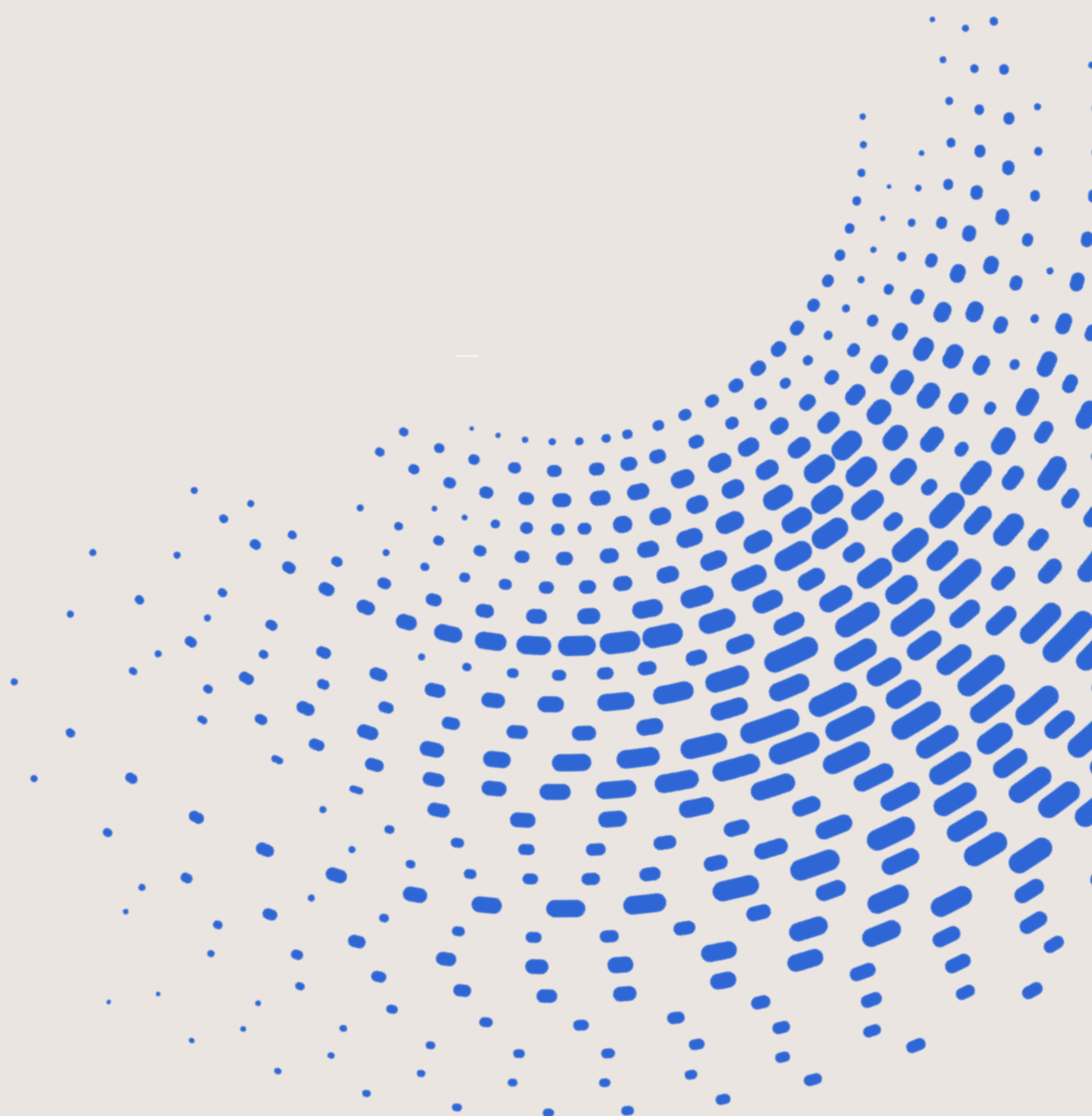


# Interim Report

## Q4 2020

January – December



# THE QUARTER IN BRIEF

## Comments from the CEO



**KRISTIN SKOGEN LUND**  
CEO

Schibsted ended 2020 with a strong fourth quarter, continuing the recovery after the contraction in the start of the COVID-19 pandemic. Driven by underlying<sup>1</sup> revenue growth of 4 percent and cost savings, we achieved a strong EBITDA of NOK 665 million in Q4, increasing by 45 percent compared to the same period last year.

The higher EBITDA was driven by all business areas, while in particular News Media had another strong quarter, where underlying<sup>2</sup> revenues grew 5 percent in combination with lower costs. The revenue growth in News Media was driven by continued strong growth in digital subscriptions, an increase in digital advertising and some one-offs from government grants in Sweden.

In Nordic Marketplaces, underlying<sup>3</sup> revenues and margin were in line with last year. In Norway, all three main verticals – also Jobs – showed good development in the fourth quarter while advertising revenues and particularly the Travel vertical were still negatively affected by the market environment and travel restrictions. In Sweden, Motor revenues continued to grow while both Jobs and advertising continued to be down compared to the same period last year driven by the COVID-19 pandemic. Looking at Finland, the Oikotie integration is progressing as planned and listing trends for Jobs and Real estate improved in Q4.

In Next, underlying<sup>4</sup> revenues in Lendo declined compared to the same period last year driven by the second wave of COVID-19, specifically in Sweden and Finland, while profitability improved slightly due to improved cost and marketing efficiency. Similar to previous quarters, Distribution and Prisjakt recorded strong growth and achieved new all-time highs due to a strong quarter for online shopping.

On a final note, I am pleased to report good progress with regards to our sustainability work. Two examples for this are that we have reached our target of a 60:40 gender ratio in the top three management levels and that we have implemented a sustainable investment policy for our venture investments within Next in 2020.

## Highlights of the quarter

- Continued revenue recovery – positive development from Q3 continued in Q4
- Strong EBITDA of NOK 665 million and underlying<sup>1</sup> revenue growth of 4 percent YoY
- Nordic Marketplaces: Underlying<sup>3</sup> revenues in line with last year after a decline over the last two quarters, driven by an improvement in the Job vertical in Norway. EBITDA margin of 46 percent in Norway and 44 percent in Sweden.
- News Media: Very strong EBITDA margin of 14 percent driven by higher revenues and cost savings. The revenue growth was driven by our subscription business, an increase in digital advertising and SEK 26 million in one-offs from government grants in Sweden.
- Financial Services: Underlying<sup>4</sup> revenues in Lendo declined 3 percent driven by the second wave of COVID-19, particularly in Lendo Sweden and Finland, profitability improved slightly YoY.
- Growth: Strong underlying<sup>4</sup> revenue growth of 24 percent YoY and an increase in EBITDA driven by record-high revenues for Distribution and Prisjakt which have benefited from a strong quarter for online shopping.
- Dividend of NOK 2.00 per share proposed for 2020

<sup>1</sup> Foreign exchange neutral basis and adjusted for acquisition of Oikotie and sale of certain regional and local newspapers

<sup>2</sup> Foreign exchange neutral basis and adjusted for sale of certain regional and local newspapers

<sup>3</sup> Foreign exchange neutral basis and adjusted for acquisition of Oikotie

<sup>4</sup> Foreign exchange neutral basis

## Key figures

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
<b>Schibsted Group</b>						
Operating revenues	3,620	3,316	9%	12,908	12,653	2%
- of which digital	2,245	1,973	14%	7,893	7,486	5%
EBITDA	665	460	45%	2,126	1,977	8%
EBITDA margin	18%	14%		16%	16%	
<b>Operating revenues per segment</b>						
Nordic Marketplaces	857	758	13%	3,181	3,062	4%
News Media	2,046	1,944	5%	7,383	7,465	(1%)
Financial Services	265	260	2%	1,100	1,054	4%
Growth	812	635	28%	2,613	2,165	21%
<b>EBITDA per segment</b>						
Nordic Marketplaces	340	306	11%	1,336	1,360	(2%)
News Media	278	149	87%	731	633	16%
Financial Services	49	33	50%	203	169	20%
Growth	77	55	39%	127	98	30%
Other/Headquarters	(80)	(83)	4%	(272)	(284)	4%

Historical income statement figures have been re-presented due to the classification of Adevinta as a separate item under “Discontinued operations” (see Note 7). Alternative performance measures (APMs) used in this report are described at the end of the report.

