Managers are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial position and prospects of the Issuer and many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

If an active trading market for the Notes does not develop or is not maintained, it could have a material adverse effect on the market price of the Notes. Further, Noteholders may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Moreover, if additional and competing products are introduced in the markets, it could have a material adverse effect on the market price of the Notes.

Neither the Issuer nor the Notes are rated

The Issuer has no ratings solicited by it. Further, the Notes are currently not rated by any rating agency. Accordingly, investors are not able to refer to any independent credit rating when evaluating factors that may affect the value of the Notes. The absence of rating may reduce the liquidity of the Notes as investors often base part of their decision to buy debt securities on the credit rating. The absence of rating may also increase the borrowing costs of the Issuer.

Legal investment considerations may restrict certain investments

The investment activities of the Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. There is a risk that investors in certain jurisdictions may be subject to restrictions or limitations that may affect the value of their investment.

The Issuer and its subsidiaries may issue additional debt and/or grant security

Except for as set out in Condition 8 (*Negative Pledge*) of the terms and condition of the Notes, the Issuer and its subsidiaries are not prohibited from issuing further notes or incurring other debt ranking *pari passu* or senior to the Notes or restricted from granting any security on any existing or future debts. Issuance or incurrence of further debt or granting of security may reduce the amount recoverable by the Noteholders upon the winding-up or insolvency of the Issuer, which could have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes may be materially and adversely affected.

The Notes do not, as a rule, contain covenants on the Issuer's financial standing or operations and do not limit its ability to merge, demerge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the Noteholders

As a rule, the Notes do not contain provisions designed to protect Noteholders from a reduction in the creditworthiness of the Issuer. In particular, the terms and conditions of the Notes do not, except as set forth in Condition 9 (*Change of Control*) and Condition 10 (*Events of Default*) of the terms and conditions of the Notes, which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger as a receiving entity, partial, demerge, asset sale or other significant transaction that could materially alter the Issuer's existence, legal structure of organisation or regulatory regime and/or its composition and business. In the event the Issuer was to enter into any such transaction, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes may be materially and adversely affected.

The Notes carry no voting rights at the Issuer's general meetings of shareholders

The Notes carry no voting rights with respect to the general meetings of shareholders (the "**General Meeting of Shareholders**") of the Issuer. Consequently, in the Issuer's General Meetings of Shareholders, the Noteholders cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could affect the Issuer's ability to make payments under the Notes.

The Issuer is not obliged to compensate for withholding tax or similar on the Notes

In the event any withholding tax, public levy or similar is being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the impositions of withholding tax or similar. Furthermore, the Noteholders do not have any right to premature redemption of the Notes based on the same.

Risks Related to the Terms and Conditions of the Notes

Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls. If market interest rates fall, the price of a security with a fixed interest rate typically increases. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding

As specified in the terms and conditions of the Notes, the Noteholders are entitled to demand premature repayment of the Notes in cases specified in Condition 9 (*Change of Control*) and Condition 10 (*Events of Default*) of the terms and conditions of the Notes. Such premature repayment may have an adverse effect on the Issuer's financial condition and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes towards such Noteholders who elect not to exercise their right to have their Notes prematurely repaid as well as on the market price and value of such Notes.

In addition, as specified in the terms and conditions of the Notes, the Issuer may at any time purchase the Notes in any manner and at any price prior to maturity. Only if such purchases are made by tender, such tender must be available to all Noteholders alike. The Issuer is entitled to cancel, dispose of or hold the purchased Notes at its discretion. Consequently, a Noteholder offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a Noteholder may not have the possibility to participate in such purchases. The purchases – whether by tender or otherwise – may have a material adverse effect on such Noteholders who do not participate in the purchases as well as on the market price and value of such Notes.

In addition, as specified in Condition 5.2 (*Voluntary Total Redemption*) and Condition 5.3 (*Clean-up Call Option*) of the terms and conditions of the Notes, the Notes contain optional redemption features, which may limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes may not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Amendments to the terms and conditions of the Notes bind all Noteholders

The terms and conditions of the Notes may be amended in certain circumstances with the required consent of a defined majority of the Noteholders. The terms and conditions of the Notes contain provisions for the Noteholders to call and attend meetings and arrange procedures in writing to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings may bind all Noteholders, including those who did not attend and vote at the relevant meeting and those who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including those who did not attend and vote at the relevant meeting or participate in the procedure in writing and those who voted in a manner contrary to the majority.

The right to receive payments under the Notes is subject to time limitations

Under the terms and conditions of the Notes, if any payment under the Notes has not been claimed by the respective Noteholder within three years from the relevant due date thereof, the right to such payment shall become permanently forfeited. Such forfeiture to receive payment may cause financial losses to such Noteholders who have not claimed payment under the Notes within the time limit of three years.

GENERAL INFORMATION

The Issuer and Certain Other Parties

Issuer

Sanoma Corporation
Töölönlahdenkatu 2
FI-00100 Helsinki
Finland

Joint Lead Managers

Nordea Bank Abp
Satamaradankatu 5
FI-00500 Helsinki
Finland

OP Corporate Bank plc
Gebhardinaukio 1
FI-00510 Helsinki
Finland

Legal Advisor to the Issuer

White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

Auditor of the Issuer

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland

Responsibility Statement

This Listing Prospectus has been prepared by the Issuer and the Issuer accepts responsibility regarding the information contained in this Listing Prospectus. To the best knowledge of the Issuer, the information contained in this Listing Prospectus is in accordance with the facts and this Listing Prospectus makes no omission likely to affect its import.

Auditors

The Annual General Meeting of Shareholders of the Issuer, held on 25 March 2020, elected as its auditor Authorised Public Accountants PricewaterhouseCoopers Oy with Authorised Public Accountant (KHT) Samuli Perälä as auditor with principal responsibility for the conduct of the audit. The consolidated financial statements of the Issuer as at and for the year ended 31 December 2020 and as at and for the year ended 31 December 2019 have been audited by PricewaterhouseCoopers Oy with Authorised Public Accountant (KHT) Samuli Perälä, as auditor with principal responsibility for the conduct of the audit. Samuli Perälä is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

Special Cautionary Notice Regarding Forward Looking Statements

Certain statements in this Listing Prospectus, including but not limited to certain statements set forth under the captions "*Risk Factors*", "*Description of the Group*" and "*Financial Information and Future Outlook*", are based on the beliefs of Sanoma's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. When used in this Listing Prospectus, the words "aims", "anticipates", "assumes", "believes", "estimates", "expects", "will", "intends", "may", "plans", "should" and similar expressions as they relate to Sanoma or Sanoma's management identify certain of these forward-looking statements. The forward-looking statements are not guarantees of the future operational or financial performance of Sanoma and they involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Sanoma, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

In addition to factors that may be described elsewhere in this Listing Prospectus, such risks, uncertainties and other important factors include, among other things, the risks described in the section "*Risk Factors*" which could cause Sanoma's actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Sanoma's actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected.

The Issuer does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable rules or legislation.

Market and Industry Information

This Listing Prospectus contains information about Sanoma's markets and estimates regarding Sanoma's competitive position therein. Such information is prepared by Sanoma based on third-party sources and Sanoma's own internal estimates. In many cases, there is no publicly available information on such market data. Sanoma believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry sectors in which it operates as well as its position within these industry sectors. Although Sanoma believes that its internal market observations are fair estimates, they have not been reviewed or verified by any external experts and Sanoma cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Where certain market data and market estimates contained in this Listing Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither the Issuer nor the Joint Lead Managers have independently verified, and cannot give any assurances as to the appropriateness of, such information. Should this Listing Prospectus contain market data or market estimates in connection with no source has been presented, such market data or market estimate is based on Sanoma's management's estimates.

Additional Information

The Issuer or its debt securities have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Availability of Documents

This Listing Prospectus will be published on Sanoma's website at *www.sanoma.com/en/investors/financial-information/debt-investors/* on or about 19 March 2021.

No Incorporation of Website Information

For the avoidance of doubt, other than the parts of the documents incorporated by reference and specified in "*Documents Incorporated by Reference*", this Listing Prospectus and any prospectus supplement published on the Issuer's website, the contents of the Issuer's website or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

Notice to Investors

Each Joint Lead Manager has represented, warranted and undertaken, and each further Joint Lead Manager appointed will be required to represent, warrant and undertake, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Listing Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Listing Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Listing Prospectus or any related offering material, in all cases at their own expense.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of the Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Listing Prospectus to any retail investor in the UK. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Notice to Prospective Investors in the United States

The Notes have not been, and will not be, registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein the preceding sentence have the meanings given to them by Regulation S. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Notice to Prospective Investors in the UK

The Listing Prospectus may only be distributed to, and is directed at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that investment in the Notes is consistent with its financial needs, objectives and condition, complies and is consistent with the investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the material risks inherent in investing in or holding the Notes.

A prospective investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the effect that the Notes can have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(iv) understand fully the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either on its own or with the help of its financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legislative amendments may take place during the term of the Notes

The Notes are governed by the laws of Finland, as in force from time to time. Finnish laws and regulations, including, but not limited to, tax laws and regulations, governing the Notes may change during the term of the Notes and new judicial decisions can be given and new administrative practices can be implemented. The Issuer makes no representations as to the effect of any such changes of laws or regulations, or new judicial decisions or administrative practices after the date of this Listing Prospectus.

The completion of transactions relating to the Notes is dependent on Euroclear Finland's operations and systems

The Notes are issued in the book-entry securities system of Euroclear Finland. Pursuant to the Act on the Book-Entry System and Clearing and Settlement (348/2017, as amended; Fi: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta*), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are perfected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the terms and conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

TERMS AND CONDITIONS OF THE NOTES

Manufacturer target market (MIFID II and UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No EU PRIIPs or UK PRIIPs key information document (KID) will be prepared as not available to retail in EEA or the UK.

The Board of Directors of Sanoma Corporation (the "**Issuer**") has at its meeting on 5 March 2021 authorised the issuance of notes referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (622/1947, as amended) (Fi: *velkakirjalaki*). Based on the authorisation, the Issuer has decided to issue senior unsecured notes (the "**Notes**") on the terms and conditions specified below.

Nordea Bank Abp and OP Corporate Bank plc will act as Joint Lead Managers in connection with the offer and issue of the Notes (the "**Joint Lead Managers**").

1. Principal Amount and Issuance of the Notes

The principal amount of the Notes is two hundred million euros (EUR 200,000,000), or a higher amount as may be determined by the Issuer. The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Condition 16 (*Further Issues*).

The Notes will be issued in dematerialised form in the Infinity book-entry securities system of Euroclear Finland Ltd ("**Euroclear Finland**"), address Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland (or any system replacing or substituting the Infinity book-entry securities system in accordance with the rules and decisions of Euroclear Finland) in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland. The Notes cannot be physically delivered.

The issuer agent (Fi: *liikkeeseenlaskijan asiamies*) of the Notes referred to in the rules of Euroclear Finland (the "**Issuer Agent**") and the paying agent of the Notes (the "**Paying Agent**") is OP Custody Ltd.

The issue date of the Notes is 18 March 2021 (the "**Issue Date**").

The Notes will be offered for subscription in a minimum amount of one hundred thousand euro (EUR 100,000). The principal amount of each book-entry unit (Fi: *arvo-osuuden yksikkökoko*) is one hundred thousand euro (EUR 100,000). The aggregate number of the Notes is two thousand (2,000), or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

2. Subscription of the Notes

The Notes shall be offered for subscription to eligible counterparties and professional clients, subject to relevant selling restrictions, through a book-building procedure (*private placement*). The subscription period (the "**Subscription Period**") of the Notes shall commence and end on 11 March 2021.

Bids for subscription shall be submitted to Nordea Bank Abp, Nordea Markets / Institutional Sales, Aleksis Kiven katu 9, Helsinki, FI-00020 NORDEA, Finland, telephone +358 9 369 50880 and/or OP Corporate Bank plc / Markets, Gebhardinaukio 1, FI-00510 Helsinki, Finland, telephone +358 (0)10 252 7970 during the Subscription Period and within regular business hours.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription.

Subscriptions shall be paid for as instructed in connection with the subscription.

Notes subscribed and paid for shall be entered by the Issuer Agent to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as rules and decisions of Euroclear Finland.

3. Issue Price

The issue price of the Notes is 99.625 per cent.

4. Interest

The Notes bear fixed interest at the rate of 0.625 per cent. per annum.

Interest on the Notes will be paid annually in arrears commencing on 18 March 2022 and thereafter on each 18 March (each an "**Interest Payment Date**") until the Redemption Date (as defined below). Interest shall accrue for each interest period from and including the first day of the interest period to and excluding the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Redemption Date.

Interest in respect of the Notes will be calculated on the basis of the number of days elapsed in the relevant interest period divided by 365, or, in the case of a leap year, 366 (actual / actual ICMA).

5. Redemption

5.1 Redemption at Maturity

The Notes shall be repaid in full at their nominal principal amount on 18 March 2024 (the "**Redemption Date**"), unless the Issuer has redeemed or prepaid the Notes in accordance with Condition 5.2 (*Voluntary Total Redemption*), Condition 5.3 (*Clean-up Call Option*), Condition 9 (*Change of Control*) or Condition 10 (*Events of Default*) below.

5.2 Voluntary Total Redemption

The Issuer may, at its option, at any time, having given not less than thirty (30) nor more than sixty (60) days' notice (an "**Optional Redemption Notice**") to the Issuer Agent and to the holders of the Notes (the "**Noteholders**") in accordance with Condition 13 (*Notices and Right to Information*) (which notice shall be irrevocable and specify the date fixed for redemption) redeem, in whole but not in part, the aggregate principal amount of the Notes on the relevant date (the "**Optional Redemption Date**") specified for redemption in the relevant Optional Redemption Notice at a redemption price equal to:

(a) in the case of an Optional Redemption Date occurring before the date falling one (1) month prior to the Redemption Date, the Make-Whole Redemption Amount; or

(b) in the case of an Optional Redemption Date occurring on or after the date falling one (1) month prior to the Redemption Date, 100 per cent. of the outstanding principal amount of the Notes,

in each case together with accrued but unpaid interest up to, but excluding, the relevant Optional Redemption Date.

For the purposes of this Condition 5.2:

(i) "**Make-Whole Redemption Amount**" shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and will be the greater of (a) 100 per cent. of the principal amount of the Notes to be redeemed and (b) the sum of the then present values of each remaining scheduled payment of principal and interest up to, but excluding, the Redemption Date (for the avoidance of doubt, not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin;

(ii) "**Make-Whole Redemption Margin**" means 0.25 per cent;

(iii) "**Make-Whole Redemption Rate**" means, with respect to the relevant Optional Redemption Date, the rate *per annum* equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the Reference Date;

(iv) "**Reference Bond**" means DBR 1.75% 02/15/24;

(v) "**Reference Bond Dealer**" means each of the banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

(vi) "**Reference Bond Dealer Quotations**" mean, with respect to each Reference Bond Dealer and the relevant Optional Redemption Date, the arithmetic average, as determined by the Issuer or on behalf of the Issuer by such person as the Issuer shall designate, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 11.00 a.m. (Brussels time) on the Reference Date quoted by such Reference Bond Dealer;

(vii) "**Reference Bond Price**" means (a) the average of five (5) Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or (b) if the Issuer obtains fewer than five (5) such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations; and

(viii) “**Reference Date**” means the third (3rd) Business Day (as defined in Condition 7 (*Payments*)) prior to the Optional Redemption Date.

The calculations and determinations related to the Make-Whole Redemption Amount made by the Issuer or any party on behalf of the Issuer shall (save for manifest error) be final and binding upon all Noteholders.

5.3 Clean-up Call Option

If the outstanding aggregate principal amount of the Notes is twenty-five (25) per cent. or less of the aggregate principal amount of the Notes (for the avoidance of doubt, including any further issues of Notes under Condition 16 (*Further Issues*)), the Issuer may, at its option, at any time, having given not less than fifteen (15) nor more than forty-five (45) days’ Optional Redemption Notice to the Issuer Agent and to the Noteholders in accordance with Condition 13 (*Notices and Right to Information*) (which notice shall be irrevocable and specify the date fixed for redemption) redeem all (but not only some) of the outstanding Notes on the Optional Redemption Date specified for redemption in the relevant Optional Redemption Notice at their principal amount together with any accrued but unpaid interest up to, but excluding, the relevant Optional Redemption Date.

6. Status and Security

The Notes constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer ranking *pari passu* among each other and with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

7. Payments

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of Euroclear Finland.

Should any Interest Payment Date, Optional Redemption Date, Prepayment Date (as defined in Condition 9 (*Change of Control*)) or Redemption Date fall on a date which is not a Business Day (as defined below), the payment of the amount due will be postponed to the next following Business Day (as defined below). The postponement of the payment date shall not have an impact on the amount payable.

In these terms and conditions, “**Business Day**” shall mean a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

8. Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its subsidiaries (as defined below under Condition 10 (*Events of Default*)) will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that are capable of being listed on a stock exchange or subject to trading in a regulated market (if the issuer were a public limited liability company) or a multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the granting of such security interest is required under Finnish law or other law governing such notes, bonds or other debt securities, or unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either (a) are secured equally and rateably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Condition 12 (*Noteholders’ Meeting and Procedure in Writing*)).

9. Change of Control

If, after the Issue Date, any person or group of persons acting in concert, directly or indirectly, gains control of the Issuer (such event a “**Change of Control**”), the Issuer shall promptly after having become aware thereof notify the Noteholders of such event in accordance with Condition 13 (*Notices and Right to Information*).

Upon occurrence of a Change of Control, the Issuer shall, on the Prepayment Date (as defined below in this Condition 9), prepay at 100 per cent. of its principal amount together (if applicable) with interest then accrued on the Notes, held by the Noteholders who have required prepayment of Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

“**control**” means either:

(a) ownership of shares of the Issuer representing more than 50 per cent. of the total voting rights (being votes which are capable of being cast generally at meetings of shareholders) represented by the shares of the Issuer; or

(b) capability to appoint or remove at least the majority of the board of directors of the Issuer.

"**Prepayment Date**" means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 9.

10. Events of Default

If an Event of Default (as defined below) occurs, any holder of a Note may by a written notice to the Issuer declare the nominal principal amount of such Note together with the interest then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10th) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice and on the specified early repayment date. Interest accrues until the early repayment date (excluding the early repayment date).

Each of the following events shall constitute an Event of Default:

(a) *Non-payment:* Any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 14 (*Force Majeure*).

(b) *Non-compliance:* the Issuer does not comply with its obligations under Condition 8 (*Negative Pledge*).

(c) *Cross-default:* Any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of thirty million euros (EUR 30,000,000) or its equivalent in any other currency is accelerated prematurely because of an event of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof as extended by applicable grace period, if any, or if any security given by the Issuer for any such Indebtedness becomes enforceable by reason of an event of default. A Noteholder shall not be entitled to demand repayment under this sub-Condition (c) if the Issuer has bona fide contested the existence of the occurrence of an Event of Default under this sub-Condition (c) in the relevant court or in arbitration within forty-five (45) days of the date when the Issuer or its Material Subsidiary became aware of such alleged Event of Default as long as it has not been finally and adversely adjudicated against the Issuer.

"**Indebtedness**" means, for the purposes of these terms and conditions, any debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries.

(d) *Cessation of Business:* The Issuer ceases to carry on its current business in its entirety.

(e) *Winding-up:* An order is made or an effective resolution is passed for the winding-up (Fi: *selvitystila*), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (Fi: *perusteeton*) or vexatious (Fi: *oikeuden väärinkäyttö*), or (ii) in the case of a Material Subsidiary, on a voluntary solvent basis.

(f) *Insolvency:* (i) The Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors (excluding any Noteholder in its capacity as such) or (iii) an application is filed for the Issuer or any of its Material Subsidiaries being subject to bankruptcy (Fi: *konkurssi*) or re-organisation proceedings (Fi: *yrityssaneeraus*), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days.

"**Material Subsidiary**" means for the purposes of these terms and conditions, at any time, any subsidiary of the Issuer whose net sales (excluding intra-Group items) (consolidated in the case of a subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent not less than ten (10) per cent. of the consolidated net sales or the consolidated total assets of the Issuer's group (as defined below) taken as a whole, all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then most recent audited consolidated financial statements of the Issuer's group; or

"**subsidiary**" and "**group**" mean for the purposes of these terms and conditions a subsidiary and a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended) (Fi: *kirjanpitolaki*).

In respect of an Event of Default as specified in sub-Conditions (b)–(f) above, the Issuer shall notify each Noteholder in accordance with Condition 13 (*Notices and Right to Information*) without undue delay after becoming aware of the respective Event of Default.

11. Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

12. Noteholders' Meeting and Procedure in Writing

(a) The Issuer may convene a meeting of Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. Euroclear Finland and the Issuer Agent must be notified of a Noteholders' Meeting or a Procedure in Writing in accordance with the rules of Euroclear Finland.

(b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 13 (*Notices and Right to Information*) no later than ten (10) days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. Furthermore, the notice or the initiation shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholders' Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.

(c) Only those who, according to the register kept by Euroclear Finland in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to the Noteholders' Meeting or on the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by Euroclear Finland in accordance with Condition 13 (*Notices and Right to Information*), or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.

(d) A Noteholders' Meeting shall be held physically in Helsinki, Finland, or virtually, as determined by the Issuer, and its chair shall be appointed by the Issuer.

(e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if one (1) or more Noteholders holding in aggregate at least fifty (50) per cent. of the principal amount of the Notes outstanding are/is present (in person or by proxy) in the Noteholders' Meeting or provide/provides replies in the Procedure in Writing. Any holdings of the Notes by the Issuer and any companies belonging to Issuer's group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

(f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of and as determined by the Issuer, be adjourned for consideration at a Noteholders' Meeting to be convened on a date no earlier than ten (10) days and no later than forty-five (45) days after the original Noteholders' Meeting at a place to be determined by the Issuer. Correspondingly, if by the last day to reply in the Procedure in Writing no quorum is reached, the time for replies may be extended as determined by the Issuer. The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if one (1) or more Noteholders holding in aggregate at least ten (10) per cent. of the principal amount of the Notes outstanding are/is present in the adjourned Noteholders' Meeting or provide/provides replies in the extended Procedure in Writing.

(g) Notice of an adjourned Noteholders' Meeting or the extension of the time for replies in the Procedure in Writing, shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.

(h) Voting rights of the Noteholders shall be determined according to the principal amount of the Notes held on the date referred to in Condition 12(c) above. The Issuer and any companies belonging to its group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.

(i) Subject to Condition 12(j) below, resolutions shall be carried by a majority of more than fifty (50) per cent. of the votes cast.

(j) A Noteholders’ Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

(i) to amend these terms and conditions of the Notes; and

(ii) to grant a temporary waiver on these terms and conditions of the Notes.

However, consent of at least seventy-five (75) per cent. of the aggregate principal amount of the outstanding Notes is required to:

(i) decrease the principal amount of or interest on the Notes;

(ii) extend the maturity of the Notes;

(iii) amend the requirements for the constitution of a quorum at a Noteholders’ Meeting or Procedure in Writing; or

(iv) amend the majority requirements of the Noteholders’ Meeting or Procedure in Writing.

The consents can be given at a Noteholders’ Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders’ Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders’ Meeting or of the Procedure in Writing.

(k) When consent from the Noteholders representing the requisite majority, pursuant to Condition 12(i) or Condition 12(j), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired, provided that the Noteholders representing such requisite majority are registered as Noteholders on the list of Noteholders provided by Euroclear Finland in accordance with Condition 13 (*Notices and Right to Information*) on the date when such requisite majority is reached.

(l) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders’ Meeting.

(m) Resolutions passed at a Noteholders’ Meeting or in the Procedure in Writing shall be binding on all Noteholders irrespective of whether they have been present at the Noteholders’ Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.

(n) Resolutions passed at a Noteholders’ Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 13 (*Notices and Right to Information*). In addition, Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders’ Meeting or the Procedure in Writing.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders’ Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders’ Meeting or in a Procedure in Writing, which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, shall be subject to the consent of the Issuer.

13. Notices and Right to Information

Noteholders shall be advised of matters relating to the Notes by a stock exchange or a press release posted on the website of the Issuer. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Condition 13.

The Issuer may alternatively deliver notices relating to the Notes in writing directly to the Noteholders at the addresses appearing on the list of the Noteholders provided by Euroclear Finland in accordance with the below paragraph. Any such notice shall be deemed to have been received by the Noteholders on the third (3rd) Business Day following dispatch.

The Noteholders consent to the Issuer being entitled to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the relevant book-entry securities system from Euroclear Finland and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation applicable to the same. If requested by the Issuer Agent, the Issuer shall promptly obtain such information from Euroclear Finland and provide it to the Issuer Agent. The Issuer may also on a case by case basis authorise the Issuer Agent or any third party to receive the information referred to above from Euroclear Finland.

Address for notices to the Issuer is as follows:

Sanoma Oyj
Group Treasury
Töölönlahdenkatu 2
00100 Helsinki, Finland

14. Force Majeure

The Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

(a) action of any authorities, war or threat of war, rebellion or civil unrest;

(b) restrictive actions by authorities or other relevant instances relating to, or due to, coronavirus or other viruses leading to a pandemic;

(c) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;

(d) any interruption of or delay in any functions or measures of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;

(e) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

(f) any other similar force majeure or hindrance which makes it unduly difficult to carry on the activities of the Issuer, the Joint Lead Managers, the Issuer Agent or the Paying Agent.

15. Prescription

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within three (3) years from the original due date thereof, the right to such payment shall be forfeited by the Noteholder and the Issuer shall be permanently free from such payment.

16. Further Issues

The Issuer may from time to time, without the consent of and notice to the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the issued and, if needed, also the aggregate principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 16 shall not limit the Issuer's right to issue any other notes.

17. Information

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Sanoma Oyj, Töölönlahdenkatu 2, FI-00100 Helsinki.

18. Listing and Secondary Market

Following the issuance of the Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

Offers to purchase and sell Notes may be submitted to the Joint Lead Managers, but the Joint Lead Managers are under no obligation to maintain a secondary market for the Notes.

The Issuer shall be entitled to repurchase Notes from the secondary market in any manner and at any price. If purchases are made through a tender offer, the possibility to tender must be available to all Noteholders alike subject to restrictions arising from mandatory securities laws. The repurchased Notes may be held, resold or cancelled.

19. Applicable Law and Jurisdiction

The Notes are governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (Fi: *Helsingin käräjäoikeus*).

20. ISIN Code

The ISIN code of the Notes is FI4000490602.

ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorisations......................	Authorisation by the Board of Directors of the Issuer dated 5 March 2021.
Type of the issue	Individual issue of Notes. The principal amount of the Notes (EUR 200,000,000) was issued on 18 March 2021.
Interests of the Joint Lead Managers	Business interest customary in the financial markets. The net proceeds from the issue of the Notes will be used to repay the Bridge Loan Facility provided by the Joint Lead Managers.
Form of the Notes	Dematerialised securities issued in book-entry form in the book-entry system maintained by Euroclear Finland.
Depository and settlement system.............	Euroclear Finland Ltd, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland, Infinity system of Euroclear Finland.
Listing	Following the issuance of the Notes, an application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki.
Effective yield of the Notes on the Issue Date	At the issue price of 99.625 per cent., 0.752 per cent. per annum.
Estimated net amount of the proceeds	Approximately EUR 198.4 million.
Estimated cost of issue..............................	Approximately EUR 0.9 million.
ISIN Code of the Notes.............................	FI4000490602.
Reasons for offer and use of proceeds	Net proceeds from the issue of the Notes will be used to repay the EUR 200 million Bridge Loan Facility. For more information on the Bridge Loan Facility, see "*Description of the Group—Material Agreements—Financing Agreements*" below.

DESCRIPTION OF THE GROUP

Overview

Sanoma is the largest K12 (*i.e.*, primary, secondary and vocational education) learning company in Europe and cross-media company in Finland measured by revenues. The Group includes two operating segments which are also its two strategic business units: Sanoma Learning, which offers printed and digital learning materials, distribution services as well as digital learning and teaching platforms for primary, secondary and vocational education, and Sanoma Media Finland, which provides journalism and entertainment across multiple media and provides reach and marketing solutions for its business partners.

According to Sanoma, Sanoma Learning is the leading European learning company measured by revenues, serving over 20 million students in 11 countries. Through a portfolio of blended (*i.e.* printed and digital) learning materials, distribution services as well as digital learning and teaching platforms, it supports learning and teaching in primary, secondary and vocational education with an aim to grow throughout Europe. Sanoma aims to develop methodologies based on deep teacher and student insight and truly understanding individual needs. Sanoma Learning's mission is to make a positive impact on learning by enabling teachers and schools to help all students to reach their full potential.