# Operational development

## NORDIC MARKETPLACES

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Classifieds revenues	619	571	8%	2,379	2,350	1%
Advertising revenues	132	126	5%	449	457	(2%)
Other revenues	106	61	73%	353	254	39%
<b>Operating revenues</b>	<b>857</b>	<b>758</b>	<b>13%</b>	<b>3,181</b>	<b>3,062</b>	<b>4%</b>
EBITDA	340	306	11%	1,336	1,360	(2%)
EBITDA margin	40%	40%		42%	44%	

The revenue development in Nordic Marketplaces improved compared to the previous quarter, primarily driven by an improvement in the Job vertical in Norway. All markets are improving in listings supported by high traffic growth, and foreign exchange neutral revenues in both Norway and Sweden returned to growth in Q4.

The acquisition of Oikotie is affecting the growth positively (total revenue effect NOK 62 million and EBITDA NOK 13 million in Q4 2020). Q4 has a positive currency effect compared to last year due to a large depreciation of NOK versus SEK and EUR, resulting in 8 percent foreign exchange neutral revenue increase. Also adjusting for the acquisition of Oikotie, revenues are in line with last year.

EBITDA is increasing compared to last year driven by higher revenues, and margin is stable.

### Marketplaces Norway

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Classifieds revenues	353	367	(4%)	1,423	1,562	(9%)
Advertising revenues	56	62	(11%)	200	209	(4%)
Other revenues	89	57	55%	311	241	29%
<b>Operating revenues</b>	<b>498</b>	<b>486</b>	<b>2%</b>	<b>1,934</b>	<b>2,012</b>	<b>(4%)</b>
EBITDA	229	222	3%	914	981	(7%)
EBITDA margin	46%	46%		47%	49%	

Marketplaces Norway returned to growth after two quarters with decline. The improvement from last quarter is primarily driven by a recovery in the Job vertical, combined with continued good development in Real estate and Motor. Listings in all three main verticals continue to recover from COVID-19 effects, however high demand in Motor is slowing down the upsell revenues somewhat. Advertising and particularly Travel are still significantly affected by the macro environment and COVID-19, declining compared to last year. Growth in Other revenues was driven by Nettbil which was acquired in December 2019.

Stable EBITDA margin compared to last year driven by increased revenues.

### Marketplaces Sweden

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Classifieds revenues	213	195	9%	834	753	11%
Advertising revenues	53	50	6%	181	186	(3%)
Other revenues	15	3	>100%	29	12	>100%
<b>Operating revenues</b>	<b>281</b>	<b>248</b>	<b>13%</b>	<b>1,044</b>	<b>951</b>	<b>10%</b>
EBITDA	123	100	23%	457	433	6%
EBITDA margin	44%	40%		44%	46%	

Improved revenues were also seen in Marketplaces Sweden. Revenues grew 13 percent compared to last year in NOK, and 2 percent foreign exchange neutral. Continued growth in the Motor vertical is driving the increase, while both Jobs and advertising continued to decline because of effects from COVID-19.

Temporary measures have dampened the cost increase, leading to improved EBITDA margin compared to last year.

## Marketplaces Finland

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Classifieds revenues	53	10	>100%	122	36	>100%
Advertising revenues	24	14	73%	69	63	9%
Other revenues	14	0	>100%	27	1	>100%
<b>Operating revenues</b>	<b>90</b>	<b>23</b>	<b>&gt;100%</b>	<b>217</b>	<b>100</b>	<b>&gt;100%</b>
EBITDA	6	1	>100%	25	8	>100%
EBITDA margin	7%	6%		12%	8%	

Above table consists of Schibsted's Finnish Marketplaces Tori and newly acquired Oikotie. Oikotie figures were included from mid-July 2020 and contributed with NOK 62 million in revenues and NOK 13 million in EBITDA in Q4 2020, driving the growth compared to last year. Revenues show recovery from last quarter within advertising and the Job vertical, and continued good trend in Real estate and Generalist.

EBITDA improvement driven by the Oikotie acquisition, but like-for-like EBITDA declined due to increased investments into product and marketing.

## NEWS MEDIA

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Advertising revenues	707	709	(0%)	2,257	2,559	(12%)
-of which digital	505	461	10%	1,575	1,634	(4%)
Subscription revenues	693	648	7%	2,654	2,550	4%
-of which digital	297	238	24%	1,086	901	21%
Casual sales	303	330	(8%)	1,256	1,358	(8%)
Other revenues	343	257	33%	1,216	998	22%
<b>Operating revenues</b>	<b>2,046</b>	<b>1,944</b>	<b>5%</b>	<b>7,383</b>	<b>7,465</b>	<b>(1%)</b>
Personnel expenses	(671)	(676)	(1%)	(2,508)	(2,607)	(4%)
Other expenses	(1,097)	(1,120)	(2%)	(4,143)	(4,225)	(2%)
<b>Operating expenses</b>	<b>(1,768)</b>	<b>(1,795)</b>	<b>(2%)</b>	<b>(6,652)</b>	<b>(6,833)</b>	<b>(3%)</b>
<b>EBITDA</b>	<b>278</b>	<b>149</b>	<b>87%</b>	<b>731</b>	<b>633</b>	<b>16%</b>
EBITDA margin	14%	8%		10%	8%	

News Media is delivering another strong quarter, with growth in revenues combined with lower costs. Digital subscription revenues continued to grow well, driven by both volume and ARPU, and digital advertising revenues showed a significant improvement from the previous quarter. In addition, News Media has received SEK 26 million from government grants in Sweden in Q4, which is affecting Other revenues positively.

The cost reduction program of NOK 500 million is progressing well, and savings have shown effect earlier than first planned.

Total News Media revenues increased 5 percent in the quarter (+1 percent foreign exchange neutral, and +5 percent adjusting for both currency and assets sold to Polaris in Q4 2019). Please note that increased invoicing from News Media to other Schibsted segments has led to an increase in Other revenues throughout 2020, while this effect is eliminated looking at Group revenues.

Very strong EBITDA margin of 14 percent driven primarily by the combination of strong growth in digital revenues and cost savings.

Split revenue per brand (NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
VG	507	477	6%	1,779	1,793	(1%)
Aftonbladet	436	383	14%	1,502	1,475	2%
Subscription Newspapers	861	913	(6%)	3,178	3,496	(9%)
Other	242	172	41%	924	701	32%
<b>Operating revenues</b>	<b>2,046</b>	<b>1,944</b>	<b>5%</b>	<b>7,383</b>	<b>7,465</b>	<b>(1%)</b>

## VG

Strong revenue development in the quarter, driven by digital revenues from both subscription and advertising, particularly within content marketing. Total revenues are increasing 6 percent, slightly above previous quarter.

## Aftonbladet

Q4 revenues have a positive currency effect due to a large depreciation of NOK versus SEK, leading to a 14 percent increase in revenues in NOK while 3 percent increase foreign exchange neutral. Growth is driven by digital subscriptions, and digital advertising revenues that are increasing for the first time since Q2 2018, driven by growth in programmatic and FMCG. Aftonbladet received government grants of SEK 12 million in Q4 as compensation for negative COVID-19 effects in 2020 which also affected revenues positively.

## Subscription Newspapers

Subscription Newspapers experienced a slight improvement compared to the previous quarter. Advertising revenues, primarily print, are still suffering from negative COVID-19 effects, however the revenue decline is somewhat improved. This is partly offset by continued growth in digital subscriptions revenues, in addition to government grants to Svenska Dagbladet of SEK 14 million, leaving total revenues 6 percent lower compared to last year, but flat adjusted for assets sold to Polaris in Q4 2019 and foreign exchange neutral.

## Other

Other consist of Schibsted's printing facilities and centralized functions in Norway and Sweden. There are fluctuations in revenues and costs due to changes in organizational structure. These changes mean increased invoicing from News Media to other Schibsted segments, and therefore increased revenues in News Media but limited effect in Schibsted Group as a total due to eliminations. Please also note that a big part of the increase from last year is explained by a positive currency effect due to a large depreciation of NOK versus SEK.

## FINANCIAL SERVICES

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Operating revenues	265	260	2%	1,100	1,054	4%
EBITDA	49	33	50%	203	169	20%
EBITDA margin	18%	13%		18%	16%	

The revenue development within Financial Services was negatively affected by the second wave of COVID-19 (foreign exchange neutral revenues declined 7 percent), however increased profitability due to improved cost and marketing efficiency.

## Lendo

Lendo Group (NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Operating revenues	229	218	5%	938	882	6%
EBITDA	43	30	43%	189	155	22%
EBITDA margin	19%	14%		20%	18%	

Lendo Group has also significant currency effects this quarter – total revenues increased 5 percent compared to last year in NOK, while foreign exchange neutral revenues decreased 3 percent. It is primarily Sweden and Finland that are negatively impacted by the second wave of COVID-19, as banks continue to be more restrictive in their lending practices. However, we see a small revenue increase in Norway, and Denmark shows good growth despite COVID-19.

The geographical expansion affected EBITDA negatively with NOK 10 million in Q4, which is less compared to last year, as result of the decision to discontinue operations in Poland and significantly scale back Austria. Less expansion costs in addition to improved cost and marketing efficiency resulted in a stronger margin in the quarter.

## GROWTH

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Operating revenues	812	635	28%	2,613	2,165	21%
EBITDA	77	55	39%	127	98	30%
EBITDA margin	9%	9%		5%	5%	

Several Schibsted Growth operations continued to experience increased activity levels and demand during Q4 related to the COVID-19 pandemic, such as Schibsted Distribution, Prisjakt, and the marketplace for services MittAnbud. The Growth portfolio showed a total revenue growth of 28 percent (24 percent foreign exchange neutral) driven by the above-mentioned services, somewhat offset by the advertising driven services and Let's Deal.

EBITDA is growing compared to last quarter and previous year driven by higher revenues.

## Distribution

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Operating revenues	484	355	36%	1,572	1,247	26%
EBITDA	30	16	86%	44	39	13%
EBITDA margin	6%	5%		3%	3%	

Distribution currently has operations in Norway and consists of the legacy newspaper distribution and "Distribution new business" (mainly Helthjem Netthandel, Morgenlevering, Zoopit and Svosj). The Distribution new business witnessed record high revenues growing 139 percent compared to last year driven by increasing e-commerce volumes during a quarter with both Black Week and Christmas. This development is driven by continued growth in customers, volumes and increased market awareness in our new, innovative services that are experiencing positive COVID-19 effects.

## Prisjakt

(NOK million)	Fourth quarter			Year		
	2020	2019	Change	2020	2019	Change
Operating revenues	144	116	24%	398	325	22%
EBITDA	48	44	9%	122	95	29%
EBITDA margin	33%	38%		31%	29%	

Prisjakt also experienced a strong fourth quarter, where COVID-19 effects' impact on e-commerce has been one of the main contributors for the positive development, in addition to a strong quarter for online shopping. Revenues increased 24 percent (12 percent foreign exchange neutral) in the quarter, driven by click-revenues and high traffic. EBITDA above last year, driven by the revenue increase.

## OTHER/HEADQUARTERS

HQ / Other had a negative EBITDA of NOK 80 million in Q4, which is NOK 3 million below last year primarily due to lower activity-based costs such as travel and events due to COVID-19. Certain costs within centralized product and technology development and services have previously been reported under the Other/Headquarters segment but have from 2020 been allocated to the operating segments (2019 financials have been restated accordingly).

## DISCONTINUED OPERATIONS

Based on Adevinta's stand-alone reporting, revenue decreased by 1 percent in Q4 2020, compared to Q4 2019. Revenues in FY 2020 amounted to EUR 673.5 million compared to EUR 680.3 million in 2019, driven by growth in France offset by year-on-year decrease in other segments despite improving trends.

Operating expenses decreased by 1 percent in Q4 2020, compared to Q4 2019. Personnel expenses increased moderately in Q4 2020 compared to the same period last year as Adevinta continued to invest in talents and resources to support the long-term development of the business. Other operating expenses retracted year-on-year due to further cost saving initiatives in the quarter. As a result, gross operating profit (EBITDA) remained stable in Q4 2020, compared to Q4 2019. For FY 2020, the gross operating profit (EBITDA) amounted to EUR 182.5 million compared to EUR 199.5 million in FY 2019, equivalent to a decrease of 9 percent. For more details, please refer to Adevinta's Q4 report published 11 February 2021 on [www.adevinta.com/ir](http://www.adevinta.com/ir).



# Outlook

## Schibsted

In the end of Q4, COVID-19 vaccination has started but is progressing slower than initially hoped for. In addition, new mutations of COVID-19 have raised some concerns and led to tighter restrictions. While this has led to more uncertainty in the shorter term, our businesses are in good positions. Driven by social distancing, consumers and businesses are seeking for convenient, reliable, and safe ways to buy and sell products or services. As a result, digital transformation has accelerated across many industries which brings new possibilities for our Nordic Marketplaces and businesses like Distribution or Prisjakt. Another trend which we have witnessed, is that consumers show higher interest than ever before in our independent, high quality journalism to stay informed about the pandemic, politics, and society at large.

While our Nordic Marketplaces still will be affected by the pandemic in the shorter term, we remain confident in the resilience and growth potential of this business and keep our medium- to long-term target to grow annual revenues by 8-12 percent for this segment. We expect that the growth will be driven by three things. First, by leveraging our Nordic market positions driven by the development of better products and value-added services for our verticals. Second, the transformation to next generation marketplaces. And finally, by expanding into new marketplace concepts.

News Media experienced a significant decline in advertising and casual sales revenues in the first half of 2020 driven by the pandemic and related restrictions. However, one year into the pandemic, our news destinations have strengthened their positions – traffic is higher than before, digital advertising revenues have returned to growth and our subscription business has seen good, continued growth. Looking ahead, the most important matter is the continued transition to a future oriented, digital focused news organization with an even stronger emphasis on our subscription business. Already today, News Media has a strong and loyal customer base in Norway and Sweden with around 1.2 million subscriptions in total. We are currently pursuing opportunities to further capitalize on these positions which will enable us to secure News Media's long-term

financial profitability and safeguard its high relevance for society. To accelerate this transition, we announced a cost program of NOK 500 million (the net effect will be reduced by inflation and wage increases) at the Q1 2020 presentation. The implementation of the program is ahead of plan with around NOK 180 million of cost savings in 2020. Looking at EBITDA margin for News Media, we are targeting a range of 8-10% in the medium-term provided a more normalized advertising market.

Within Next (Financial Services and Growth), Lendo is expected to grow well over time. In the shorter term, the COVID-19 pandemic has led to a slower revenue development, as banks have been more restrictive due to increased macroeconomic uncertainty. The investment into new markets for Lendo will continue and in Q4 we started to launch the service in Spain. Lendo's expansion is expected to affect EBITDA negatively with around NOK 70-80 million in 2021. In Distribution, we expect continued strong revenue growth and will continue to focus on new and innovative product and tech solutions supporting the strong megatrend of growth within e-commerce which will lead to some investments.

Across all business areas, use of data is getting more and more important for a wide range of purposes – from development to personalization of products and services. At the same time, collection and utilization of data has become increasingly complex due to development in the regulatory framework as well as technical restrictions, such as tracking prevention implemented by internet browsers. Schibsted has good progress on a Group wide data strategy and our goal is to ensure sustainable use of data going forward.

## Adevinta

Please refer to Adevinta's comprehensive outlook statement in its Q4 2020 report published 11 February 2021 on [www.adevinta.com/ir](http://www.adevinta.com/ir).

# Group overview

## Operating profit

The Group's consolidated operating revenues increased by 9 percent in Q4 2020. Consolidated operating expenses decreased by 3 percent and consolidated Gross operating profit (EBITDA) increased by 45 percent.

Depreciation and amortisation were NOK -218 million (NOK -201 million). Share of profit (loss) of joint ventures and associates was NOK -12 million (NOK -13 million). Impairment losses were NOK -40 million (NOK -26 million) mainly related to discontinued initiatives within product and tech, and impairment of an associated company. Other income and expenses in Q4 2020 were NOK -54 million (NOK -51 million), mainly explained by transaction-related cost in connection with the acquisition of Oikotie and the announced acquisition of eBay Denmark, and cost related to headcount reductions in News Media. Other income and expenses are disclosed in note 4.

Operating profit in Q4 2020 amounted to NOK 339 million (NOK 168 million). Please also refer to note 3.

## Net profit and earnings per share

The Group reports a tax expense of NOK 49 million (16%) in Q4 2020 compared to an expense of NOK 53 million (38%) in Q4 2019. The decrease in reported tax rate is primarily related to re-assessment of previously unrecognized deferred tax assets.

Profit (loss) after taxes from discontinued operations was NOK 444 million (NOK 35 million). Profit in Adevinta is adjusted for the effect of not recognising depreciation, amortisation or impairment of non-current assets and discontinuing the use of the equity method for associated companies and joint ventures in Adevinta, positively affecting profit (loss) from discontinued operations by NOK 453 million after tax in the quarter. For further details see note 2, note 7 and Adevinta's Q4 report published 11 February 2021 on [www.adevinta.com/ir](http://www.adevinta.com/ir).

Basic earnings per share in Q4 2020 is NOK 2.09 compared to NOK 0.36 in Q4 2019. Basic earnings per share from continuing operations in Q4 2020 is NOK 1.00 compared to NOK 0.30 in Q4 2019.

Adjusted earnings per share from continuing operations in Q4 2020 is NOK 1.32 compared to NOK 0.58 in Q4 2019.