Sanoma Media Finland is a leading media company in Finland measured by revenues. It provides information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels.

For the year ended 31 December 2020, the Group's net sales were EUR 1,062 million, EBIT was EUR 270 million and operational EBIT excluding purchase price allocation amortisations (operational EBIT excl. PPA) was EUR 157 million. As at 31 December 2020, the Group had operations in eleven European countries and 4,806 full-time equivalent employees.

History and Recent Developments

The Group was formed as a result of a merger on 1 May 1999 when newspaper publisher Sanoma Osakeyhtiö, book publisher Werner Söderström Ltd ("**WSOY**"), magazine publisher Helsinki Media Company Oy and investment company Oy Devarda Ab merged to form SanomaWSOY Corporation ("**SanomaWSOY**"). SanomaWSOY was listed on the Helsinki stock exchange on 1 May 1999. In October 2008, SanomaWSOY changed its name to Sanoma Corporation.

The internationalisation of the Group began in 2001 when SanomaWSOY acquired the consumer magazine operations of Dutch-based VNU. The international development of magazine operations continued, and in 2005, the Group expanded its operations to Russia and the Ukraine as a result of the acquisition of Independent Media Holding B.V. and its subsidiaries.

The internationalisation of the Group's educational publishing business began in 2004 when WSOY acquired Malmberg Investments B.V., a publisher focused on educational material for primary and secondary education as well as on vocational training with operations in the Netherlands and Belgium and VAN IN, an educational publisher in Belgium and was continued in 2008 with the acquisition of Nowa Era in Poland.

In 2010, the Group restructured its business operations in order to focus on its core businesses by divesting Finland's largest cable TV operator, Welho, in exchange for a 21 per cent. interest in the purchaser, DNA Ltd, a telecommunications group offering voice call, data, mobile and digital TV services in Finland. The Group sold its entire shareholding in DNA Ltd in March 2012.

In 2011, the Group continued to strengthen its focus on its core businesses by divesting its movie operations in Finland, Latvia, Lithuania and Estonia and its Romanian press distribution and kiosk operations. In 2011, the Group also agreed to acquire the free-to-air TV and magazine assets of SBS Broadcasting Group ("**SBS**") in the Netherlands and Belgium, and the Group announced that it had completed the acquisition of the assets comprising the Tammi Learning business, an educational publisher in Finland, and all of the shares in the Swedish educational publisher Bonnier Utbildning from the Swedish media group Bonnier AB ("**Bonnier**"). At the same time, the Group sold its shares in WSOY, a general literature publisher in Finland, to Bonnier.

In 2012, the Group divested its kiosk operations in Finland, Estonia and Lithuania and its press distribution operations in Estonia and Lithuania, including the Rautakirja trademark, as well as its bookstore operations in Estonia. The Group also did a number of smaller divestments and acquisitions to develop the Group's portfolio in 2012.

The Group's withdrawal from the Eastern European market concluded in 2015 with the divestment of its 50 per cent. ownership in the Russian Fashion Press and Mondadori Independent Media.

In 2017, the Group divested its 67 per cent. stake in the Dutch TV business SBS.

In 2018, the Group strengthened its position in the Finnish festival and event business through the acquisition of a 60 per cent. stake in N.C.D. Production Oy and its group companies. In addition, the Group completed the divestment of its Belgian women's magazine portfolio.

In 2019, the Group acquired Iddink Group ("**Iddink**"), a leading Dutch educational platform and service provider. Through the acquisition, the Group entered the integrated digital educational platform business for secondary and vocational education. To complement its product portfolio in secondary education in the Netherlands, Sanoma also acquired Essener, the leading Dutch publisher of blended learning methods for social sciences. In addition, Sanoma strengthened its position within the learning services market in Spain by acquiring Clickedu, one of the leading providers of digital learning platforms. In the end of 2019, Sanoma announced the acquisition of itslearning, an international provider of cloud-based learning platforms that operated in nine countries and had approximately 200 employees.

In April 2020, the Group divested its Sanoma Media Netherlands strategic business unit and acquired Alma Media's Finnish regional news media business. The acquired business consisted of Alma Media Kustannus Oy, publisher of leading regional newspapers Aamulehti and Satakunnan Kansa, as well as thirteen local newspapers in the Tampere region, Western Finland and Central Finland. It also included Alma Manu Oy, provider of printing services with a state-of-the-art printing facility in Tampere.

In July 2020, the Group divested its online classifieds business Oikotie Oy in Finland.

On 31 December 2020, the Group completed the acquisition of Santillana Spain, part of Santillana Group, the Spanish learning business division of Grupo Prisa. For more information, see "*—Santillana Acquisition*" below. In addition, certain Learning operations that are under strategic review were classified as discontinued operations during the course of 2020.

Strategy

The Group considers that it has two focused and leading businesses poised for further growth. The Group's strategic focus areas are the following:

- the Group continues to grow Sanoma Learning, which is a leading European K12 learning business;
- the Group is the leading cross-media company in Finland and it continues its successful digital transformation;
- the Group has EUR 300 million to EUR 400 million in headroom for M&A and focus on growing Sanoma Learning further;
- the Company pays a solid dividend in accordance with its dividend policy; and
- the Group is a sustainable investment in learning and media that has a positive impact on society.

Business of the Group

Overview

The Group has two strategic business units, Sanoma Learning and Sanoma Media Finland, which are also the Group's reporting segments.

The following table sets forth certain financial information by operating segment for the years indicated:

	For the year ended 31 December	
	2020	2019
		(restated)[1]
	(audited)	(unaudited)
	(EUR in millions)	
Net sales		
Learning	499.7	336.0
Media Finland	562.6	576.8
Unallocated/eliminations	(0.5)	(0.3)
Total	1,061.7	912.6
EBIT		
Learning	66.4	57.4
Media Finland	209.6	54.9
Other operations	(5.8)	(7.9)
Total	270.1	104.5
Operational EBIT excl. PPA		
Learning	95.9	75.6
Media Finland	66.6	69.4
Other operations	(5.9)	(7.4)
Total	156.5	137.6

(1) In Sanoma's financial statements for the year ended 31 December 2020, the figures for the year ended 31 December 2019 have been restated due to classification of certain Learning operations that are under strategic review as discontinued operations in accordance with "*IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*".

Sanoma Learning

Sanoma Learning is a leading European provider of printed and digital (*i.e.*, blended) learning solutions for K12 (*i.e.*, primary, secondary and vocational education). It operates in eleven countries serving approximately 20 million students. The business operations of Sanoma Learning consist of Santillana Spain in Spain, VAN IN in Belgium, Sanoma Pro in Finland, Malmberg in the Netherlands, Nowa Era in Poland, Sanoma Utbildning in Sweden, Iddink in the Netherlands, Belgium and Spain, itslearning in Norway, Sweden, Denmark, Finland, Germany, The Netherlands, France and the UK. Sanoma Learning supports learning and teaching in primary, secondary and vocational education through a portfolio of modern, blended learning materials, distribution services and digital platforms. Sanoma Learning's mission is to make a positive impact on learning by enabling teachers and schools to help all students to reach their full potential.

Sanoma Learning publishes a wide range of learning material in printed and digital format mainly for primary, secondary and vocational education. Sanoma Learning also produces materials and training for teachers and other professionals. Sanoma Learning's sales are primarily generated through the sale of educational books and granting access to online learning platforms.

Sanoma Media Finland

Sanoma Media Finland provides information, experiences, inspiration and entertainment through multiple media platforms, with an increasing focus on its three core strategic businesses, including news and feature, entertainment and business to business marketing solutions. Sanoma Media Finland includes leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop.

Sanoma Media Finland is the largest newspaper publisher in Finland in terms of circulation (source: *Media Audit Finland*). Sanoma Media Finland publishes Helsingin Sanomat, one of the largest daily newspapers in the Nordics, and 13 local and regional newspapers, including Aamulehti and Satakunnan Kansa. It also publishes Finland's largest tabloid, Ilta-Sanomat, the website of which is among the most visited websites in Finland. It operates four free TV channels in Finland: Nelonen, Liv, Jim and Hero. In addition, Sanoma has an ad sales representation deal with Fox regarding its free TV channels Fox and National Geographic. Sanoma Media Finland also operates Ruutu, a video-on-demand (VOD) service. Sanoma Media Finland includes a radio portfolio consisting of eight stations. Sanoma Media Finland is a leading magazine publisher in Finland and its magazine portfolio contains approximately 20 titles. Sanoma Media Finland has developed and offered online services to its customers early on in the development of the internet. Most of its print, radio and TV brands also have popular online services.

Other Operations

Other operations include head office functions, real estate assets and Group eliminations.

Group Legal Structure and Significant Subsidiaries

Sanoma Corporation, business ID 1524361-1, is a public limited liability company. The Issuer was incorporated under Finnish law and registered with the Finnish Trade Register on 1 May 1999. The Issuer's principal and registered office is located at Töölönlahdenkatu 2, FI-00100 Helsinki, Finland and the telephone number of its registered office is +358 105 1999. The Issuer's legal entity identifier is 743700XJC24THUPK0S03. The Group consists of the parent company Sanoma Corporation and its consolidated subsidiaries. Sanoma Corporation is a holding company of the Group and it does not engage in any significant business activities. For further information on the most significant subsidiaries of the Issuer, see note 28 to the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020.

According to Article 2 of the Company's Articles of Association, the Company's field of business is to practice all types of business related to media and learning as well as any business related to media and learning or any supporting business thereof. The Company may practice the business itself or through its subsidiaries or affiliates. As the parent company, the Company may also handle shared tasks of the Group companies, such as administrative services and funding, and own property, shares and other securities.

Shares and Ownership

As at 31 December 2020, the Issuer had a share capital of EUR 71,258,986.82, consisting of 163,565,663 shares. The shares are listed on Nasdaq Helsinki under ticker symbol SAA1V, ISIN code FI0009007694. All shares have equal voting and other shareholder rights and carry equal entitlement to a share of the Issuer's assets and profits.

The following table sets forth the ten largest shareholders of the Issuer that appear on the shareholder register maintained by Euroclear Finland as at 28 February 2021:

	As at 28 February 2021	
	Number of Shares	**Percentage of Shares and votes**
		(per cent.)
Jane and Aatos Erkko Foundation	39,820,286	24.35
Antti Herlin and companies under his control:		
Holding Manutas Oy	19,685,000	12.03
Antti Herlin	31,800	0.02
Total Antti Herlin companies under his control	19,716,800	12.05
Robin Langenskiöld	12,273,371	7.50
Rafaela Seppälä	10,273,370	6.28
Helsingin Sanomat Foundation	4,701,570	2.87
Ilmarinen Mutual Pension Insurance Company	4,400,000	2.69
Alex Noyer	1,903,965	1.16
Lorna Aubouin	1,852,470	1.13
The State Pension Fund	1,760,000	1.08
Foundation for Actors' Old-Age Home	1,700,000	1.04
Ten largest shareholders total	98,401,832	60.16
Nominee-registered shareholders	22,153,385	13.54
Other shareholders	43,010,446	26.30
Total	163,565,663	100.00

Source: Euroclear Finland Ltd.

Intellectual Property Rights

Key IPRs related to Sanoma's products and services are copyrights including publishing rights, trademarks, business names, domains, and know-how owned and licensed by the Group. Sanoma manages its IPR in accordance with the group-wide IPR policy and procedures.

Information Technology

Sanoma's IT systems include online services, digital learning platforms, newspaper and magazine subscriptions, advertising and delivery systems, as well as various systems for production control, customer relations management, and supporting functions.

Regulation

Sanoma is subject to a wide range of laws and regulations in the countries in which it operates in relation to matters including, for example, intellectual property, health and safety, consumer protection and marketing, environment, employment, competition, securities markets and company law, data protection, international trade and taxation.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Listing Prospectus which may have or have in such period had significant effects on the Issuer or the financial position or profitability of the Group.

Material Agreements

Financing Agreements

Syndicated Term Loan

On 3 December 2020, the Issuer signed a EUR 200 million syndicated term loan with a group of ten relationship banks. The maturity of the loan is three years, with a one year extension option. The term loan was used to partially finance the Santillana Acquisition. With the term loan, the Issuer converted EUR 200 million of the acquisition-related Bridge Loan Facility into a long-term syndicated term loan facility.

Bridge Loan Facility

On 19 October 2020, the Issuer signed a EUR 480 million committed bridge loan with two relationship banks (the "**Bridge Loan Facility**"). The maturity of the loan is one year with a six-month extension option. On 3 December 2020, EUR 200 million of the Bridge Loan Facility was converted into a EUR 200 million long-term syndicated term loan facility. A total of EUR 200 million of the Bridge Loan Facility was drawn for the funding of the Santillana Acquisition on 31 December 2020, and the rest of the Bridge Loan Facility (EUR 80 million) was cancelled. Net proceeds from the issue of the Notes will be used to repay the EUR 200 million Bridge Loan Facility.

Syndicated Credit Facility

On 4 February 2019, the Issuer signed a EUR 550 million syndicated term loan and credit facility with a group of nine relationship banks. The facility has two tranches, a EUR 250 million term loan facility with four year maturity and a EUR 300 million bullet revolving credit facility with five year maturity. The term loan is to be repaid in three annual instalments of EUR 50 million starting from the third quarter of 2020, with a final repayment of EUR 100 million at maturity. The term loan was fully used for the acquisition of Iddink. After a voluntary repayment of EUR 50 million in May 2020 and amortisations, the current amount of the term loan facility is EUR 150 million. The revolving credit facility is for general corporate purposes and is mainly intended to be used as a back-up facility for commercial paper issues and is, as at the date of this Listing Prospectus, fully undrawn.

Commercial Paper Programmes

In Finland, the Group has an EUR 800 million commercial paper programme with eight co-operation banks. In Belgium, the Group has a EUR 300 million commercial paper programme, arranged by ING Belgium SA/NV. As at 31 December 2020, a total of EUR 15.4 million of Sanoma's commercial paper programmes was outstanding.

Santillana Acquisition

On 31 December 2020, the Issuer completed the acquisition of Santillana Spain, part of Santillana Group, the Spanish learning business division of Grupo Prisa. Santillana Spain is a provider of learning materials, primarily textbooks, for primary and secondary education in Spain. It offers schools, students and parents recognized and reputable high-quality learning content under well-known brands, such as Santillana, Loqueleo and Richmond, which the Group will have the right to use through exclusive license agreements. With the acquisition, the Group expands its position in the Spanish primary and secondary education learning services market, which is one of the largest in Europe. The Group considers the acquisition a strong next step in its strategic transformation into a growing European learning company and a leading cross-media company in Finland. For the year ended 31 December 2020, 57 per cent. of Santillana Spain's net sales were from primary learning, 25 per cent. from lower secondary learning, 7 per cent. from pre-school learning, 5 per cent. from upper secondary learning and 6 per cent. from other operations.

The cash and debt free purchase price of Santillana Spain was EUR 465 million, including approximately EUR 56 million of net debt and adjustments as at 31 December 2020, and, therefore, the final purchase price was EUR 409 million. Upon completion of the Santillana Acquisition, Santillana Spain's 586 employees became employees of Sanoma Learning. Santillana Spain will be reported as part of Sanoma Learning as of 31 December 2020.

With the Santillana Acquisition, the Group expects to obtain a leading position in the learning content market in Spain where it already operated before in learning content distribution services as well as in digital platforms for teaching and administration. Spain is one of the largest educational markets in Europe with 6.4 million students in primary, secondary and vocational education, and an annual spend in primary and secondary education learning materials of approximately EUR 600 million, including both public and private funding (Source: *Comercio Interior del Libro en España*).

The Group estimates that the Santillana Acquisition will create run-rate net annual synergies of approximately EUR 4 million. The Group expects the synergies to be realised in full during 2022 and mainly relate to procurement, technology as well as shared operations and support functions. For unaudited pro forma financial information giving effect to the Santillana Acquisition, see "*Unaudited Pro Forma Financial Information*".

FINANCIAL INFORMATION AND FUTURE OUTLOOK

General

The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2020 and 2019 have been incorporated by reference into this Listing Prospectus. See "*Documents Incorporated by Reference*". The Issuer's audited consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU.

Financial information set forth in this Listing Prospectus has been derived from the Issuer's audited consolidated financial statements incorporated by reference into this Listing Prospectus, except for where indicated that figures are derived from the Issuer's unaudited pro forma combined financial information (the "**Pro Forma Information**"). See "*Unaudited Pro Forma Financial Information*". Financial information set forth in this Listing Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

Alternative Performance Measures

The Issuer presents in this Listing Prospectus alternative performance measures of historical financial performance and financial position, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority ("**ESMA**"), are not accounting measures defined or specified in IFRS (the "**Alternative Performance Measure**"). The Issuer presents Alternative Performance Measures as supplemental information to measures presented in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In Issuer's view, the Alternative Performance Measures are provided to reflect the underlying business performance and to enhance comparability between reporting periods and provide meaningful and useful information about the financial position of the Issuer for the management, investors, securities market analysts and other parties. For definitions and reasons to use alternative performance measures, see "*Key indicators*" and "*Definitions of key indicators*" in the Issuer's audited consolidated financial statements as of and for the year ended 31 December 2020 that have been incorporated by reference into this Listing Prospectus.

Alternative Performance Measures should not be viewed in isolation or as a substitute to the measures under IFRS. All companies do not calculate Alternative Performance Measures in a uniform way, and, therefore, the Alternative Performance Measure presented in this Listing Prospectus may not be comparable with similarly named measures presented by other companies.

The Alternative Performance Measures are unaudited.

Certain Other Financial Information for Sanoma

The following tables sets forth certain other information for Sanoma for the years ended 31 December 2020, 2019, 2018, 2017 and 2016 and as at and for the three months ended 31 March, 30 June, 30 September and 31 December 2020, 2019 and 2018, respectively. The additional financial information presented herein have been derived from Sanoma's audited historical consolidated financial statements or unaudited interim reports as applicable.

The following table sets forth the consolidated income statement information for the quarterly periods indicated:

	2020				2019(1)				2018(2)			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	(unaudited)				(restated) (unaudited) (EUR in millions)				(restated) (unaudited)			
Net sales	227.3	400.8	246.0	187.6	205.4	284.7	259.6	162.8	184.1	287.0	254.4	165.9
Other operating income	12.0	173.9	15.0	6.5	8.7	7.2	7.6	7.5	10.4	9.0	10.8	7.8
Materials and services	(74.7)	(160.9)	(65.7)	(55.2)	(59.5)	(95.2)	(77.8)	(50.0)	(56.3)	(105.2)	(72.2)	(48.7)
Employee benefit expenses	(83.0)	(66.7)	(73.6)	(71.6)	(69.6)	(56.1)	(58.7)	(58.1)	(68.9)	(54.1)	(57.7)	(58.2)
Other operating expenses	(53.3)	(37.8)	(40.2)	(40.7)	(47.9)	(39.5)	(39.1)	(38.3)	(51.7)	(42.5)	(43.4)	(42.0)
Share of results in joint ventures	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Depreciation, amortisation and impairment losses	(51.1)	(42.7)	(38.8)	(43.6)	(46.8)	(31.6)	(37.3)	(34.1)	(31.6)	(25.4)	(31.0)	(34.4)
EBIT	(22.7)	266.9	42.8	(17.0)	(9.5)	69.7	54.4	(10.1)	(13.8)	68.9	61.0	(9.4)
Share of results in associated companies	(0.1)	0.0	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)	0.1
Financial income	1.7	1.5	(0.3)	4.1	0.6	0.6	0.5	1.4	1.2	0.5	2.2	1.0
Financial expenses	(3.8)	(3.8)	(3.3)	(4.8)	(5.4)	(7.7)	(5.9)	(5.9)	(4.3)	(4.1)	(4.7)	(4.4)
Result before taxes	(25.0)	264.6	39.1	(17.7)	(14.3)	62.6	49.1	(14.7)	(16.8)	65.2	58.4	(12.7)
Income taxes	1.4	(20.4)	(9.5)	5.3	4.6	(13.6)	(12.6)	3.7	1.8	(12.6)	(13.5)	2.7
Result for the period from continuing operations	(23.5)	244.2	29.5	(12.4)	(9.7)	49.0	36.5	(11.0)	(15.0)	52.7	44.9	(10.0)
Discontinued operations												
Result for the period from discontinued operations	(3.4)	0.1	4.0	8.7	(93.6)	10.2	13.5	18.3	10.0	15.0	23.1	4.9
Result for the period	**(26.9)**	**244.3**	**33.5**	**(3.8)**	**(103.2)**	**59.2**	**50.0**	**7.3**	**(5.0)**	**67.6**	**68.0**	**(5.1)**

(1) In Sanoma's financial statements for the year ended 31 December 2020, the figures for the year ended 31 December 2019 have been restated due to classification of certain Learning operations that are under strategic review as discontinued operations in accordance with "*IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*".

(2) In Sanoma's financial statements for the year ended 31 December 2019, the figures for the year ended 31 December 2018 have been restated due to classification of Sanoma Media Netherlands as discontinued operations in accordance with "*IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*".

The following table sets forth the condensed consolidated balance sheet information as at the dates indicated:

	2020				2019				2018				2017(1)
	As at 31 Dec	As at 30 Sep	As at 30 Jun	As at 31 Mar	As at 31 Dec	As at 30 Sep	As at 30 Jun	As at 31 Mar	As at 31 Dec	As at 30 Sep	As at 30 Jun	As at 31 Mar	As at 31 Dec
	(audited)	(unaudited)			(audited)	(unaudited) (EUR in millions)			(audited)	(unaudited)			(unaudited)
Non-current assets	1,746.7	1,295.2	1,317.3	1,208.4	1,225.2	1,773.6	1,410.3	1,428.7	1,280.1	1,304.7	1,304.0	1,307.5	1,309.8
Current assets	301.1	394.5	276.0	160.1	153.5	364.3	311.0	262.6	238.8	380.4	367.2	268.0	277.8
Assets held for sale and discontinued operations	0.4	0.8	2.8	607.3	619.2	–	–	–	–	–	–	2.8	2.4
Assets, total	2,048.3	1,690.5	1,596.1	1,975.7	1,997.9	2,137.9	1,721.3	1,691.3	1,519.0	1,685.1	1,671.1	1,578.3	1,590.1
Equity	709.9	735.7	491.9	455.7	550.9	651.9	588.8	546.9	611.4	625.7	558.7	487.1	547.1
Non-current liabilities	636.4	375.7	436.3	450.4	452.8	454.6	219.2	226.9	70.4	265.8	268.4	268.1	273.3
Current liabilities	701.4	578.1	664.0	879.8	770.8	1,031.4	913.3	917.4	837.2	793.6	843.9	812.8	759.2
Liabilities related to assets held for sale and discontinued operations	0.7	1.0	3.9	189.8	223.3	–	–	–	–	–	–	10.4	10.6
Liabilities, total	1,338.4	954.8	1,104.2	1,520.0	1,447.0	1,486.0	1,132.5	1,144.3	907.6	1,059.4	1,112.4	1,091.2	1,043.0
Equity and liabilities, total	2,048.3	1,690.5	1,596.1	1,975.7	1,997.9	2,137.9	1,721.3	1,691.3	1,519.0	1,685.1	1,671.1	1,578.3	1,590.1

(1) Restated due to adoption of "*IFRS 15 – Revenue from Contracts with Customers*".

The following table sets forth the condensed consolidated cash flow statement information as at and for the periods indicated:

	2020				2019				2018[1]			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	(unaudited, unless otherwise indicated) (EUR in millions)											
Cash flow from operations	41.9	139.3	6.6	(50.4)	86.0	104.2	8.0	(35.1)	79.7	89.7	8.6	(37.2)
Cash flow from investments	(414.9)	170.9	360.2	(10.0)	(34.0)	(206.6)	(3.3)	31.2	2.9	(2.2)	(7.6)	(6.8)
of which, capital expenditure	(11.5)	(9.8)	(11.4)	(9.8)	(11.0)	(6.7)	(7.9)	(6.1)	(10.5)	(7.3)	(7.0)	(7.2)
Cash flow from financing	316.3	(165.3)	(338.5)	43.1	(68.3)	113.4	(27.7)	30.0	(91.0)	(94.7)	17.7	41.1
Cash and cash equivalents at the end of period[2]	114.6[3]	170.8	26.5	(2.0)	15.9[3]	32.0	21.3	44.5	18.4[3]	26.9	33.9	15.3

(1) Sanoma adopted "*IFRS 16 – Leases*" as of 1 January 2019 using the modified retrospective method, and consequently financials for the year ended 31 December 2018 have not been restated.
(2) Includes cash and cash equivalents of discontinued operations, which are presented as part of assets held for sale in the balance sheet.
(3) Audited.

Additional Operating Segment Information

Sanoma Learning

The following table sets forth additional segment information for Sanoma Learning for the years indicated:

	For the year ended 31 December	
	2017[1]	2016
	(restated) (unaudited	(audited, unless otherwise indicated)
	(EUR in millions, unless otherwise indicated)	
External net sales	318.3	282.5
Internal net sales	0.0	0.1
Net sales	318.3	282.6
EBIT	43.9	67.4
Operational EBIT[2]	55.6	56.8
Operational EBIT margin, per cent.[3]	17.5	20.1[4]

(1) Restated due to adoption of "*IFRS 15 – Revenue from Contracts with Customers*".
(2) In 2017 and 2016, Sanoma's decisions concerning assessing the performance of operating segments and allocating resources to the segments were based on segments' EBIT and operational EBIT. Prior year information has not been restated to exclude PPA amortisation.
(3) Sanoma has presented Operational EBIT margin as an alternative performance measure. Operational EBIT margin is calculated by dividing operational EBIT with net sales.
(4) Unaudited.

The following table sets forth the reconciliation of comparable net sales and comparable net sales growth for Sanoma Learning for the years indicated:

	For the year ended 31 December									
	2020	2019[2]	2019	2018	2018	2017[3]	2017	2016	2016	2015
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)									
Net sales	499.7[4]	336.0	336.7[4]	313.3[4]	313.3[4]	318.3	319.9[4]	282.6[4]	282.6[4]	280.3[4]
Adjustment to reported net sales[1]			(0.7)	(2.1)						
Impact of acquired and divested operations	(147.9)	0.5	(23.5)	(0.0)	(0.0)	(0.0)	(5.4)	(0.0)	(9.3)	(0.0)
Comparable net sales	351.8	336.6	312.6	311.2	313.3	318.3	314.5	282.6	273.3	280.3
Comparable net sales growth, per cent.	5		0		(2)		11		(3)	

(1) Adjustment to reported net sales relates to certain Learning operations under strategic review.
(2) In Sanoma's financial statements for the year ended 31 December 2020, the figures for the year ended 31 December 2019 have been restated due to classification of certain Learning operations that are under strategic review as discontinued operations in accordance with "*IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*".
(3) Restated due to adoption of IFRS 15 – Revenue from Contracts with Customers.
(4) Audited.

Sanoma Media Finland

The following table sets forth additional segment information for Sanoma Media Finland for the interim periods indicated below:

	For the three months ended 31 March		For the three months ended 30 June		For the three months ended 30 September		For the three months ended 31 December	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	(unaudited) (EUR in millions, unless otherwise indicated)							
External net sales	129.7	131.5	130.7	154.4	140.9	146.4	160.7	144.2
Internal net sales	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1
Net sales	129.9	131.6	130.9	154.5	141.0	146.5	160.8	144.2
EBIT	5.3	9.3	9.4	14.7	184.5	19.0	10.4	11.9
Operational EBIT excl. PPA	9.5	13.5	16.0	19.4	23.7	21.7	17.3	14.7
Operational EBIT margin excl. PPA, per cent.[1]	7.3	10.3	12.3	12.6	16.8	14.8	10.7	10.2

(1) Sanoma presents Operational EBIT margin excl. PPA as an alternative performance measure. Operational EBIT margin excl. PPA is calculated by dividing operational EBIT excl. PPA with net sales.

Reconciliation of Certain Alternative Performance Measures

The following table sets forth the reconciliation of Sanoma's equity ratio for the years indicated:

	As at 31 December			
	2020	**2019**	**2018**	**2017**[2]
	(unaudited, unless otherwise indicated) (EUR in millions, unless otherwise indicated)			
Equity total	709.9[1]	550.9[1]	611.4[1]	547.1
Balance sheet total	2,048.3[1]	1,997.9[1]	1,519.0[1]	1,590.1
Advances received	152.3	188.8	152.1	158.7
Equity ratio, per cent.	37.4	30.5	44.7	38.2

(1) Audited.

(2) Restated due to adoption of "*IFRS 15 – Revenue from Contracts with Customers*".