## Financial position

The carrying amount of the Group's assets increased by NOK 15,700 million to NOK 48,478 million during 2020. The increase is mainly within Adevinta and included in assets held for sale at the end of 2020. The Group's equity ratio was 33 percent at the end of Q4 2020, compared to 52 percent at the end of 2019.

Schibsted ASA has a well-diversified loan portfolio with loans from both the Norwegian bond market and the Nordic Investment bank. A new bond (FRN) of NOK 1 billion was issued in April 2020 and replaced the bond (FRN) of NOK 1 billion that expired in June.

A new bridge loan facility of EUR 350 million was entered into during the third quarter. This facility will be used to finance the acquisition of the Danish eBay classifieds companies with expected closing in Q1 2021. In addition, Schibsted has a revolving credit facility of EUR 300 million. None of the facilities were drawn as of 31 December 2020.

The cash balance at the end of 2020 was NOK 1,306 million giving a net interest-bearing debt of NOK 2,462 million. Including the undrawn facilities, the liquidity reserve amounts to NOK 8,112 million. A dividend of NOK 2.00 per share is proposed for 2020.

## Cash flow from continuing operations

Net cash flow from operating activities was NOK 581 million for Q4 2020 compared to NOK 494 million in the same period of 2019. The increased cash flow is mainly explained by increased EBITDA, offset by increased tax payments.

Net cash outflow from investing activities was NOK -181 million for Q4 2020 compared to NOK -250 million in the same period of 2019. The decreased cash outflow is explained by lower net investments in shares and positive liquidity effect from financial derivatives partly offset by investments in development and purchase of intangible assets, and property, plant and equipment.

Net cash outflow from financing activities was NOK -107 million for Q4 2020 compared to NOK -631 million in the same period of 2019. The decrease in cash outflows is primarily related to reduced buyback of shares. Please see note 8 for more details on cash flow from continuing operations.

## Discontinued operations

In July 2020, Schibsted announced that its subsidiary Adevinta ASA had signed an agreement to acquire 100% of eBay Classified Group being the global classifieds operations of eBay Inc (eBay). Schibsted will lose control of Adevinta and cease to consolidate Adevinta with effect from closing of the acquisition, expected in the first quarter of 2021. Adevinta represents a separate major line of business and is therefore classified as a discontinued operation with effect from signing of the agreement. The post-tax profits of discontinued operations are presented in a separate line item in the income statement. Previous periods are re-presented. See note 2 and note 7 for further details.

# Condensed consolidated financial statements

## Income statement

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Operating revenues	3,620	3,316	12,908	12,653
Raw materials and finished goods	(151)	(111)	(454)	(416)
Personnel expenses	(1,365)	(1,270)	(4,905)	(4,793)
Other operating expenses	(1,439)	(1,476)	(5,422)	(5,467)
<b>Gross operating profit (loss)</b>	<b>665</b>	<b>460</b>	<b>2,126</b>	<b>1,977</b>
Depreciation and amortisation	(218)	(201)	(829)	(813)
Share of profit (loss) of joint ventures and associates	(12)	(13)	(44)	(58)
Impairment loss	(40)	(26)	(61)	(35)
Other income and expenses	(54)	(51)	(90)	(151)
<b>Operating profit (loss)</b>	<b>339</b>	<b>168</b>	<b>1,101</b>	<b>920</b>
Financial income	12	19	37	89
Financial expenses	(47)	(48)	(197)	(179)
<b>Profit (loss) before taxes</b>	<b>304</b>	<b>139</b>	<b>941</b>	<b>829</b>
Taxes	(49)	(53)	128	(275)
<b>Profit (loss) after taxes from continuing operations</b>	<b>254</b>	<b>86</b>	<b>1,068</b>	<b>554</b>
Profit (loss) after taxes from discontinued operations	444	35	(233)	642
<b>Profit (loss)</b>	<b>698</b>	<b>121</b>	<b>836</b>	<b>1,196</b>
Profit (loss) attributable to:				
Non-controlling interests	209	36	(22)	247
Owners of the parent	490	85	858	949
Earnings per share in NOK:				
Basic	2.09	0.36	3.67	4.00
Diluted	2.09	0.36	3.66	3.99
Earnings per share from continuing operations in NOK:				
Basic	1.00	0.30	4.30	2.05
Diluted	0.99	0.30	4.29	2.04

## Statement of comprehensive income

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
<b>Profit (loss)</b>	<b>698</b>	<b>121</b>	<b>836</b>	<b>1,196</b>
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension liabilities	71	297	(148)	45
Cash flow hedges	(1,148)	-	(1,626)	-
Change in fair value of equity instruments	3	(6)	(18)	(3)
Share of other comprehensive income of joint ventures and associates	-	-	(1)	-
Income tax relating to items that will not be reclassified	31	(65)	53	(10)
Items that may be reclassified to profit or loss:				
Foreign exchange differences	(770)	4	148	(256)
Accumulated exchange differences reclassified to profit or loss on disposal of foreign operation	22	-	22	-
Cash flow hedges and hedges of net investments in foreign operations	139	(19)	(223)	7
Share of other comprehensive income of joint ventures and associates	(3)	-	(2)	-
Income tax relating to items that may be reclassified	(35)	4	48	(1)
<b>Other comprehensive income</b>	<b>(1,691)</b>	<b>214</b>	<b>(1,745)</b>	<b>(218)</b>
<b>Total comprehensive income</b>	<b>(993)</b>	<b>335</b>	<b>(909)</b>	<b>978</b>
Total comprehensive income attributable to:				
Non-controlling interests	(436)	20	(661)	340
Owners of the parent	(557)	315	(249)	638

## Statement of financial position

(NOK million)	31 Dec	
	2020	2019
Intangible assets	6,018	17,369
Property, plant and equipment and investment property	480	849
Right-of-use assets	1,620	2,317
Investments in joint ventures and associates	922	4,529
Deferred tax assets	690	179
Other non-current assets	101	241
<b>Non-current assets</b>	<b>9,832</b>	<b>25,483</b>
Contract assets	173	224
Trade receivables and other current assets	1,792	3,047
Cash and cash equivalents	1,306	3,866
Assets held for sale	35,375	157
<b>Current assets</b>	<b>38,646</b>	<b>7,294</b>
<b>Total assets</b>	<b>48,478</b>	<b>32,778</b>
Paid-in equity	7,028	6,967
Other equity	3,151	3,531
<b>Equity attributable to owners of the parent</b>	<b>10,178</b>	<b>10,498</b>
Non-controlling interests	5,675	6,383
<b>Equity</b>	<b>15,853</b>	<b>16,882</b>
Deferred tax liabilities	351	944
Pension liabilities	1,154	1,095
Non-current interest-bearing loans and borrowings	3,090	4,729
Non-current lease liabilities	1,503	2,192
Other non-current liabilities	317	355
<b>Non-current liabilities</b>	<b>6,416</b>	<b>9,314</b>
Current interest-bearing loans and borrowings	678	1,089
Income tax payable	74	234
Current lease liabilities	286	352
Contract liabilities	600	1,109
Other current liabilities	2,537	3,660
Liabilities held for sale	22,034	138
<b>Current liabilities</b>	<b>26,209</b>	<b>6,582</b>
<b>Total equity and liabilities</b>	<b>48,478</b>	<b>32,778</b>

## Statement of cash flows

The statement of cash flows is prepared in accordance with applicable accounting standards and includes cash flows from discontinued operations. For detailed information on cash flows from continuing operations, see note 8.