The following table sets forth the reconciliation of Sanoma's net debt for the periods indicated:

	2020				2019				2018[2]			
	As at 31 Dec	**As at 30 Sep**	**As at 30 Jun**	**As at 31 Mar**	**As at 31 Dec**	**As at 30 Sep**	**As at 30 Jun**	**As at 31 Mar**	**As at 31 Dec**	**As at 30 Sep**	**As at 30 Jun**	**As at 31 Mar**
	(unaudited, unless otherwise indicated) (EUR in millions)											
Non-current financial liabilities	317.7[3]	120.9	171.8	227.9	227.9[3]	219.5	8.5	8.3	2.8[3]	199.4	197.9	195.3
Current financial liabilities	265.0[3]	91.2	199.9	466.6	400.7[3]	420.0	417.6	382.3	352.1[3]	223.8	307.2	261.4
Non-current lease liabilities	163.2	165.6	171.8	157.2	162.0	165.6	157.7	162.5	1.5[3]	1.5	1.5	1.6
Current lease liabilities	29.5	27.4	27.4	27.2	27.3	25.5	22.9	22.7	0.3[3]	0.3	0.3	0.3
Cash and cash equivalents	(114.6)[3]	(170.9)	(26.8)	(22.7)	(23.2)[3]	(32.8)	(28.7)	(44.7)	(18.8)[3]	(33.1)	(34.1)	(19.6)
Net debt[1]	660.7[3]	234.2	543.9	856.3	794.7[3]	797.8	578.0	531.1	337.8[3]	391.9	472.8	438.9

(1) Net debt includes financial assets and liabilities that are presented as part of assets and liabilities held for sale in the balance sheet.

(2) Sanoma adopted "*IFRS 16 – Leases*" as of 1 January 2019 using the modified retrospective method, and consequently financials for 2018 have not been restated. In 2018 reporting, lease liabilities were presented as part of financial liabilities in the balance sheet.

(3) Audited.

The following table sets forth the reconciliation of Sanoma's operational EBIT excl. PPA and operational EBITDA from continuing operations for the periods indicated:

	2020				2019				2018			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	(unaudited) (EUR in millions)											
EBIT	(22.7)	266.9	42.8	(17.0)	(9.5)	69.7	54.4	(10.1)	(13.8)	68.9	61.0	(9.4)
Items affecting comparability												
Restructuring expenses	(14.9)	(4.0)	(5.5)	(4.1)	(7.5)	(6.5)	(4.8)	(4.3)	(7.1)	(4.0)	(1.7)	(1.8)
Impairments	(0.6)		–	–	–	–	–	–	–	–	–	–
Capital gains/losses	0.0	165.0	–	–	–	–	0.5	–	0.3	1.4	3.3	–
IACs total	(15.5)	161.0	(5.5)	(4.1)	(7.5)	(6.5)	(4.3)	(4.3)	(6.8)	(2.6)	1.6	(1.8)
Purchase price allocation amortisations and adjustments (PPAs)	(5.7)	(5.8)	(5.7)	(5.1)	(4.7)	(2.0)	(1.9)	(1.9)	(1.9)	(1.8)	(1.6)	(1.3)
Operational EBIT excl. PPA	(1.5)	111.8	54.0	(7.8)	2.7	78.1	60.6	(3.9)	(5.1)	73.3	60.9	(6.3)
Depreciation of buildings and structures	(6.4)	(6.2)	(5.8)	(5.4)	(4.5)	(4.7)	(4.7)	(4.7)	(0.1)	(0.1)	(0.1)	(0.1)
Depreciation of rental books	(1.9)	(3.5)	(4.0)	(3.9)	(3.7)	–	–	–	–	–	–	–
Amortisation of film and TV broadcasting rights	(19.1)	(10.5)	(9.2)	(13.7)	(15.3)	(10.3)	(17.2)	(14.4)	(12.4)	(8.9)	(15.8)	(19.4)
Amortisation of prepublication rights	(5.6)	(5.1)	(4.4)	(5.6)	(4.8)	(5.0)	(5.1)	(5.0)	(5.9)	(5.8)	(5.6)	(5.9)
Other depreciations, amortisations and impairments	(12.5)	(11.6)	(9.8)	(9.9)	(13.8)	(9.6)	(8.4)	(8.1)	(11.2)	(8.8)	(7.9)	(7.7)
Items affecting comparability in depreciation, amortisation and impairments	0.6	–	–	–	–	–	–	–	(0.1)	0.2	–	–
Operational EBITDA	43.4	148.6	87.2	30.8	44.8	107.7	96.0	28.3	24.7	96.7	90.3	26.8

The following table sets forth the reconciliation of Sanoma's adjusted EBITDA including continued and discontinued operations for the periods indicated:

	2020				2019				2018			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	(unaudited) (EUR in millions)											
12-month rolling operational EBITDA	329.3	356.0	323.7	359.1	356.4	345.8(1)	346.1(1)	347.7(1)	326.3	323.0	321.7	350.9
Impact of acquired and divested operations	18.1	(37.7)	(30.3)	21.1	31.0	35.7	(3.6)	(5.3)	(0.2)	0.4	4.3	(36.4)
Impact of programming rights	(52.7)	(50.8)	(51.4)	(52.8)	(59.9)	(55.9)	(53.3)	(56.5)	(52.7)	(60.0)	(78.7)	(74.8)
Impact of prepublication rights	(31.9)	(23.7)	(24.2)	(24.0)	(23.2)	(25.0)	(25.2)	(24.3)	(24.6)	(22.7)	(22.7)	(24.3)
Impact of rental books	(10.7)	(9.7)	(8.1)	(13.8)	(13.8)	(13.1)	–	–	–	–	–	–
Adjusted EBITDA	252.1	234.0	209.8	289.5	290.4	287.5	264.0	261.5	248.8	240.8	224.6	215.3

(1) Restated as if "*IFRS 16 – Leases*" had been applied for the 12-month period.

Material Adverse Changes in the Prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since 31 December 2020, which is the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published.

Significant Changes in the Issuer's Financial Performance or Position

There has been no significant change in the Issuer's financial performance or position since 31 December 2020, which is the last day of the financial period in respect of which the most recent financial statements of the Issuer have been published.

Future Outlook and Profit Forecast

The following outlook for 2021 is included in Sanoma's annual review as at and for the year ended 31 December 2020:

"In 2021, Sanoma expects that the Group's reported net sales will be EUR 1.2–1.3 billion (2020: EUR 1.1 billion). The Group's operational EBIT margin excluding PPA is expected to be between 14–16 per cent. (2020: 14.7 per cent.).

The mid-points of the outlook ranges are based on the assumption that the advertising market will be relatively stable compared to the previous year and that there are no major restrictions related to the events business in Finland. In addition, it is assumed that the learning business will not be significantly impacted by prolonged school closures in its main operating countries".

The above statements include forward-looking statements. These statements are not guarantees of future financial performance of Sanoma. Sanoma's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The Issuer cautions prospective investors not to place undue reliance on these forward-looking statements.

Sanoma confirms that the above information on the profit forecast has been properly prepared on the basis stated that is both comparable with Sanoma's historical financial information and consistent with Sanoma's accounting principles. The profit forecast is the best considered view and understanding at the time based on the forecasts and estimates received. The assumptions upon which Sanoma has based its conclusions and which the Board of Directors and the Executive Management Group of Sanoma can influence include pricing of products, efficient risk management and cost management. Factors outside the control of Sanoma that affect the above-mentioned forward-looking statements are mostly related to macroeconomic conditions and demand for Sanoma's products.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of Compilation

Introduction

The following unaudited pro forma combined financial information (the "**Pro Forma Information**") is presented for illustrative purposes only to give effect to the acquisition of Santillana Spain, part of Santillana Group, the learning business division of Promotora de Informaciones S.A. ("**Grupo Prisa**") (the "**Santillana Acquisition**") and the financing of the Santillana Acquisition on Sanoma's income statement information as if the acquisition and related financing had occurred on 1 January 2020.

The Pro Forma Information has been compiled in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the accounting policies applied by Sanoma in its consolidated financial statements prepared in accordance with IFRS as adopted by the EU.

The Pro Forma Information illustrates the impact of the acquisition and the financing for the acquisition as if the acquisition and related financing had been undertaken at an earlier date. The Pro Forma Information addresses a hypothetical situation and is not therefore necessarily indicative of what Sanoma's results would actually have been had the acquisition been completed on 1 January 2020 and does not purport to project the operating results of Sanoma as of any future date.

The Pro Forma Information reflects adjustments to Sanoma's historical financial information to give pro forma effect to events that are directly attributable to the Santillana Acquisition and to the financing of the acquisition and are factually supportable. The pro forma adjustments include certain assumptions, described in the accompanying notes below, that the management believes are reasonable under the circumstances. Actual results of Santillana Spain and the related financing costs in the future may materially differ from the assumptions used in the Pro Forma Information. Further, the Pro Forma Information does not reflect any cost savings, synergy benefits, impacts on any refinancing or future integration costs that are expected to be generated or may be incurred as a result of the acquisition.

The following Pro Forma Information should be read in conjunction with the historical financial information incorporated by reference into this Listing Prospectus, as well as the information set forth in "*Description of the Group—History and Recent Developments*", "*Description of the Group—Material Agreements*", "*Description of the Group—Santillana Acquisition*" and "*Additional Information on the Issue of the Notes*".

Independent auditor's assurance report on the compilation of the Pro Forma Information is attached to this Listing Prospectus as Annex A.

Acquisition of Santillana Spain and Acquisition Financing

Sanoma completed the acquisition of Santillana Spain, a leading Spanish provider of K12 learning materials, from Grupo Prisa on 31 December 2020, and accordingly, has consolidated Santillana Spain's assets and liabilities to its year-end audited consolidated balance sheet. The acquisition accounting for Santillana Spain disclosed in the notes to Sanoma's audited 2020 consolidated financial statements is provisional. As Santillana Spain has been consolidated to Sanoma's balance sheet as at 31 December 2020 and the consolidated balance sheet also includes the impact from the acquisition financing, no pro forma balance sheet is presented in the Pro Forma Information.

The final cash purchase price of Santillana Spain was EUR 409 million. Sanoma has financed the acquisition through two debt facilities: a syndicated three-year term loan of EUR 200 million with a group of ten relationship banks signed on 3 December 2020, with a one year extension option, and the EUR 200 million Bridge Loan Facility provided by the Joint Lead Managers. The remaining purchase price was paid from Sanoma's cash and cash equivalents. Sanoma will convert the Bridge Loan Facility into long-term funding through the issuance of Notes herein.

Sanoma has recorded a total of EUR 5 million of transaction costs incurred in connection with the Santillana Acquisition which are included within other operating expenses in the 2020 audited consolidated income statement.

Other 2020 Acquisitions

Sanoma has executed the following acquisitions during the year 2020 that have affected Sanoma's results of operations since the date of the acquisitions in addition to the Santillana Acquisition. The pro forma income statement presented herein does not reflect the pro forma effect for the other 2020 acquisitions described herein.

On 30 April 2020, Sanoma completed the acquisition of Alma Media's regional news media business. The final purchase price was EUR 79 million, and the net sales of the acquired business included in Sanoma's consolidated income statement since acquisition from 1 May 2020 were approximately EUR 53 million and result for the period was approximately EUR 3 million. On 1 December 2020, Sanoma acquired media sales operations of Four Partners for a total purchase price of EUR 0.7 million with an immaterial impact to the year ended 31 December 2020 results or financial position.

Sanoma's net sales would have totalled approximately EUR 1,196 million and result for the period approximately EUR 256 million, if the acquisitions of Santillana Spain, Alma Media's regional news business and Four Partners had taken place on 1 January 2020.

See note 27 to Sanoma's audited consolidated financial statements as at and for the year ended 31 December 2020 incorporated by reference into this Listing Prospectus for more information on the 2020 acquisitions.

Historical Financial Information

The historical financial information in the Pro Forma Information has been derived from Sanoma's audited consolidated financial statements as at and for the financial year ended 31 December 2020, incorporated by reference into this Listing Prospectus and Santillana Spain's unaudited carve-out income statement for the year ended 31 December 2020, based on the consolidated trial balances of the acquired entities prepared in accordance with Spanish GAAP adjusted with certain reclassifications between income statement line items.

Other Considerations

All amounts in the Pro Forma Information are presented in millions of euros, unless otherwise indicated. All figures have been rounded and consequently, the sum of individual figures can deviate from the sum figure presented for a row or column.

Unaudited Pro Forma Income Statement for the Year Ended 31 December 2020

	For the year ended 31 December 2020			
	Sanoma historical	Santillana Spain carve-out IFRS	Santillana Acquisition and Financing	Sanoma pro forma
	(audited)	(note 1)	(note 2)	(unaudited)
	(EUR in millions, unless otherwise indicated)			
Net sales	**1,061.7**	**105.5**	**–**	**1,167.2**
Other operating income	207.5	0.8	–	208.3
Materials and services	(356.5)	(15.6)	(5.3)	(377.4)
Employee benefit expenses	(294.9)	(32.9)	–	(327.8)
Other operating expenses	(171.9)	(20.1)	–	(192.0)
Share of results in joint ventures	0.5	–	–	0.5
Depreciation, amortisation and impairment losses	(176.3)	(8.5)	(10.6)	(195.4)
EBIT	**270.1**	**29.2**	**(15.9)**	**283.4**
Share of results in associated companies	(0.4)	–	–	(0.4)
Financial income	6.9	3.2	–	10.1
Financial expenses	(15.7)	(3.9)	(4.9)	(24.5)
Result before taxes	**261.0**	**28.5**	**(20.8)**	**268.7**
Income taxes	(23.2)	(1.4)	5.0	(19.6)
Result for the period from continuing operations	**237.8**	**27.1**	**(15.9)**	**249.1**
Discontinued operations				
Result for the period from discontinued operations	9.3	–	–	9.3
Result for the period	**247.1**	**27.1**	**(15.9)**	**258.4**
Result from continuing operations attributable to:				
Equity holders of the Parent Company	237.4	27.1	(15.9)	248.7
Non-controlling interests	0.4	–	–	0.4
Result from discontinued operations attributable to:				
Equity holders of the Parent Company	9.3	–	–	9.3
Non-controlling interests	0.1	–	–	0.1
Result attributable to:				
Equity holders of the Parent Company	246.7	27.1	(15.9)	257.9
Non-controlling interests	0.5	–	–	0.5
Earnings per share for result attributable to the equity holders of the Parent Company:				
Earnings per share, EUR, continuing operations	1.46			1.53
Diluted earnings per share, EUR, continuing operations	1.45			1.52
Earnings per share, EUR, discontinued operations	0.06			0.06
Diluted earnings per share, EUR, discontinued operations	0.06			0.06
Earnings per share, EUR	1.51			1.58
Diluted earnings per share, EUR	1.51			1.58

Refer to the accompanying notes to the Pro Forma Information

Notes to the Pro Forma Information

Note 1 – Santillana Spain Carve-out IFRS

Sanoma acquired Santillana Spain on 31 December 2020. Santillana Spain is a carve-out entity comprised of eight legal entities. The historical carve-out income statement for Santillana Spain for the year ended 31 December 2020, has been derived from the consolidated trial balances of the acquired entities prepared in accordance with Spanish GAAP. The historical Spanish GAAP carve-out income statement line items have been reclassified to conform to Sanoma's income statement presentation in connection with the preparation of the historical carve-out income statement information. Santillana Spain net sales for the year ended 31 December 2020, are fully attributable to Spain.

The following table sets forth the pro forma adjustments to Santillana Spain carve-out income statement information:

	For the year ended 31 December 2020			
	Santillana Spain carve-out Spanish GAAP reclassified	IFRS accounting policy alignments	Elimination of internal transactions	Santillana Spain carve-out IFRS
	(unaudited)			(unaudited)
		(note 1a)	(note 1b)	(note 1)
		(EUR in millions)		
Net sales	**106.6**	**(0.8)**	**(0.3)**	**105.5**
Other operating income	0.8	–	–	0.8
Materials and services	(16.5)	0.5	0.3	(15.6)
Employee benefit expenses	(32.9)	–	–	(32.9)
Other operating expenses	(21.8)	1.7	–	(20.1)
Share of results in joint ventures	–	–	–	–
Depreciation, amortisation and impairment losses	(6.8)	(1.7)	–	(8.5)
EBIT	**29.5**	**(0.3)**	**–**	**29.2**
Financial income	3.2	–	–	3.2
Financial expenses	(3.7)	(0.2)	–	(3.9)
Result before taxes	**29.0**	**(0.5)**	**–**	**28.5**
Income taxes	(1.5)	0.1	–	(1.4)
Result for the period from continuing operations	**27.5**	**(0.4)**	**–**	**27.1**

Note 1a – IFRS Accounting Policy Alignments

Sanoma has performed a preliminary analysis of accounting policies applied by Santillana Spain in its carve-out income statement information prepared in accordance with Spanish GAAP in order to determine whether adjustments are necessary to align with the IFRS accounting policies applied by Sanoma.

Sanoma has identified the following accounting policy differences that have been adjusted in the Pro Forma Information, and based on the information available at this time, management is not aware of other accounting policy differences that could have a material impact on the Pro Forma Information. Sanoma will continue to conduct a detailed review of Santillana Spain's accounting policies.

- "*IFRS 16 – Leases*": Santillana Spain's lease contracts mainly comprise premises, vehicles and office equipment. In accordance with the Spanish GAAP, only financial leases with a purchase option are recognised in the statement of financial position, and operational leases are expensed. Sanoma applies "*IFRS 16 – Leases*" which requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. To align with Sanoma's accounting policies, an adjustment of EUR 1.9 million was made to decrease other operating expenses, an adjustment of EUR 1.7 million to increase depreciation, amortisation and impairment losses and an adjustment of EUR 0.2 million was made to increase financial expenses for income statement presentation purposes. Sanoma has recognised right-of-use assets and lease liabilities, respectively, in the acquisition balance sheet consolidated as at 31 December 2020.

- "*IFRS 9 – Financial Instruments*": Calculation of Santillana Spain's expected credit losses have been aligned with Sanoma's accounting policy. This adjustment increased other operating expenses by EUR 0.1 million.

- "*IFRS 15 – Revenue from Contracts with Customers*": Santillana Spain's revenue recognition has been aligned with Sanoma's accounting policies. Sanoma identified preliminary differences regarding revenue recognition principles as described below decreasing net sales by EUR 0.8 million, decreasing materials and services expenses by EUR 0.5 million and increasing other operating expenses by EUR 0.1 million.

  - Sales with a right of return: Sanoma considers that if books or other materials are sold with right of return, Sanoma recognises revenue only to extent it is entitled based on the expected level of returns. Sanoma recognises a refund liability to an amount to which Sanoma does not expect to be entitled and reduces the revenue for the same amount. Sanoma also recognises an asset for the right to recover products from customers. Sanoma updates the measurement of the refund liability at each reporting date for change in expectations about the amount of the refunds. Santillana Spain has recognised a provision for returns however the accounting principles differs from the Sanoma's accounting policy and was based on the gross margin of the sold books estimated to be returned. When calculating the IFRS adjustments the gross margin-based provision was reversed, and refund liability and an asset recognised in accordance with the Sanoma accounting policy.

- Digital services: Santillana Spain provides online services via a digital platform. These digital services include full content in digital format and teachers can interact with students through the platform. Service includes a distinct license with a term that is equal with the school year (ending in June). Santillana Spain has recognised the revenue from these licenses when a license is sold. In accordance with Sanoma's accounting policy, when access is granted to online learning platforms, revenue is recognised over the period that the customer has access to the online platform. Therefore, the revenue generated from the online platforms license are deferred and recognised over the license period.

Income tax impact from accounting policy adjustments has been calculated with the enacted Spanish tax rate of 25 per cent.

Note 1b – Elimination of Internal Transactions

The transactions incurred between Sanoma and Santillana Spain have been eliminated in the Pro Forma Information.

Note 2 – Santillana Acquisition and Financing

The Santillana Acquisition is accounted for as a business combination at consolidation using the acquisition method of accounting under the provision of "*IFRS 3 – Business Combinations*". Applying the acquisition method of accounting, Sanoma has recognised the identifiable assets acquired and liabilities assumed at their fair values as of the acquisition date, with the excess of the purchase consideration over the fair value of Santillana Spain's net assets acquired recognised as goodwill. The accounting for the acquisition in Sanoma's 31 December 2020 consolidated balance sheet is provisional.

The following table sets forth the provisional fair values of the acquired net assets of Santillana Spain on the acquisition date 31 December 2020:

	As at 31 December 2020
	Acquired assets and assumed liabilities at fair value
	(EUR in millions)
Property, plant and equipment	1.0
Right-of-use assets	5.6
Customer relationships	154.1
Trademarks	55.9
Others	11.5
Intangible assets	221.5
Other non-current assets	4.3
Inventories	18.1
Other current assets	21.4
Assets, total	**271.8**
Non-current liabilities	(67.3)
Current liabilities	(25.9)
Liabilities, total	**(93.2)**
Fair value of acquired net assets	178.7
Acquisition cost	408.7
Fair value of acquired net assets	(178.7)
Goodwill from the acquisition	**230.1**

The final purchase price of EUR 409 million has been allocated to the acquired net assets including fair valued intangible assets comprising of customer relationships and trademarks and inventories with the remaining residual accounted for as goodwill. The goodwill is attributable mainly to the skills of Santillana Spain's workforce and the synergies expected to be achieved from integrating the company into the Sanoma Learning business. The Santillana Acquisition has been estimated to create annual net synergies of approximately EUR 4 million, expected to be realised during 2022.

Sanoma has financed the acquisition through two debt facilities: a syndicated three-year term loan of EUR 200 million with a group of ten relationship banks signed on 3 December 2020, with a one year extension option, and the EUR 200 million Bridge Loan Facility provided by the Joint Lead Managers. The remaining purchase price was paid from Sanoma's cash and cash equivalents. Sanoma will convert the Bridge Loan Facility into long-term funding through the issuance of Notes herein.

The following table sets forth the unaudited pro forma adjustments for the Santillana Acquisition and acquisition financing in the pro forma income statement for the year ended 31 December 2020:

	Fair valuation of net assets		Financing		
	Additional amortisation of intangible assets	Inventory fair value adjustment	Interest expenses from bridge loan	Interest expenses from syndicated term loan	Santillana Acquisition and Financing
	(note 2a)	(note 2b)	(note 2c)	(note 2d)	(note 2)
			(EUR in millions)		
Materials and services	–	(5.3)	–	–	(5.3)
Depreciation, amortisation and impairment losses	(10.6)	–	–	–	(10.6)
EBIT	**(10.6)**	**(5.3)**	**–**	**–**	**(15.9)**
Financial expenses	–	–	(1.9)	(3.0)	(4.9)
Result before taxes	**(10.6)**	**(5.3)**	**(1.9)**	**(3.0)**	**(20.8)**
Income taxes (note 2e)	2.6	1.3	0.4	0.6	5.0
Result for the period from continuing operations	**(7.9)**	**(4.0)**	**(1.5)**	**(2.4)**	**(15.9)**

Note 2a – Additional Amortisation of Intangible Assets

The provisional fair values of customer relationships and trademarks have been determined primarily through the use of income approach which requires an estimate or forecast of expected future cash flows. Either multi-period excess earnings method or the relief-from-royalty method has been used as the income-based valuation method. For other intangible assets comprising prototypes, software and copyright, their carrying value was assumed to approximate their fair value.

The following table sets forth the provisional fair values for customer relationships and trademarks and the estimated average useful lives representing the amortisation periods as well as the estimated amortisation arising from fair value adjustments for the year ended 31 December 2020:

	For the year ended 31 December 2020		
	Fair value of the acquired intangibles	Estimated average useful life	Amortisation expense
	(EUR in millions)	(years)	(EUR in millions)
Customer relationships	154.1	20	(7.7)
Trademarks	55.9	10–20	(2.9)
Total	**210.0**		**(10.6)**

The amortisation of acquired intangible assets will have a continuing impact on Sanoma's results.

Note 2b – Inventory Fair Value Adjustment

The inventory fair value adjustment reflects the additional expense arising from the fair valuation of acquired inventories. Sanoma expects that the acquired inventories will turn over within 15 months and accordingly, an adjustment reflecting the expense for the first 12 months has been recorded in the pro forma income statement for the year ended 31 December 2020.

The inventory fair valuation adjustment will not have a continuing impact on Sanoma's results after the 15 months turnover.

Note 2c – Interest Expenses from Bridge Loan

In the Pro Forma Information, the interest expenses arising from the Bridge Loan Facility are adjusted for the year ended 31 December 2020, as if the Bridge Loan Facility of EUR 200 million had been drawn on 1 January 2020 to finance the acquisition on that date. Subsequently, Sanoma will convert the Bridge Loan Facility into long-term funding through the issuance of Notes herein and accordingly, interest expense from bridge financing will be replaced with the cost of long-term funding.

Note 2d – Interest Expenses from Syndicated Term Loan

The interest expenses arising from the EUR 200 million syndicated term loan are adjusted in the pro forma income statement for the year ended 31 December 2020 to illustrate the impact to Sanoma's financial expenses as if the loan had been drawn on 1 January 2020 to finance the acquisition on that date. The interest expense adjustment has been calculated with the effective interest rate method, the effective interest rate for pro forma purposes being 1.5 per cent. The interest expense adjustment will have a continuing impact on Sanoma's results over the loan maturity period of 3 years.

Note 2e – Income Taxes

The income tax impacts from the pro forma adjustments arising from the fair valuation of net assets are calculated based on the enacted Spanish tax rate of 25 per cent. The income tax impacts from the pro forma adjustments related to the acquisition financing are calculated based on the enacted Finnish corporate income tax rate of 20 per cent. The effective tax rate of Sanoma could be significantly different depending on the post-acquisition activities, including cash need, geographical mix of net income and tax planning strategies.

Note 3 – Pro Forma Earnings per Share

Pro forma basic and diluted earnings per share are calculated by dividing the pro forma result for the period attributable to the equity holders of the Parent Company by Sanoma's historical weighted average number of shares on the market and historical diluted average number of shares, respectively.

The following table sets forth the pro forma basic and diluted earnings per share for the year ended 31 December 2020:

	For the year ended 31 December 2020
	(unaudited)
Pro forma result for the period from continuing operations attributable to the equity holders of the Parent Company, EUR in millions	248.7
Pro forma result for the period from discontinued operations attributable to the equity holders of the Parent Company, EUR in millions	9.3
Result for the period attributable to the equity holders of the Parent Company, EUR in millions	257.9
Weighted average number of shares on the market, thousands – historical	163,042
Diluted average number of shares, thousands – historical	163,498
Pro forma earnings per share, EUR, continuing operations	**1.53**
Pro forma earnings per share, EUR, discontinued operations	**0.06**
Pro forma earnings per share, EUR	**1.58**
Pro forma diluted earnings per share, EUR, continuing operations	**1.52**
Pro forma diluted earnings per share, EUR, discontinued operations	**0.06**
Pro forma diluted earnings per share, EUR	**1.58**

Note 4 – Additional Pro Forma Information

Pro Forma Segment Information

Pro forma segment information herein is presented to reflect the pro forma impact of the acquired business of Santillana Spain to Sanoma's operating segments presented in accordance with "*IFRS 8 – Operating Segments*". Sanoma has two operating segments: Sanoma Learning and Sanoma Media Finland. The acquired business of Santillana Spain is reported as part of the Sanoma Learning segment.

The following table sets forth unaudited pro forma net sales by operating segments for the year ended 31 December 2020:

	For the year ended 31 December 2020		
	Sanoma historical	**Santillana Spain carve-out IFRS reclassified**	**Sanoma pro forma**
	(audited)	**(note 1)**	**(unaudited)**
		(EUR in millions)	
Learning	499.7	105.5	605.2
Media Finland	562.6	–	562.6
Unallocated / Eliminations	(0.5)	–	(0.5)
Total net sales	**1,061.7**	**105.5**	**1,167.2**

The following table sets forth the reconciliation of pro forma operational EBIT excluding purchase price allocation ("**PPA**") by operating segments for the year ended 31 December 2020:

	For the year ended 31 December 2020			
	Sanoma historical	Santillana Spain carve-out IFRS	Santillana Acquisition and Financing	Sanoma pro forma
	(unaudited)	(note 1)	(note 2)	(unaudited)
	(EUR in millions)			
EBIT	**270.1**[(1)]	**29.2**	**(15.9)**	**283.4**
Items affecting comparability (IACs) and PPA adjustments and amortisations				
Learning				
Impairments	(0.6)	–	–	(0.6)
Restructuring expenses	(12.7)	1.3	–	(11.4)
PPA adjustments and amortisations	(16.2)	–	(15.9)	(32.1)
Media Finland				
Capital gains/losses	164.8	–	–	164.8
Restructuring expenses	(15.7)	–	–	(15.7)
PPA adjustments and amortisations	(6.1)	–	–	(6.1)
Other companies				
Capital gains/losses	0.2	–	–	0.2
Restructuring expenses	(0.2)	–	–	(0.2)
Items affecting comparability (IACs) and PPA adjustments and amortisations total	**113.6**	**1.3**	**(15.9)**	**99.0**
Operational EBIT excluding PPA, continuing operations	**156.5**	**27.9**	**–**	**184.4**

(1) Audited.