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Profit (loss) before taxes from continuing operations	304	139	941	829
Profit (loss) before taxes from discontinued operations	426	88	154	1,119
Depreciation, amortisation and impairment losses	258	605	1,226	1,537
Net effect pension liabilities	21	(29)	(7)	(84)
Share of loss (profit) of joint ventures and associates, net of dividends received	12	(32)	52	40
Taxes paid	(297)	(199)	(819)	(978)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(50)	1	(189)	(1)
Non-cash items and change in working capital and provisions	69	186	1,043	382
<b>Net cash flow from operating activities</b>	<b>742</b>	<b>759</b>	<b>2,402</b>	<b>2,844</b>
-of which from continuing operations	581	494	1,292	1,532
-of which from discontinued operations	162	264	1,110	1,312
Development and purchase of intangible assets and property, plant and equipment	(278)	(276)	(1,069)	(908)
Acquisition of subsidiaries, net of cash acquired	2	(734)	(2,025)	(884)
Proceeds from sale of intangible assets, investment property and property, plant and equipment	-	-	116	13
Proceeds from sale of subsidiaries, net of cash sold	329	-	426	(1)
Net sale of (investment in) other shares	(76)	(71)	(254)	(460)
Net change in other investments	(3,139)	(19)	(3,302)	(5)
<b>Net cash flow from investing activities</b>	<b>(3,162)</b>	<b>(1,100)</b>	<b>(6,109)</b>	<b>(2,244)</b>
-of which from continuing operations	(181)	(250)	(2,654)	(888)
-of which from discontinued operations	(2,980)	(850)	(3,455)	(1,356)
Net change in interest-bearing loans and borrowings	738	461	3,276	1,546
Payment of principal portion of lease liabilities	(112)	(111)	(419)	(438)
Change in ownership interests in subsidiaries	(30)	-	(91)	1,964
Capital increase	-	9	8	9
Net sale (purchase) of treasury shares	7	(518)	(90)	(1,069)
Dividends paid	(1)	(38)	(61)	(583)
<b>Net cash flow from financing activities</b>	<b>602</b>	<b>(196)</b>	<b>2,624</b>	<b>1,429</b>
-of which from continuing operations	(107)	(631)	(498)	1,219
-of which from discontinued operations	709	434	3,122	210
Effects of exchange rate changes on cash and cash equivalents	(172)	-	(105)	(7)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,989)</b>	<b>(537)</b>	<b>(1,188)</b>	<b>2,022</b>
Cash and cash equivalents at start of period	4,666	4,403	3,866	1,844
<b>Cash and cash equivalents at end of period</b>	<b>2,678</b>	<b>3,866</b>	<b>2,678</b>	<b>3,866</b>
-of which cash and cash equivalents in assets held for sale	1,371	-	1,371	-
-of which cash and cash equivalents excluding assets held for sale	1,306	3,866	1,306	3,866

In 2020, non-cash items and change in working capital and provisions include NOK 873 million of foreign exchange losses related to cash flow hedges in Adevinta primarily related to the Grupo Zap acquisition. Related cash outflows are reported in net cash flow from investing activities.

## Statement of changes in equity

(NOK million)

	Attributable to owners of the parent	Non-controlling interests	Equity
<b>Equity as at 31 Dec 2018- as previously reported</b>	<b>14,411</b>	<b>262</b>	<b>14,673</b>
Change in accounting principle IFRS 16	(131)	(2)	(132)
<b>Equity as at 1 Jan 2019</b>	<b>14,281</b>	<b>260</b>	<b>14,541</b>
Profit (loss) for the period	949	247	1,196
Other comprehensive income	(311)	93	(218)
<b>Total comprehensive income</b>	<b>638</b>	<b>340</b>	<b>978</b>
Capital increase	-	9	9
Share-based payment	42	9	51
Dividends paid to owners of the parent	(477)	-	(477)
Dividends paid to non-controlling interests	14	(106)	(92)
Change in treasury shares	(1,069)	-	(1,069)
Business combinations	-	12	12
Loss of control of subsidiaries	-	(1)	(1)
Changes in ownership of subsidiaries that do not result in a loss of control	(2,912)	5,860	2,948
Share of transactions with the owners of joint ventures and associates	(19)	-	(19)
<b>Equity as at 31 Dec 2019</b>	<b>10,498</b>	<b>6,383</b>	<b>16,882</b>
Profit (loss) for the period	858	(22)	836
Other comprehensive income	(1,107)	(638)	(1,745)
<b>Total comprehensive income</b>	<b>(249)</b>	<b>(661)</b>	<b>(909)</b>
Capital increase	-	12	12
Share-based payment	61	16	77
Dividends paid to non-controlling interests	15	(61)	(46)
Change in treasury shares	(90)	-	(90)
Acquisition of assets not constituting a business	-	10	10
Loss of control of subsidiaries	-	(2)	(2)
Changes in ownership of subsidiaries that do not result in a loss of control	(44)	(23)	(66)
Share of transactions with the owners of joint ventures and associates	(14)	-	(14)
<b>Equity as at 31 Dec 2020</b>	<b>10,178</b>	<b>5,675</b>	<b>15,853</b>

# Notes

## Note 1 - Corporate information, basis of preparation and changes to accounting policies

The condensed consolidated interim financial statements comprise the Group and the Group's interests in joint ventures and associates. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements are unaudited. All numbers are in NOK million unless otherwise stated. Tables may not summarise due to rounding.

The accounting policies adopted in preparing the condensed consolidated financial statements are consistent with those followed in preparing the Group's annual financial statements for 2019.

Adevinta is classified as a discontinued operation at the end of the current reporting period as disclosed in Note 2 Changes in the composition of the group. Previous periods are re-presented, reflecting Adevinta as discontinued for all reported periods. The re-presentation affects the income statement and related note disclosures.

## Note 2 - Changes in the composition of the group

### Business combinations

During 2020, Schibsted (continuing operations) has invested NOK 1 951 million related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree.

In July 2020, Schibsted, entered into an agreement to purchase 100% of the shares in Oikotie Oy, a Finnish multi-vertical online marketplace. Oikotie holds the number one position in the job vertical in Finland and a strong market share in real estate. Through the acquisition of Oikotie, Schibsted aims to expand its presence in the Finnish online marketplaces segment with a focus on growth and ambitious innovation. The company was consolidated into the Group's financial statements as of 16 July 2020.

In November 2020 the Norwegian Competition Authority (NCA) resolved to prohibit the business combination between Schibsted and Nettbil, which was acquired in December 2019. Schibsted has appealed the decision to the Norwegian Competition Tribunal. A decision from the Norwegian Competition Tribunal is expected during Q2 2021.

The table below summarizes the consideration transferred and the preliminary amounts recognised for assets acquired and liabilities assumed in the business combinations. The amounts are primarily related to the acquisition of Oikotie Oy and there might be changes to the preliminary amounts including the amount allocated to goodwill.

	<b>Total business combinations</b>
<b>Consideration:</b>	
Cash	2,037
<b>Total</b>	<b>2,037</b>
<b>Amounts for assets and liabilities recognised:</b>	
Intangible assets	993
Other non-current assets	2
Cash and cash equivalents	86
Trade and other receivables	15
Non-current liabilities	(198)
Current liabilities	(50)
<b>Total identifiable net assets</b>	<b>848</b>
Non-controlling interests	-
Goodwill	1,189
<b>Total</b>	<b>2,037</b>

The intangible assets consist mainly of brand, customer relations and technology, of which approximately 40 % is amortised over a period from 3-10 years. The goodwill recognised is attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. None of the goodwill recognised is expected to be deductible for income tax purposes. The business combinations are carried out as part of the Group's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Group.



## Other changes in the composition of the group in 2020

In January 2020, Schibsted closed the sale of the newspaper operations in Agder to Polaris Media. Schibsted has a 29% ownership in Polaris Media, which is accounted for as an associated company using the equity method. A gain of NOK 63 million is recognised in the line item Other income and expenses.

In June 2020, Schibsted disposed of an investment property in Stavanger through the sale of 100% of the shares in Stokkamyrveien 30 AS. A gain on sale of NOK 51 million is recognised in profit or loss in the line item Other income and expenses.

Schibsted has during 2020, paid NOK 69 million related to increases in ownership interests in subsidiaries.

## Future changes in the composition of the group

In July 2020, Schibsted announced that its subsidiary Adevinta ASA had signed an agreement to acquire 100% of eBay Classified Group being the global classifieds operations of eBay Inc (eBay). The transaction is expected to close in the first quarter of 2021. Under the terms of the agreement, eBay will receive a consideration of USD 2.5 billion in cash (subject to closing adjustments) and approximately 540 million shares in Adevinta representing an ownership interest of 44.1% of the capital and 33.3% of the votes.

### *Effects for accounting until closing*

Adevinta is classified as a disposal group held for sale with effect from signing of the agreement (20 July 2020). The assets and liabilities of Adevinta are presented separately within current items in the statement of financial position. Previous periods are not re-presented. No depreciation, amortisation or impairment losses are recognised for non-current assets while being part of a disposal group classified as held for sale. Further, the use of the equity method of accounting is discontinued for investments in joint ventures and associates of a disposal group.

Adevinta represents a separate major line of business and is therefore classified as a discontinued operation with effect from signing of the agreement. The post-tax profits of discontinued operations are presented in a separate line item in the income statement. Previous periods are re-presented. The gain on loss of control to be recognised on closing will be reported in the same line item.

See note 7 Assets held for sale and discontinued operations for further information.

### *Effects for accounting post-closing*

Following the acquisition by Adevinta, Schibsted's ownership interest will be reduced to 33.1% of the capital and 39.5% of the votes and the acquisition will have the following effects for the consolidated financial statements of Schibsted:

- Schibsted will lose control of Adevinta and will cease to consolidate Adevinta with effect from closing of the acquisition.
- Gain on loss of control will be recognised on closing. As part of recognising such gain, the retained interest in Adevinta will be recognised at its fair value.
- Subsequent to closing of the acquisition, the retained interest in Adevinta will be accounted for as an associate applying the equity method of accounting. Share of profit recognised will reflect Schibsted's share of profit (loss) as reported by Adevinta with appropriate adjustments for depreciation and amortisation of non-current assets based on their fair values when equity accounting commences.

### *Acquisition of eBay DK*

Related to Adevinta's transaction, Schibsted has entered into an agreement with Adevinta to acquire the Danish operations of eBay Classifieds Group immediately after closing of Adevinta's acquisition. The agreement values eBay Classifieds Denmark at USD 330 million on an enterprise value basis.

## Note 3 - Operating segments and disaggregation of revenues

As announced on 1 April 2020, Schibsted has adjusted the reporting structure effective Q1 2020. The main change is that costs from centralised product and technology developments and services, which have previously been reported under the Other/Headquarters segment, is now allocated to the operating segments. In addition, digital revenues will replace online revenues which included an allocation of combined subscription revenues in the past. Operating segments and disaggregation of revenues for 2019 were restated retrospectively to give comparable information.

Schibsted's operating segments are Nordic Marketplaces, News Media, Financial Services and Growth. With effect from Q3 2020, Adeventa is excluded from the operating segment disclosures and disaggregation of revenues as it is classified and presented as discontinued operations. See note 2 for further information.

**Nordic Marketplaces** comprises online classified operations in Norway (Finn), Sweden (Blocket) and Finland (Tori and Oikotie from 16 July 2020). These operations provide technology-based services to connect buyers and sellers and facilitate transactions, from job offers to real estate, cars, consumer goods and more. Nordic Marketplaces also include the adjacent businesses Nettbil and Qasa.

**News Media** comprises news brands in Norway and Sweden both in digital and paper formats, in addition to printing plant operations in the Norwegian market.

**Financial Services** consists of a portfolio of digital growth companies in the personal finance space, mainly in Norway and Sweden. Lendo is the key brand in the portfolio, offering digital marketplaces for consumer lending in the Nordics.

**Growth** consists of a portfolio of digital growth companies, mainly in Norway and Sweden, and the distribution operations (legacy and new business) in Norway.

**Other / Headquarters** comprises operations not included in the other reported operating segments, including the Group's headquarter Schibsted ASA and other centralised functions.

**Eliminations** comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

In the operating segment information presented, Gross operating profit (loss) is used as measure of operating segment profit (loss). For internal control and monitoring, Operating profit (loss) is also used as measure of operating segment profit (loss).

	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
<b>Fourth quarter 2020</b>							
<b>Operating revenues</b>	<b>857</b>	<b>2,046</b>	<b>265</b>	<b>812</b>	<b>162</b>	<b>(522)</b>	<b>3,620</b>
- of which internal	23	205	1	145	147	(522)	-
<b>Gross operating profit (loss)</b>	<b>340</b>	<b>278</b>	<b>49</b>	<b>77</b>	<b>(80)</b>	-	<b>665</b>
Operating profit (loss)	261	160	28	-	(110)	-	339
<b>Fourth quarter 2019</b>							
<b>Operating revenues</b>	<b>758</b>	<b>1,944</b>	<b>260</b>	<b>635</b>	<b>143</b>	<b>(424)</b>	<b>3,316</b>
- of which internal	28	148	1	151	97	(424)	-
<b>Gross operating profit (loss)</b>	<b>306</b>	<b>149</b>	<b>33</b>	<b>55</b>	<b>(83)</b>	-	<b>460</b>
Operating profit (loss)	274	42	15	9	(172)	-	168
<b>Year 2020</b>							
<b>Operating revenues</b>	<b>3,181</b>	<b>7,383</b>	<b>1,100</b>	<b>2,613</b>	<b>668</b>	<b>(2,037)</b>	<b>12,908</b>
- of which internal	84	804	2	552	594	(2,037)	-
<b>Gross operating profit (loss)</b>	<b>1,336</b>	<b>731</b>	<b>203</b>	<b>127</b>	<b>(272)</b>	-	<b>2,126</b>
Operating profit (loss)	1,043	372	90	(35)	(368)	-	1,101
<b>Year 2019</b>							
<b>Operating revenues</b>	<b>3,062</b>	<b>7,465</b>	<b>1,054</b>	<b>2,165</b>	<b>579</b>	<b>(1,672)</b>	<b>12,653</b>
- of which internal	93	570	1	589	418	(1,672)	-
<b>Gross operating profit (loss)</b>	<b>1,360</b>	<b>633</b>	<b>169</b>	<b>98</b>	<b>(284)</b>	-	<b>1,977</b>
Operating profit (loss)	1,238	241	74	(16)	(617)	-	920

## Disaggregation of revenues:

Fourth quarter 2020	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	619	-	-	-	-	-	619
Advertising revenues	132	707	-	92	-	(37)	894
-of which digital	132	505	-	92	-	(35)	694
Subscription revenues	-	693	-	68	-	(1)	761
-of which digital	-	297	-	66	-	-	363
Casual sales	-	303	-	-	-	-	303
Other revenues	105	287	265	646	145	(455)	994
<b>Revenues from contracts with customers</b>	<b>857</b>	<b>1,990</b>	<b>265</b>	<b>806</b>	<b>145</b>	<b>(492)</b>	<b>3,571</b>
Revenues from lease contracts, government grants and others	-	56	-	6	16	(29)	49
<b>Operating revenues</b>	<b>857</b>	<b>2,046</b>	<b>265</b>	<b>812</b>	<b>162</b>	<b>(522)</b>	<b>3,620</b>

Fourth quarter 2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	571	-	-	-	-	-	571
Advertising revenues	126	709	-	87	-	(36)	887
-of which digital	126	461	-	87	-	(33)	641
Subscription revenues	-	648	-	56	-	(1)	703
-of which digital	-	238	-	56	-	-	294
Casual sales	-	330	-	-	-	-	330
Other revenues	60	237	260	492	120	(358)	811
<b>Revenues from contracts with customers</b>	<b>757</b>	<b>1,924</b>	<b>260</b>	<b>635</b>	<b>120</b>	<b>(395)</b>	<b>3,302</b>
Revenues from lease contracts, government grants and others	-	20	-	-	23	(29)	14
<b>Operating revenues</b>	<b>758</b>	<b>1,944</b>	<b>260</b>	<b>635</b>	<b>143</b>	<b>(424)</b>	<b>3,316</b>

Year 2020	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	2,379	-	-	-	-	(1)	2,377
Advertising revenues	449	2,257	-	278	-	(155)	2,829
-of which digital	449	1,575	-	278	-	(149)	2,153
Subscription revenues	-	2,654	-	253	-	(2)	2,905
-of which digital	-	1,088	-	249	-	-	1,336
Casual sales	-	1,256	-	-	-	-	1,256
Other revenues	352	1,069	1,100	2,076	604	(1,768)	3,434
<b>Revenues from contracts with customers</b>	<b>3,179</b>	<b>7,236</b>	<b>1,100</b>	<b>2,607</b>	<b>604</b>	<b>(1,927)</b>	<b>12,800</b>
Revenues from lease contracts, government grants and others	1	146	-	6	64	(110)	107
<b>Operating revenues</b>	<b>3,181</b>	<b>7,383</b>	<b>1,100</b>	<b>2,613</b>	<b>668</b>	<b>(2,037)</b>	<b>12,908</b>

Year 2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	2,350	-	-	-	-	(2)	2,349
Advertising revenues	457	2,559	-	258	-	(140)	3,134
-of which digital	457	1,634	-	258	-	(123)	2,227
Subscription revenues	-	2,550	-	212	-	(2)	2,760
-of which digital	-	901	-	212	-	-	1,113
Casual sales	-	1,358	-	-	-	-	1,358
Other revenues	253	917	1,053	1,695	441	(1,368)	2,991
<b>Revenues from contracts with customers</b>	<b>3,061</b>	<b>7,384</b>	<b>1,054</b>	<b>2,165</b>	<b>441</b>	<b>(1,512)</b>	<b>12,592</b>
Revenues from lease contracts, government grants and others	1	81	-	-	138	(160)	61
<b>Operating revenues</b>	<b>3,062</b>	<b>7,465</b>	<b>1,054</b>	<b>2,165</b>	<b>579</b>	<b>(1,672)</b>	<b>12,653</b>

## Note 4 - Other income and expenses

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Gain on sale of subsidiaries, joint ventures and associates	11	-	75	1
Gain on sale of intangible assets, property, plant and equipment and investment property	-	-	51	-
Gain on amendments and curtailment of pension plans	6	10	21	10
<b>Other income or gain</b>	<b>17</b>	<b>9</b>	<b>146</b>	<b>11</b>
Restructuring costs	(48)	(59)	(134)	(122)
Transaction-related costs	(24)	(1)	(101)	(35)
Loss on sale of subsidiaries, joint ventures and associates	-	-	(2)	-
Loss on sale of intangible assets, property, plant and equipment and investment property	-	-	-	(4)
<b>Other expenses or loss</b>	<b>(72)</b>	<b>(61)</b>	<b>(237)</b>	<b>(162)</b>
<b>Total</b>	<b>(54)</b>	<b>(51)</b>	<b>(90)</b>	<b>(151)</b>

In 2020, Schibsted recognised a gain of NOK 63 million related to the sale of Fædrelandsvennen, Lindesnes Avis, Lister and the distribution business in Agder, as well as a gain of NOK 51 million from sale of investment property. Restructuring costs are mainly expenses related to headcount reductions in News Media. Transaction-related costs mainly relate to the acquisitions of Oikotie and eBay Denmark.

## Note 5 - Financial items

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Interest income	3	16	29	74
Net foreign exchange gain	5	3	3	12
Other financial income	4	1	5	4
<b>Total financial income</b>	<b>12</b>	<b>19</b>	<b>37</b>	<b>89</b>
Interest expenses	(42)	(43)	(176)	(163)
Other financial expenses	(6)	(4)	(21)	(16)
<b>Total financial expenses</b>	<b>(47)</b>	<b>(48)</b>	<b>(197)</b>	<b>(179)</b>
<b>Net financial items</b>	<b>(36)</b>	<b>(29)</b>	<b>(161)</b>	<b>(90)</b>

## Note 6 - COVID-19 pandemic

Almost a year into the COVID-19 pandemic, Schibsted's businesses are in good positions. While some parts of our businesses have been negatively affected by the pandemic, others saw only a temporary decline or even used opportunities from changed consumer behavior and trends to strengthen their positions and grow their customer base.

Print advertising and casual sales in News Media, the Job verticals in Nordic Marketplaces and the Travel vertical in Finn have seen a significant decline in revenues due to the pandemic and the severe measures taken by governments to reduce the spread of the coronavirus. The Motor and Real estate verticals in Nordic Marketplaces and digital advertising in News Media have all managed a recovery throughout the year after the sharp decline following the outbreak of the pandemic in the end of first quarter 2020. This is also the case for the Job vertical in Norway towards the end of the year.

Schibsted has made use of certain relief and support measures available from governments in different territories to mitigate the effects of COVID-19. Such measures primarily relate to reduced social security contributions, reimbursement of salaries to employees on sick leave or temporarily laid off and delays in payment terms of taxes and other levies.

For contributions received accounted for as government grants related to income under IAS 20, the accounting policy of Schibsted is to recognise such grants when there is reasonable assurance that the conditions attaching to the grant will be complied with and that the grants will be received. The grants are recognised as income unless directly related to specific items of expense. Government grants in Sweden has had a positive effect on operating profit of NOK 33 million in the fourth quarter.

Based on the annual impairment tests performed during fourth quarter, no significant impairment is identified with effect for the quarter. The uncertainty regarding the effects of the COVID-19 pandemic on assumptions applied for calculating the recoverable amount for fixed and intangible assets, including goodwill is significantly decreased compared to the uncertain situation in the beginning of the pandemic.

During the fourth quarter of 2020 Schibsted has also reassessed the loss rates to be applied when estimating provisions for expected credit loss. Schibsted does not expect losses on trade receivables to increase significantly.

Schibsted ASA has a well-diversified loan portfolio with loans from both the Norwegian bond market and the Nordic Investment bank. A new bond (FRN) of NOK 1 billion was issued in April 2020 and replaced the bond (FRN) of NOK 1 billion that expired in June. A new bridge loan facility of EUR 350 million was entered into during the third quarter. This facility will be used to finance the acquisition of the Danish eBay classifieds companies with expected closing in first quarter 2021. In addition, Schibsted has a revolving credit facility of EUR 300 million. None of the facilities are drawn as of 31 December 2020. Measures implemented, including reductions in costs and dividends, will reduce any negative effects on financial flexibility and covenants.

## Note 7 - Assets held for sale and discontinued operations

Adevinta is classified as a disposal group held for sale and a discontinued operation at the end of the current reporting period as disclosed in note 2 Changes in the composition of the group. Adevinta was previously reported as a separate operating segment.

The amounts presented as held for sale as per 31 December 2019 are related to the sale of the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. For further information see Annual report 2019 note 32.

The following assets and liabilities of Adevinta are included in the disposal group presented separately in the statement of financial position:

(NOK million)	31 Dec 2020
<b>Assets</b>	
Intangible assets	14,483
Property, plant and equipment	242
Right-of-use assets	1,000
Investments in joint ventures and associates	3,709
Other non-current assets	1,935
Trade receivables and other current receivables	12,635
Cash and cash equivalents	1,371
<b>Assets held for sale</b>	<b>35,375</b>
<b>Liabilities</b>	
Deferred tax liabilities	666
Non-current interest-bearing loans and borrowings	13,258
Non-current lease liabilities	854
Other non-current liabilities	127
Current interest-bearing loans and borrowings	3,087
Current lease liabilities	193
Other current liabilities	3,850
<b>Liabilities held for sale</b>	<b>22,034</b>
<b>Net assets directly associated with disposal group</b>	<b>13,340</b>

Profit (loss) after tax from discontinued operations can be analysed as follows:

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Operating revenues	1,957	1,785	7,133	6,422
Operating expenses	(1,413)	(1,300)	(5,189)	(4,493)
<b>Gross operating profit (loss)</b>	<b>543</b>	<b>485</b>	<b>1,944</b>	<b>1,929</b>
Depreciation and amortisation	-	(132)	(337)	(440)
Share of profit (loss) of joint ventures and associates	-	44	15	59
Impairment loss	-	(245)	-	(248)
Other income and expenses	(107)	(40)	(423)	(127)
<b>Operating profit (loss)</b>	<b>436</b>	<b>111</b>	<b>1,199</b>	<b>1,173</b>
Net financial items	(10)	(23)	(1,045)	(54)
<b>Profit (loss) before taxes</b>	<b>426</b>	<b>88</b>	<b>154</b>	<b>1,119</b>
Taxes	18	(53)	(387)	(477)
<b>Profit (loss) after taxes from discontinued operations</b>	<b>444</b>	<b>35</b>	<b>(233)</b>	<b>642</b>
Other comprehensive income from discontinued operations	(1,445)	(50)	(1,723)	(198)
<b>Total comprehensive income from discontinued operations</b>	<b>(1,001)</b>	<b>(15)</b>	<b>(1,956)</b>	<b>444</b>
Total comprehensive income from discontinued operations attributable to:				
Non-controlling interests	(457)	4	(728)	274
Owners of the parent	(544)	(19)	(1,228)	170
Earnings per share from discontinued operations in NOK:				
Basic	1.09	0.06	(0.63)	1.95
Diluted	1.09	0.06	(0.63)	1.95

Intra-group eliminations between continuing and discontinued operations are attributed to discontinued operations as that approach is considered to provide the most relevant information related to results of continuing operations on an ongoing basis. This attribution results in certain deviations in amounts presented for discontinued operations above and amounts previously reported for Adevinta as an operating segment.

Adevinta was classified as a disposal group held for sale in July 2020. No depreciation, amortisation and impairment of non-current assets or share of profit of joint ventures and associates are consequently included in profit (loss) from discontinued operations subsequent to that classification. This affects profit (loss) from discontinued operations positively by NOK 605 million before taxes and by NOK 552 million after taxes in 2020.

## Note 8 - Statement of cash flows from continuing operations

The consolidated statement of cash flows includes the following cash flow related to continuing operations:

(NOK million)	Fourth quarter		Year	
	2020	2019	2020	2019
Profit (loss) before taxes from continuing operations	304	139	941	829
Depreciation, amortisation and impairment losses	258	227	890	848
Net effect pension liabilities	(5)	(33)	(44)	(98)
Share of loss (profit) of joint ventures and associates, net of dividends received	12	14	44	88
Taxes paid	(96)	42	(371)	(334)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(11)	-	(124)	2
Non-cash items and change in working capital and provisions	118	105	(45)	196
<b>Net cash flow from operating activities from continuing operations</b>	<b>581</b>	<b>494</b>	<b>1,292</b>	<b>1,532</b>
Development and purchase of intangible assets and property, plant and equipment	(164)	(125)	(602)	(429)
Acquisition of subsidiaries, net of cash acquired	-	(58)	(1,951)	(102)
Proceeds from sale of intangible assets, investment property and property, plant and equipment	-	-	116	13
Proceeds from sale of subsidiaries, net of cash sold	-	-	94	(1)
Net sale of (investment in) other shares	(46)	(50)	(173)	(353)
Net change in other investments	28	(16)	(138)	(16)
<b>Net cash flow from investing activities from continuing operations</b>	<b>(181)</b>	<b>(250)</b>	<b>(2,654)</b>	<b>(888)</b>
Net change in interest-bearing loans and borrowings	(2)	(47)	(2)	(395)
Payment of principal portion of lease liabilities	(82)	(74)	(285)	(312)
Change in ownership interests in subsidiaries	(30)	-	(69)	2,941
Capital increase	-	9	8	9
Net financing from (to) Adevinta	-	-	-	592
Net sale (purchase) of treasury shares	7	(518)	(90)	(1,069)
Dividends paid	(1)	(1)	(61)	(546)
<b>Net cash flow from financing activities from continuing operations</b>	<b>(107)</b>	<b>(631)</b>	<b>(498)</b>	<b>1,219</b>



# Definitions and reconciliations

The condensed consolidated financial statements are prepared in accordance with international financial reporting standards (IFRS). In addition, management uses certain alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance and financial position alongside IFRS measures.

APMs should not be considered as a substitute for, or superior to, measures of performance in accordance with IFRS.

APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described and reconciled below.

As APMs are not uniformly defined, the APMs set out below might not be comparable to similarly labelled measures by other companies.

Operating segments were changed from 1 January 2020, and effected APMs are restated retrospectively to give comparable information. See note 3 Operating segments and disaggregation of revenues for more information.

Measure	Description	Reason for including
EBITDA	EBITDA is earnings before depreciation and amortization, other income and expenses, impairment, joint ventures and associates, interests and taxes. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss) / Operating revenues	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue.

Reconciliation of EBITDA	Fourth quarter		Year	
	2020	2019	2020	2019
Gross operating profit (loss)	665	460	2,126	1,977
= EBITDA	665	460	2,126	1,977

Measure	Description	Reason for including
Underlying tax rate	Underlying tax rate is calculated as adjusted tax expense as a percentage of an adjusted tax base. The adjusted tax base excludes significant non-taxable and non-deductible items as well as losses for which no deferred tax benefit is recognised. Adjusted taxes exclude the effect of reassessing unrecognized deferred tax assets.	Management believes that the adjusted tax rate provides increased understanding of deviations between accounting and taxable profits and a more understandable measure of taxes payable by the Group.

Underlying tax rate	Fourth quarter		Year	
	2020	2019	2020	2019
Profit (loss) before taxes from continuing operations	304	139	941	829
Share of profit (loss) of joint ventures and associates	12	13	44	58
Basis for changes in unrecognized deferred tax assets	33	69	173	266
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(9)	-	(124)	-
Impairment losses	17	19	31	19
Non-deductible transaction-related costs	3	-	77	-
Adjusted tax base	360	240	1,142	1,173
Taxes	49	53	(128)	275
Reassessment of unrecognized deferred tax assets	35	-	393	-
Adjusted taxes	84	53	265	275
Underlying tax rate	23.4%	22.2%	23.2%	23.5%

Measure	Description	Reason for including
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and Unutilised drawing rights on credit facilities.	Management believes that liquidity reserve shows the total liquidity available for meeting current or future obligations.

	31 Dec	
	2020	2019
Liquidity reserve		
Cash and cash equivalents	1,306	3,866
Unutilized drawing rights	6,806	3,946
Liquidity reserve	8,112	7,811

Measure	Description	Reason for including
Net interest-bearing debt	Net interest-bearing debt is defined as interest-bearing loans and borrowings less cash and cash equivalents and cash pool holdings. Interest-bearing loans and borrowings do not include lease liabilities.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. The use of net interest-bearing debt does not necessarily mean that the cash and cash equivalent and cash pool holdings are available to settle all liabilities in this measure.

	31 Dec	
	2020	2019
Net interest-bearing debt		
Non-current interest-bearing loans and borrowings	3,090	4,729
Current interest-bearing loans and borrowings	678	1,089
Cash and cash equivalents	(1,306)	(3,866)
Net interest-bearing debt	2,462	1,951

Measure	Description	Reason for including
Earnings per share adjusted (EPS (adj.))	Earnings per share adjusted for items reported as other income and expenses and impairment loss, net of any related taxes and non-controlling interests.	The measure is used for presenting earnings to shareholders adjusted for transactions and events not considered by management to be part of operating activities. Management believes the measure enables evaluating the development in earnings to shareholders unaffected by such non-operating activities.

	Fourth quarter		Year	
	2020	2019	2020	2019
Earnings per share - adjusted - total				
Profit (loss) attributable to owners of the parent	490	85	858	949
Other income and expenses	162	91	514	278
Impairment loss	40	272	61	283
Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	(61)	(129)	(214)	(183)
Profit (loss) attributable to owners of the parent - adjusted	631	320	1,218	1,327
Earnings per share – adjusted (NOK)	2.69	1.36	5.21	5.59
Diluted earnings per share – adjusted (NOK)	2.69	1.36	5.20	5.58

Earnings per share - adjusted - continuing operations	Fourth quarter		Year	
	2020	2019	2020	2019
Profit (loss) attributable to owners of the parent	490	85	858	949
- of which continuing operations	233	70	1,006	486
- of which discontinued operations	257	15	(148)	463
Profit (loss) attributable to owners of the parent - continuing operations	233	70	1,006	486
Other income and expenses	54	51	90	151
Impairment loss	40	26	61	35
Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	(18)	(11)	(37)	(32)
Profit (loss) attributable to owners of the parent - adjusted	310	137	1,120	640
Earnings per share – adjusted (NOK)	1.32	0.58	4.79	2.70
Diluted earnings per share – adjusted (NOK)	1.32	0.58	4.78	2.69

Measure	Description	Reason for including
Revenues adjusted for currency fluctuations and effect of sale certain regional and local newspapers	Revenues in News Media segment adjusted for revenues in operations disposed of (Fædrelandsvennen, Lindsnes Avis and Lister), adjusted for currency similarly as in the APM Revenues adjusted for currency fluctuations.	Enables comparability of development in revenues over time excluding the effect of operations disposed of and currency fluctuations.

Sale of certain regional and local newspapers	Fourth quarter		Year	
	2020	2019	2020	2019
Operating revenues News Media	2,046	1,944	7,383	7,465
Operating revenues in certain regional and local newspapers	-	(73)	-	(285)
Operating revenues News Media adjusted for effect of disposal of certain regional and local newspapers	2,046	1,871	7,383	7,180
Currency effect	(87)	-	(287)	-
Currency adjusted revenues in News Media adjusted for effect of disposal of certain regional and local newspapers	1,959	1,871	7,096	7,180
Currency adjusted revenue growth adjusted for effect of disposal of certain regional and local newspapers	5%		(1%)	
Advertising revenues News Media	707	709	2,257	2,559
- of which digital	505	461	1,575	1,634
Advertising revenues in certain regional and local newspapers	-	(31)	-	(118)
- of which digital	-	(10)	-	(37)
Advertising revenues News Media adjusted for effect of disposal of certain regional and local newspapers	707	678	2,257	2,441
- of which digital	505	451	1,575	1,597
Subscription revenues News Media	693	648	2,654	2,550
- of which digital	297	238	1,088	901
Subscription revenues in certain regional and local newspapers	-	(37)	-	(148)
- of which digital	-	(11)	-	(42)
Subscription revenues News Media adjusted for effect of disposal of certain regional and local newspapers	693	611	2,654	2,403
- of which digital	297	227	1,088	859

Measure	Description	Reason for including
Revenues adjusted for currency fluctuations	Growth rates on revenue adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year..	Enables comparability of development in revenues over time excluding the effect of currency fluctuation.

Reconciliation of currency adjusted revenue growth	Nordic Marketplaces	News Media	Financial Services	Growth	Other/HQ, Eliminations	Total
Revenues current quarter 2020	857	2,046	265	812	(360)	<b>3,620</b>
Currency effect	(37)	(87)	(22)	(21)	-	
Currency adjusted revenues	820	1,958	243	791	-	
Currency adjusted revenue growth	8%	1%	(6%)	24%		
Revenues current quarter 2019	758	1,944	260	635	(281)	<b>3,316</b>

Currency rates used when converting profit or loss	Fourth quarter		Year	
	2020	2019	2020	2019
Swedish krona (SEK)	1.0476	0.9481	1.0226	0.9306
Euro (EUR)	10.7574	10.0917	10.7250	9.8503

Stavanger Aftenblad



hygglo



Bergens Tidende



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