Capital Expenditure

Sanoma's capital expenditure was EUR 42.5 million for the year ended 31 December 2020. Santillana Spain's historical capital expenditure in accordance with Sanoma's presentation was EUR 0.6 million for the year ended 31 December 2020.

Alternative Performance Measures

The following table sets forth the reconciliation of pro forma operational EBIT excluding PPA for the year ended 31 December 2020:

	For the year ended 31 December 2020			
	Sanoma historical	Santillana Spain carve-out IFRS	Santillana Acquisition and Financing	Sanoma pro forma
	(unaudited)	(note 1)	(note 2)	(unaudited)
	(EUR in millions)			
EBIT	**270.1**[(1)]	**29.2**	**(15.9)**	**283.4**
Items affecting comparability				
Restructuring expenses	(28.5)	1.3	–	(27.2)
Impairments	(0.6)	–	–	(0.6)
Capital gains/losses	165.0	–	–	165.0
IACs total	**135.9**	**1.3**	**–**	**137.2**
Purchase price allocation adjustments and amortisations (PPAs)	**(22.3)**	**–**	**(15.9)**	**(38.3)**
Operational EBIT excluding PPA	**156.5**	**27.9**	**–**	**184.4**

(1) Audited.

The following table sets forth the reconciliation of operational EBITDA for continuing operations for the year ended 31 December 2020:

	For the year ended 31 December 2020			
	Sanoma historical	**Santillana Spain carve-out IFRS**	**Santillana Acquisition and Financing**	**Sanoma pro forma**
	(unaudited)	**(note 1)**	**(note 2)**	**(unaudited)**
		(EUR in millions)		
Operational EBIT excluding PPA	**156.5**	**27.9**	**–**	**184.4**
Depreciation of buildings and structures	(23.8)	(1.0)	–	(24.8)
Depreciation of rental books	(13.2)	–	–	(13.2)
Amortisation of film and TV broadcasting rights	(52.4)	–	–	(52.4)
Amortisation of prepublication rights	(20.7)	(6.1)	–	(26.8)
Other depreciations, amortisations and impairments	(43.8)	(1.4)	–	(45.2)
Items affecting comparability in depreciation, amortisation and impairments	0.6	–	–	0.6
Operational EBITDA	**309.9**	**36.4**	**–**	**346.3**

Definitions of Alternative Performance Measures and Reasons for Their Use

In the Pro Forma Information, certain financial performance measures are presented, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority (ESMA) are not accounting measures defined or specified in IFRS and are therefore considered as alternative performance measures.

The following table sets forth the alternative performance measures, their definitions and the reasons for their use:

Alternative performance measure	**Definition**	**Reason for use**
Operational EBIT excluding PPA	EBIT – IACs – Purchase price allocation (PPA) adjustments and amortisations (IACs) comprise gains/losses on sale, restructuring or efficiency program expenses and impairments that exceed EUR 1 million PPA adjustments and amortisations comprise inventory fair value adjustments and depreciation and amortisation expenses resulting from purchase price allocations prepared for acquired net assets	Measures the profitability excluding acquisition-related PPA adjustments and amortisations, reflects the underlying business performance and enhances comparability between reporting periods
Operational EBITDA	Operating profit + depreciation, amortisation and impairments - IACs	Measures the profitability before non-cash based depreciation and amortisation, reflects the underlying business performance and enhances comparability between reporting periods

BOARD OF DIRECTORS, MANAGEMENT

General

Pursuant to the provisions of the Finnish Companies Act (642/2006, as amended, the "**Finnish Companies Act**"), responsibility for the control and management of the Issuer is divided between the General Meeting of Shareholders, the Board of Directors and the President and Chief Executive Officer ("**President and CEO**"). Shareholders participate in the control and management of the Issuer through resolutions passed at General Meetings of Shareholders. General Meetings of Shareholders are generally convened upon notice given by the Board of Directors. In addition, General Meetings of Shareholders are held when requested in writing by an auditor of the Issuer or by shareholders representing at least one-tenth of all outstanding shares in the Issuer.

The business address of the members of the Board of Directors, the President and CEO and the members of the Executive Management Team (the "**EMT**") is c/o Sanoma Corporation, Töölönlahdenkatu 2, FI-00100 Helsinki, Finland.

Board of Directors

The Board of Directors is, by virtue of the Finnish Companies Act, responsible for the Issuer's administration and for the appropriate organisation of its operations as well as the appropriate arrangement of the control of the Issuer's accounts and finances. The duties and responsibilities of the Board of Directors are defined on the basis of the Finnish Companies Act and other applicable legislation. The Board of Directors consists of between five and eleven members, who are elected to one-year terms.

The 2020 Annual General Meeting of Shareholders of the Issuer, held on 25 March 2020, set the number of members of the Board of Directors at ten. In a notice published on 10 February 2021 to the Annual General Meeting of Shareholders of the Issuer, to be held on 13 April 2021, shareholders representing more than 10 per cent. of all shares and votes of the Company proposed that the number of the members of the Board of Directors shall be set at ten.

The following table sets forth the members of the Board of Directors as at the date of this Listing Prospectus:

	Position	**Year born**	**Year first time elected to the Board of Directors**
Pekka Ala-Pietilä	Chair	1957	2014
Antti Herlin	Vice Chair	1956	2010
Julian Drinkall	Member	1964	2020
Rolf Grisebach	Member	1961	2020
Mika Ihamuotila	Member	1964	2013
Nils Ittonen	Member	1954	2014
Denise Koopmans	Member	1962	2015
Sebastian Langenskiöld	Member	1982	2019
Rafaela Seppälä	Member	1954	2008
Kai Öistämö	Member	1964	2011

All members of the Board of Directors are non-executive directors independent of the Issuer. Eight of the members of the Board of Directors (Pekka Ala-Pietilä, Julian Drinkall, Rolf Grisebach, Mika Ihamuotila, Denise Koopmans, Sebastian Langenskiöld, Rafaela Seppälä and Kai Öistämö) are independent of significant shareholders as stipulated in the Finnish Corporate Governance Code.

Pekka Ala-Pietilä has been the Chair of the Board of Directors of the Issuer since 2016 and a member of the Board of Directors of the Issuer since 2014. Mr. Ala-Pietilä is the Chair of the Board of Directors of Huhtamäki Oyj, the Chair of the Supervisory Board in Here Technologies (HERE Global B.V.) and a member of the Supervisory Board of SAP AG. Mr. Ala-Pietilä was the Chair of the Boards of Directors of Solidium Oy between 2011 and 2015, Blyk International Ltd between 2009 and 2015, CVON Innovation Services Oy between 2007 and 2017, Suomalaisen Yhteiskoulun Osakeyhtiö between 2003 and 2017 and Netcompany A/S between 2017 and 2019. Mr. Ala-Pietilä has also been a member of the Boards of Directors of Suomalaisen Yhteiskoulun Osakeyhtiö between 2003 and 2018, CVON Future Ltd between 2007 and 2017, CVON Group Ltd between 2006 and 2017 and Pöyry Plc between 2006 and 2017. Mr. Ala-Pietilä was the co-founder and CEO of Blyk Services Oy between 2006 and 2012. Mr. Ala-Pietilä served as President of Nokia Corporation between 1999 and 2005. Mr. Ala-Pietilä also held various positions with Nokia Corporation between 1984 and 2005, among others as President between 1999 and 2005, Nokia Mobile Phones, President between 1992 and 1998 and Group Executive Board Member 1992 and 2005. Mr. Ala-Pietilä holds a Master of Science degree in Economics, an honorary Doctor of Science degree in Technology and an honorary Doctor of Science degree.

Antti Herlin has been the Vice Chair of the Board of Directors of the Issuer since 2016 and a member of the Board of Directors of the Issuer since 2010. Mr. Herlin is the Chair of the Boards of Directors of KONE Corporation, Captare Oy, Holding Manutas Oy, Security Forest Oy, Security Trading Oy, Kone Corporation Centennial Foundation, Tiina and Antti Herlin Foundation and Archive Foundation of the President of Finland. Mr. Herlin was a member of the Boards of Directors of the Caverion Corporation between 2017 and 2020, University of Helsinki Research Foundation between 2015 and 2020, Federation of Finnish Technology Industries between 2007 and 2016, New Children's Hospital Foundation between 2013 and 2018, Confederation of Finnish Industries between 2015 and 2016, Chairman of the Boards of Directors of the Issuer between 2013 and 2016, Mannerheim Foundation between 2011 and 2017 and the Vice Chair of the Supervisory Board of Ilmarinen Pension Insurance Company between 2004 and 2017. Mr. Herlin was the CEO of Kone Corporation between 1996 and 2006 and the Vice Chair of the Board of Directors of Kone Corporation between 1996 and 2003. Mr. Herlin holds two honorary Doctor of Science degrees in Economics, an honorary Doctor of Arts degree in Art and Design and an honorary Doctor degree in Technology.

Julian Drinkall has been a member of the Board of Directors of the Issuer since 2020. Mr. Drinkall is the CEO of Academies Enterprise Trust, the Chair of the Board of Directors of Dragons Teaching Ltd. and the Vice Chair of Kindred Advisory Board. Mr. Drinkall was the CEO of Alpha Plus Group Ltd between 2014 and 2016, the President and CEO (EMEA and India) of Cengage Learning between 2012 and 2014 and an operating partner of OC&C Strategy Consultants between 2010 and 2012. Mr. Drinkall was also the Chief Executive Officer of Macmillan Education between 2007 and 2010, the Chief Operating Officer of MacMillan between 2006 and 2007, the Director of Strategy and Mergers & Acquisitions of Boots PLC between 2003 and 2005, the Group Strategy Director of IPC Media between 2001 and 2003 and the Head of Financial and Commercial Strategy of BBC between 1998 and 2001. Mr. Drinkall holds a Master's degree in Public Administration, a Master's degree in Business Administration and a Master of Arts degree in Philosophy, Politics and Economics.

Rolf Grisebach has been a member of the Board of Directors of the Issuer since 2020. Mr. Grisebach is a Partner at Stella Partners. Mr. Grisebach was the CEO of Thames & Hudson Ltd, London, between 2013 and 2019, the President of German, Swiss and Austrian operations at Pearson Germany between 2010 and 2013 and the CEO of Deutscher Fachverlag between 2005 and 2010. Mr. Grisebach also held various senior executive positions at Holtzbrinck Group between 1995 and 2004. Prior to that, Mr. Grisebach was a Manager at Boston Consulting Group between 1988 and 1995. Mr. Grisebach holds a PhD in Business Law, a Master's Degree in Business and a Master's Degree in Law.

Mika Ihamuotila has been a member of the Board of Directors of the Issuer since 2013. Mr. Ihamuotila is the Executive Chair of the Board of Directors of Marimekko Corporation, the Chair of the Board of Directors of Mannerheim Foundation and a member of the Board of Directors of Foundation for Economic Education. Previously, Mr. Ihamuotila has been the Chair of the Board of Directors and CEO of Marimekko Corporation between 2015 and 2016, the President and CEO and Vice Chair of the Board of Directors of Marimekko Corporation between 2008 and 2015. Mr. Ihamuotila has also been the Chair of the Board of Directors of Rovio Entertainment Ltd between 2013 and 2020, the Vice Chair of the Board of Directors of Elisa Corporation between 2006 and 2008 and a member of the Board of Directors between 2003 and 2006. Mr. Ihamuotila was the President and CEO of Sampo Bank Plc between 2001 and 2007, the President and CEO of Mandatum Bank Plc between 2000 and 2001, the Executive Director of Mandatum Bank Plc between 1998 and 2000, a Partner of Mandatum & Co Ltd between 1994 and 1998 and a visiting scholar of Yale University between 1992 and 1993. Mr. Ihamuotila holds a Doctor of Philosophy degree in Economics.

Nils Ittonen has been a member of the Board of Directors of the Issuer since 2014. Mr. Ittonen is the Chair of the Board of Directors of Jane and Aatos Erkko Foundation, Oy Asipex Ab and Asipex AG. Mr. Ittonen held several positions with Sanoma Group between 1977 and 2010 as, among others, Group Treasurer, Senior Vice President of Group Treasury, Real Estate and Risk Management, being a member of the Executive Management Team between 1999 and 2007. Mr. Ittonen holds a Bachelor of Science degree in Economics.

Denise Koopmans has been a member of the Board of Directors of the Issuer since 2015. Ms. Koopmans is a member of the Board of Directors of Swiss Post AG and a member of the Supervisory Boards of Coöperatie VGZ and Royal BAM Group nv. Ms. Koopmans is also the Lay Judge/Counsel to the Enterprise Chamber of the Amsterdam Court of Appeal. Ms. Koopmans was a member of the Supervisory Board of Janssen de Jong Groep B.V. between 2016 and 2020, a member of the Board of Directors of Wenk AG between 2016 and 2019. Ms. Koopmans was the Managing Director of the Legal and Regulatory Division at Wolters Kluwer Law and Business between 2011 and 2015, the CEO of LexisNexis Business Information Solutions and member of the Senior Leadership team at LexisNexis International between 2007 and 2011 and has held various senior executive positions at Altran Group between 2000 and 2007. Ms. Koopmans holds a Master of Laws degree and has accomplished an Advanced Management Programme (AMP) at Harvard Business School and an International Directors Programme (IDP) at Insead.

Sebastian Langenskiöld has been a member of the Board of Directors of the Issuer since 2019. Mr. Langenskiöld is a Principal Partner Account Manager at Salesforce ISV (EMEA Nordics). Mr. Langenskiöld was the Founding Partner of Fingertip Oy between 2012 and 2017, M&A Coordinator at Cargotec Corporation in 2011 and the Key Account Manager at Hansaprint Ltd., between 2006 and 2009. Mr. Langenskiöld holds a Master of Science degree in International Business and a Master's Degree in International Management.

Rafaela Seppälä has been a member of the Board of Directors of the Issuer since 2008. Ms. Seppälä is the Chair of the Board of Directors of Rafaela and Kaj Forsblom Foundation and a member of the Board of Directors of Finnish National Gallery. Ms. Seppälä was the Chair of the Board of Directors of Globart Projects Oy and Globart Projects Sweden AB between 2016 and 2020. She was a member of the Boards of Directors of Guggenheim Helsinki Supporting Foundation between 2015 and 2019, ELO Foundation for the Promotion of Finnish Food Culture between 2015 and 2020, Villa Ensi Foundation between 2006 and 2017 and Adtile Technologies Inc. between 2013 and 2018. Ms. Seppälä was the President of Lehtikuva Oy between 2001 and 2004, a member of the Board of Directors of SanomaWSOY between 1999 and 2003, a Project Manager at Helsinki Media Company Oy between 1994 and 2000 and a member of the Board of Directors of Sanoma Osakeyhtiö between 1994 and 1999. Ms. Seppälä holds a Master of Science degree in Journalism.

Kai Öistämö has been a member of the Board of Directors of the Issuer since 2011. Mr. Öistämö is the President and CEO of Vaisala Corporation and the Chair of the Board of Directors of Fastems Oy. Mr. Öistämö was the Chief Operative Officer at InterDigital Inc. between 2018 and 2020, the Chair of the Boards of Directors of Oikian Solutions Ltd between 2014 and 2018, the University of Tampere between 2013 and 2016, Helvar Oy between 2014 and 2020, and a member of the Boards of Directors of InterDigital Inc. between 2014 and 2018, QT Group Oyj between 2016 and 2018 and Mavenir LCC between 2016 and 2018. Mr Öistämö was an Executive Partner at Siris Capital Group between 2016 and 2018 and worked as Strategic Advisor for Nokia Corporation in 2014. Mr. Öistämö held various positions at Nokia between 1991 and 2014. Mr. Öistämö holds a Master of Science degree in Engineering and a Doctor of Technology degree.

Proposed Board of Directors

In a notice published on 10 February 2021 to the Annual General Meeting of Shareholders of the Issuer, to be held on 13 April 2021, shareholders representing more than 10 per cent. of all shares and votes of the Company proposed that the Board of Directors shall comprise the following members: Pekka Ala-Pietilä, Julian Drinkall, Rolf Grisebach, Mika Ihamuotila, Nils Ittonen, Denise Koopmans, Sebastian Langenskiöld and Rafaela Seppälä as well as new members Anna Herlin and Arun Aggarwal, and that the term of all members of the Board of Directors ends at the end of the Annual General Meeting of Shareholders of the Issuer in 2022. In addition, the above-mentioned shareholders proposed that Pekka Ala-Pietilä is elected as the Chair and Nils Ittonen as the Vice Chair of the Board of Directors. Antti Herlin and Kai Öistämö do not stand for re-election to the Board of Directors. On 11 March 2021, the Company published amendments to its notice to the Annual General Meeting of Shareholders due to Arun Aggarwal having notified the Company that he is no longer available for election due to personal reasons. Accordingly, the Board of Directors is also proposed to comprise nine members of the Board of Directors instead of the original proposal of ten members of the Board of Directors.

Anna Herlin is the Head of Development at Tiina and Antti Herlin Foundation. Ms. Herlin has acted as Project Manager at John Nurminen Foundation in Finland between 2013 and 2018 and as Planning Officer at the Finnish Academy of Fine Arts between 2008 and 2009. Ms. Herlin was born in 1982 and she is a Finnish citizen. Ms. Herlin holds a Master of Social Sciences degree and a Master of Arts degree.

President and CEO

The Board of Directors nominates the President and CEO, who is responsible for managing the Issuer in accordance with the Finnish Companies Act and instructions provided by the Board of Directors.

The President and CEO reports to the Board of Directors and keeps the Board of Directors informed about the Issuer's business, including information about relevant markets and competitors, as well as the Issuer's financial position and other significant matters. The President and CEO is also responsible for overseeing the Issuer's day-to-day administration and ensuring that the financial administration of the Issuer has been arranged in a reliable manner. The President and CEO is assisted by the EMT.

Susan Duinhoven has been the President and CEO since 2015. Ms. Duinhoven is a member of the Board of Directors of KONE Corporation. Ms. Duinhoven was a member of the Board of Directors of the Issuer between 2015 and 2017, Chief Executive Officer and Chair of the Executive Board at Koninklijke Wegener N.V. in the Netherlands between 2013 and 2015, CEO of Western Europe at Thomas Cook Group Plc. (the Netherlands, Belgium and France) between 2012 and 2013 and CEO of Thomas Cook Nederland B.V. between 2010 and 2011. Prior to that, Ms. Duinhoven was Managing Director of Benelux and New Acquisitions Europe at Reader's Digest between 2008 and 2010, CEO at De Gule Sider A/S between 2005 and 2007, and Chief Operations Officer & Marketing Director at De Telefoongids between 2002 and 2005. Ms. Duinhoven holds a Doctor of Philosophy and Bachelor of Science Degrees in Physical Chemistry.

Executive Management Team

Overview

The EMT supports the President and CEO in his duties in coordinating the Group's management and preparing matters to be discussed at meetings of the Board of Directors. Matters addressed by the President and CEO and the EMT include the long-term goals and business strategy of the Group for achieving them, acquisitions and divestments, organisational and management issues, development projects, internal control and risk management systems.

Current Members of the Executive Management Team

The following table sets forth the members of the EMT as at the date of this Listing Prospectus:

	Position	Year born	Year appointed to the EMT
Susan Duinhoven	President and CEO	1965	2015
Markus Holm	CFO and COO	1967	2017
Pia Kalsta	CEO of Sanoma Media Finland	1970	2015
Rob Kolkman	CEO of Sanoma Learning	1972	2019

Susan Duinhoven, see "—*President and CEO*" above.

Markus Holm has been Chief Financial Officer ("**CFO**") and Chief Operations Officer of the Issuer and a member of the EMT since 2017. Mr. Holm was CFO of Metsä Board Corporation between 2014 and 2016, CFO of Metsä Tissue Corporation between 2008 and 2013, Finance and IT Director of GlaxoSmithKline Oy between 2005 and 2008 and held various managerial positions at Huhtamäki Group between 1994 and 2004. Mr. Holm holds a Master of Science degree in Economics.

Pia Kalsta has been the CEO of Sanoma Media Finland and a member of the EMT since 2015. Ms. Kalsta is a member of the Board of Directors of Orion Corporation. Ms. Kalsta held various positions at Nelonen Media, as President between 2014 and 2015, President, acting, between 2013 and 2014, Senior Vice President, Head of Consumer Business, Marketing & Business Development between 2012 and 2013, Senior Vice President, Sales and Marketing between 2008 and 2012, Vice President, Sales between 2006 and 2008, Marketing Manager between 2001 and 2006, among others. Ms. Kalsta held several positions at SCA Hygiene Products as, among others, Key Account Manager, Product Manager and Marketing Manager between 1996 and 2001. Ms. Kalsta holds a Master of Science degree in Economics.

Rob Kolkman has been the CEO of Sanoma Learning since 2020 and a member of the EMT since 2019. Mr. Kolkman held various positions at Reed Business Information Ltd (part of RELX Group), as the Group Managing Director between 2017 and 2018, Managing Director of ICIS between 2016 and 2017, CEO Netherlands between 2014 and 2016, Managing Director Australia and New Zealand between 2008 and 2014, Associate Director of Reed Business Netherlands between 2006 and 2008, Publishing Director between 2004 and 2006, and Director of Elsevier Baard between 2003 and 2004. Prior to that, Mr. Kolkman held various positions at BPP Professional Education between 1992 and 2003. Mr. Kolkman holds a Master's degree in Business Administration.

Corporate Governance

In its decision making and administration, the Issuer applies the Finnish Companies Act, the Finnish Securities Market Act, the rules issued by Nasdaq Helsinki, the Issuer's Articles of Association and the Finnish Corporate Governance Code. Sanoma complies with all the recommendations of the Finnish Corporate Governance Code.

Board Committees

Audit Committee

Under its charter and in accordance with the Finnish Corporate Governance Code and applicable laws and regulations, the Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities for matters pertaining to financial reporting and control, risk management and internal and external audit activity.

The Audit Committee is comprised of between three and five members who are appointed annually by the Board of Directors. Members of the Committee must be independent of the Issuer and at least one member must also be independent of significant shareholders. Additionally, at least one member of the Audit Committee must have expertise in accounting or auditing. The Committee meets at least four times per year.

As at the date of this Listing Prospectus, Denise Koopmans (Chair), Rolf Grisebach, Mika Ihamuotila and Nils Ittonen serve as members of the Audit Committee. All members of the Audit Committee are independent of the Issuer and Denise Koopmans, Rolf Grisebach and Mika Ihamuotila are independent of the Issuer's significant shareholders.

Human Resources Committee

Under its charter, the Human Resources Committee prepares human resource related matters for the Board of Directors. These matters include compensation of the President and CEO and of certain executives ("**Key Executives**"), evaluation of the performance of the President and CEO and Key Executives, Group compensation policies, human resources policies and practices, development and succession plans for the President and CEO as well as Key Executives and other preparatory tasks as may be assigned to the Committee from time to time by the Board of Directors and/or Chair of the Board of Directors. In addition, the Committee prepares the remuneration policy and remuneration report for the Issuer's governing bodies and discusses the composition of the Board of Directors and succession in the Board of Directors.

The Human Resources Committee is comprised of between three and five members who are appointed annually by the Board of Directors. The majority of the members must be independent of the Issuer. The Committee meets at least twice per year.

As at the date of this Listing Prospectus, Kai Öistämö (Chair), Julian Drinkall, Sebastian Langenskiöld and Rafaela Seppälä serve as members of the Human Resources Committee. All members of the Human Resources Committee are independent of the Issuer and its significant shareholders.

Executive Committee

The Executive Committee prepares matters to be considered at the Board of Directors' meetings. As stated in the Corporate Governance statement, the Executive Committee consists of Chair and Vice Chair of the Board of Directors, the President and CEO and, at Chair's invitation, one or several members of the Board of Directors. As at the date of this Listing Prospectus, Pekka Ala-Pietilä (Chair), Antti Herlin, Nils Ittonen and Susan Duinhoven serve as members of the Executive Committee.

Conflicts of Interest

Provisions regarding conflicts of interest in the management of a Finnish company are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company. Further, pursuant to Chapter 6, Section 4 a of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself or an entity that is related to himself or herself as defined in the "*IAS 24 – Related Party Disclosures*", and the company or its subsidiary, unless the agreement is part of the company's ordinary course of business or is conducted on normal market terms. The above provision regarding contracts also applies to other legal acts and proceedings and to other similar matters. These provisions also apply to President and CEO.

The Issuer is not aware of any potential conflicts of interest between the duties to the Group of the members of the Board of Directors and the members of the EMT and their private interests or other duties.

DOCUMENTS INCORPORATED BY REFERENCE

The documents listed in paragraphs (i)–(ii) below have been incorporated by reference to this Listing Prospectus. The documents incorporated by reference are available at the Issuer's website:

(i) Key indicators of Sanoma, audited consolidated financial statements of the Issuer, including the auditor's report, as at and for the financial year ended 31 December 2020, as set out on pages 30 to 35, 36 to 102 and 113 to 118 of Sanoma's annual review for 2020:

www.sanoma.com/globalassets/wp-content/uploads/2021/03/sanoma_annual_review_2020.pdf; and

(ii) Key indicators of Sanoma, audited consolidated financial statements of the Issuer, including the auditor's report, as at and for the financial year ended 31 December 2019, as set out on pages 29 to 32, 33 to 94 and 106 to 111 of Sanoma's annual review for 2019:

www.sanoma.com/globalassets/wp-content/uploads/2020/03/sanoma-annual-review-2019.pdf.

DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, the Issuer's Articles of Association are available on the Company's website at *www.sanoma.com/en/investors/corporate-governance/articles-of-association*.

The Issuer publishes annual reports, including audited consolidated financial statements, unaudited quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of Nasdaq Helsinki. All annual reports, interim reports and stock exchange releases are published in Finnish and English. Such information will be available on the Issuer's website at *www.sanoma.com/en/investors/reports-and-presentations*.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION INCLUDED IN THIS LISTING PROSPECTUS

To the Board of Directors of Sanoma Corporation

Independent auditor's assurance report on the compilation of pro forma financial information included in a Listing Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sanoma Corporation, which has been compiled by the Board of Directors of Sanoma Corporation. The pro forma financial information comprises pro forma income statement for the 12 month period ended 31 December 2020 and related notes set out in the section "Unaudited Pro Forma Financial Information" of the Prospectus issued by Sanoma Corporation and dated on 19 March 2021. The applicable basis used by the Board of Directors of Sanoma Corporation in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the Prospectus.

The pro forma financial information has been compiled by the Board of Directors of Sanoma Corporation to illustrate the impact of the acquisition of Santillana Spain and the financing of the acquisition of Santillana Spain, set out in the section "Unaudited Pro Forma Financial Information" of the Prospectus on Sanoma's financial performance for the 12 month period ended 31 December 2020, as if Santillana Acquisition and related financing had taken place at 1 January 2020 for the pro forma income statement. As part of this process, information about the company's financial performance has been extracted by the Board of Directors of Sanoma Corporation from the company's financial statements for the year ended 31 December 2020, on which an audit report has been published.

The Board of Directors' responsibility for the pro forma financial information

The Board of Directors of Sanoma Corporation is responsible for compiling the pro forma financial information in accordance with the Commission Delegated Regulation (EU) 2019/980.

The Practitioner's Independence and Quality Control

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of Sanoma Corporation on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors of Sanoma Corporation, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

PricewaterhouseCoopers Oy, Authorised Public Accountants, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors of Sanoma Corporation in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and

- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated in the section "Unaudited Pro Forma Financial Information" of the Prospectus and

- the basis stated is consistent with the accounting policies applied by Sanoma Corporation.

Restriction to the distribution and the use of the report

This report has been issued solely for the purposes of including in the Prospectus prepared in accordance with Prospectus Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon by U.S. investors as if it had been carried out in accordance with those standards and practices.

Helsinki 19 March 2021

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant (KHT)

ISSUER

Sanoma Corporation
Töölönlahdenkatu 2
FI-00100 Helsinki
Finland

JOINT LEAD MANAGERS

Nordea Bank Abp
Satamaradankatu 5
FI-00500 Helsinki
Finland

OP Corporate Bank plc
Gebhardinaukio 1
FI-00510 Helsinki
Finland

LEGAL ADVISOR TO THE ISSUER

White & Case LLP
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

AUDITOR

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland