Annual Report 2019

Schibsted

Index

Who we are

Schibsted is an international family of digital consumer brands with more than 5,000 employees. We have world-class media houses in Scandinavia, leading marketplaces and digital services that empower consumers. Millions of people interact with Schibsted companies every day.

What we do

Our corporate social responsibility is closely linked to our mission of **"Empowering people in their daily lives"**, our values and our core business. We believe that we, together with our users, can contribute to a more sustainable society in what we do every day.

- We empower people by providing transparent and secure marketplaces.
- We empower them by creating services that provide them with better deals.
- We empower them by defending freedom of the press and editorial integrity.

Nordic Marketplaces

Connecting millions of buyers and sellers every month, we provide leading online marketplaces in the Nordics. Our digital marketplaces Finn, Blocket and Tori help people buy and sell new and old things.

News Media

As the largest media group in Scandinavia, our world-class media houses continue to shape the media landscape of today – and tomorrow. In Scandinavia, our media houses such as VG, Aftenposten, Bergens Tidende, Aftonbladet and Svenska Dagbladet keep people informed and updated on important issues in society.

We believe that the secret to our users' engagement lies in truly understanding their future needs. This means that we need to know what kind of tools and services people really want and need to make their life easier. We express these ambitions in our mission and our vision. This guides everything we do from our R&D, to new business ventures, recruitment policy and running our everyday business.

Next

Within Next we drive growth and create value for Schibsted's customers and users. Our four areas Growth, Financial Services, Next Media and Distribution, will secure that innovation prevails as part of Schibsted's DNA.

Adevinta

Adevinta is a global online classifieds specialist, operating digital marketplaces in 16 countries in Europe, Latin America and North Africa. The leading local brands include leboncoin in France, InfoJobs and Fotocasa in Spain, Subito in Italy and Jofogás in Hungary, among many others. Schibsted owns 59.3 percent of the shares in the public limited liability company Adevinta ASA.

We rely on our core values

Four statements guide us on a daily basis:

We have integrity: *Our company is based on a long tradition of independent news, information and transparent marketplaces. Trustworthiness and quality are absolutely essential – people must be able to trust all our products and services.*

We are innovative: *We embrace innovation, it's at our core. We always put users' needs first – we go the extra mile. Innovation can be anything from a brilliant new concept to a minor, but no less important, improvement in how we do things.*

We are a team: *We believe in a friendly and open attitude. We also believe in the strength of people and competencies coming together to achieve something great. The companies in our group can reach far better results together than alone.*

We are here to win: *We must always strive to be better than our competitors at understanding our customers and markets – that's the key to our continued success.*

Building on the value of data and sustainability

If I were to summarize 2019 in two words, they would be ‘data’ and ‘sustainability’. That is good news for Schibsted, as both data and sustainability are core building blocks of our business model.

The value of data

In 2019 it has become evident even outside the world of tech, that *data* is the world’s fundamental driver of growth, product development and value creation. The largest businesses in the world are platform companies, and the most used products in the world are their services based on personal data.

For Schibsted, the value of data is all about delivering better products to our users and customers. When our digital marketplaces know what you are looking for, they can connect you with the right job, the right house, the right car or the right commodity at the right price. When our media houses know what you like to and want to read, they can give you personalized and more relevant news – and even use data to avoid echo chambers. When our other consumer brands know more about you and your preferences, they can provide you with digital services that save both you and society time, money and resources. Our future success will be determined by our ability to collect, catalogue and capitalize on data.

The value of sustainability

2019 has also highlighted the value of sustainability. Sustainability can no longer be written off as a mere lifestyle choice among consumers, or a legal commitment among governments. Environmental and social sustainability are increasingly integral parts of a business’ *financial* sustainability. Sustainability earns you the right to play.

For Schibsted, sustainability is at the very core of our business model. Whether it is fostering democracy through quality journalism, letting people make better choices by increasing market transparency or making vast contributions to the circular economy through our marketplaces – all our brands are committed to sustainability, and to our mission of empowering people in their daily lives.

Going for growth

Going forward, Schibsted will build on the value of data and the value of sustainability. While 2019 was a year for re-establishing Schibsted after the Adevinta demerger – focusing on the fundamentals and the organization – 2020 was meant to be a year for further exploration. The effects of the global Corona pandemic, however, will have a significant impact on our priorities for 2020. Long term, Schibsted will continue to go for growth based on our unique position in the Nordics and our cross-divisional synergies – while also defending our proven financial performance and our track record in incubating growth businesses. In order to do that, Schibsted will have to be a unifying foundation for our brands – making sure that *what we do matters* – both for our financial performance and for society.

The Corona pandemic

During February and March 2020, it became clear that the Corona pandemic will have a severe effect on society at large, in the Nordics and throughout the rest of the world.

Consequently, Schibsted is refocusing our priorities and resources to manage the significant negative financial and operational effects of the dramatic measures imposed upon society to reduce the spread and health effects of the coronavirus.

Through its strong media positions in Norway and Sweden, Schibsted plays a vital role in times of crisis. Delivering on that role is our highest priority.

Schibsted has solid financials and highly competent employees and is well positioned to navigate steadily through the turbulent times ahead, also being prepared to find the extraordinary value creating opportunities that often arise when in difficult times.

Kristin Skogen Lund
CEO of Schibsted

Schibsted

Board of Directors' report

Schibsted's Board. Back row from left: Torbjörn Ek, Eugénie van Wiechen, Ingunn Saltbones, Marianne Budnik, Birger Steen and Finn E. Våga. Front row from left: Philippe Vimard, Anna Mossberg, Ole Jacob Sunde (Chair) and Christian Ringnes.

For Schibsted, 2019 was dominated by managing the spin-off of Adevinta and the repositioning of Schibsted.

For more than a decade, Schibsted has been characterized by the successful rollout of our international marketplace operations which started with the acquisition of Blocket in 2003. Our international marketplace operations outside the Nordics were spun off and established as an independent, listed company, Adevinta, in 2019. After the first day of trading on 10 April, Adevinta was valued at around NOK 60 billion, making it the third largest new listing on the Oslo Stock Exchange. 31 December 2019, the market value of Adevinta was around NOK 70 billion, an increase of 17 percent since the spin-off. Schibsted continues to run all activities in Norway, Sweden and Finland – including our leading marketplaces Finn, Blocket and Tori – and retains a 59.3 percent ownership in Adevinta.

After the successful spin-off, Schibsted maintains a strong financial position and has the clear ambition to create growth based on our strong positions in the Nordics and trends in the market. Customer behavior is continuously changing, competitors are improving their offerings and technology is creating new opportunities. With Schibsted's more than 180 years track record of transformations, it is part of our DNA to manage these changes, make bold choices and take advantage of them in order to move forward and create added value for our users, customers, shareholders and society. This foundation of innovative culture, our long-term thinking and growth mindset enabled us to build world-class digital newspapers and become one of the global leaders within marketplaces. Schibsted is now more than ever "re-thinking things" and focusing on our strengths to create new, value-enhancing growth.

Our Nordic Marketplaces operations Finn, Blocket and Tori remain a key focus area in this respect and Schibsted will pursue opportunities to grow these businesses both organically – for example by expanding the service offering for our verticals – and structurally by looking into value-creating in-market consolidation opportunities in the Nordic markets. Looking at News Media, with our strong news destinations like VG, Aftenposten and Aftonbladet, we see great potential in leveraging our strong traffic engines and subscription base and will continue to focus on long-term profitability. Within Next, Schibsted continues to see the financial services and "fintech" landscape as an interesting field of growth, with Lendo as the clearest example of success. By helping consumers to obtain transparency in a chaotic market for unsecured consumer loans, Lendo has built a significant revenue base with solid profitability on the back of its strong positions in Sweden and Norway. While growth slowed down in Norway during 2019, due to increased regulation of the consumer banks, we are confident about the long-term possibilities that lie within this business and have started the international expansion of Lendo to other markets outside the Nordics. Another promising business within Next is our Distribution business in Norway which is growing strongly driven by new innovative services leveraging the already existing newspaper distribution network. What started with parcel deliveries has led to the launch of the Nordics' first delivery subscription in the fall of 2019 named Svosj. This brings us to the core of Schibsted's strategy: to create new digital winners by leveraging our strong reach, competence, access to data and market knowledge, always based on our strong purpose in society. By linking innovative business models, advanced technology and great entrepreneurs with our existing network of businesses, brands, web traffic and talent in our core markets, we are confident that it is possible for us to drive significant and sustainable value-creating growth.

A common denominator for our services is that we strive to deliver on our mission statement "Empowering people in their daily lives". Here lies an advantage compared to many other digital companies, as our success is closely linked to our customers' success. We are relentlessly focusing on increased transparency and benefits for our customers and users. For example, we operate efficient and transparent marketplaces which in addition play a significant environmental role as a platform for a circular economy. Our news destinations deliver independent and relevant journalism, acting as a force for democracy. We help consumers make the best personal finance decisions as well as enabling people to get the most out of their money by using our price comparison sites. This position will continue to guide our projects in the future.

Adevinta, as one of the global leaders in marketplaces, is fully equipped to achieve long-term growth with high profit margins. Schibsted intends to remain a significant long-term owner in Adevinta while the size and time horizon of Schibsted's ownership will be tailored to support and develop shareholder value for both companies. As a separately listed company and after the collapse of its dual share class, Adevinta is well positioned both for in market and larger structural consolidations within the marketplace industry.

Lastly, the Board would like to sum up 2019 not only as a year of the spin-off of Adevinta and repositioning of Schibsted, but also as a year of solid performance. Our Nordic Marketplaces have continued their growth path. Blocket has come far on its turnaround after a revenue decline in 2018. News Media, while negatively affected by the fast-changing advertising markets, has continued to grow their subscription business driven by high-quality independent journalism as a key asset. Going forward, News Media will follow up closely their cost development. They will address the negative margin effects of the revenue development they currently are facing, to secure the long-term profitability of this business. The Growth segment showed solid revenue and EBITDA growth and made several interesting new investments. Finally, Financial Services has continued its growth in Sweden and started the expansion of Lendo to new markets.

On a final note, 2020 will be affected by the Corona pandemic. Please refer to the Outlook for our business below for un update on this matter.

Changes to the composition of the Group

2019 has been a year with several changes to the composition of the Group in addition to the Adevinta spin-off.

During the first quarter Schibsted strengthened its ownership position in Spain by acquiring the remaining 10 percent interest in Schibsted Classified Media Spain, making it possible to derive additional synergies with the other successful online classifieds sites in Adevinta. Schibsted also acquired Qasa, a service complementing Blocket's real estate rental service.

In the second quarter Schibsted, through its ownership in Adevinta, acquired the French holiday rental and travel specialist marketplace Locasun operating across Europe.

Schibsted ended an exciting year acquiring 67 percent of the startup Nettbil, a digital marketplace for auction-based car sales to dealers all over Norway. Schibsted also, through its ownership in Adevinta, closed the acquisition of Argus Group, further enhancing Leboncoin's position in the French car market segment in the fourth quarter.

Schibsted has also been involved in other minor acquisitions and disposals during 2019.

Changes to accounting policies

Schibsted has implemented the accounting standard IFRS 16 Leases from 1 January 2019. At the date of implementation, total liabilities increased by NOK 1,975 million and total assets increased by NOK 1,843 million primarily from the recognition of lease liabilities and related right-of-use assets. In 2019, gross operating profit (EBITDA[ii]) and operating profit increased by NOK 479 million and NOK 67 million respectively compared to what would have been reported under the formerly applicable accounting standards. The effect on net profit is not significant. Comparable figures for 2018 are not restated applying the new accounting standard.

Further comments on the Group's results

Schibsted's consolidated revenues in 2019 totaled NOK 19,075 million (NOK 18,059 million)[i], up 6 percent compared to last year. The increase was mainly driven by growth in all operating segments except from News Media. The Group's gross operating profit (EBITDA[ii]) amounted to NOK 3,906 million (NOK 3,268 million)[i], equivalent to a growth of 20 percent, including a positive effect of implementing IFRS 16 of NOK 479 million. Excluding the effect of IFRS 16 the growth was 5 percent.

Schibsted's share of profit (loss) from joint ventures and associates totaled NOK 1 million (NOK 60 million)[i]. This development is mainly related to increased investments in long-term growth initiatives in Bynk and Hypoteket, as well as changes in the composition of entities presented as joint ventures and associates. Impairment loss in 2019 was NOK -283 million (NOK -747 million)[i]. Current year's impairment consists mainly of write-down of goodwill in marketplace operations in Mexico, Möteplatsen in Sweden and some projects within product and technology development.

In 2019 Group's other income and expenses amounted to NOK -278 million (NOK -55 million)[i]. This is mainly restructuring costs and transaction cost related to the spin-off and listing process of Adevinta, and cost related to headcount reductions in News Media.

Operating profit in 2019 amounted to NOK 2,093 million (NOK 1,794 million)[i].

Financial position and cash flow

Net cash flow from operating activities was NOK 2,844 million for the year, compared to NOK 1,781 million in 2018. The cash flow was positively affected by improved profit before taxes and a positive development in working capital, in addition to the impact of reclassification of lease payments to financing activities following the implementation of IFRS 16.

Net cash outflows from investing activities was NOK 2,244 million for the year, compared to NOK 953 million in 2018. The increase is primarily related to acquisitions of subsidiaries and net investments of other shares, such as Argus Group in Adevinta and Nettbil, Qasa and Bynk in Schibsted.

Net cash flow from financing activities was NOK 1,429 million in 2019 compared to a cash outflow of NOK 608 million in 2018. The increased cash flow is primarily related to proceeds from sale of 5.75 percent of shares in Adevinta ASA as part of the spin-off process and net increase in interest bearing debt. This was partly offset by purchase of treasury shares and acquisition of the remaining 10 percent interest in Schibsted Classified Media Spain, in addition to the effect from reclassification of lease payments from operating activities following the implementation of IFRS 16.

The carrying amount of the Group's assets increased by NOK 5,453 million to NOK 32,778 million during 2019. The increase is mainly related to recognition of right-of-use assets due to implementation of IFRS 16 and increase in cash and cash equivalents primarily related to proceeds from the sale of shares in Adevinta. The Group's net interest-bearing debt decreased by NOK 432 million to NOK 1,951 million. The Group's equity ratio was 51 percent at the end of 2019, compared to 54 percent at the end of 2018.

Schibsted ASA has a well-diversified loan portfolio with loans from both the Norwegian bond market and Nordic Investment Bank. In addition, Schibsted ASA has a revolving credit facility of EUR 300 million which was not drawn upon.

After the spin-off of Adevinta, Schibsted maintained a strong financial position. The Board resolved in July 2019 to initiate a buyback of up to 2 percent of outstanding company shares. As at 31 December 2019, the company had bought back 1.81 percent.

Comments on the operating segments

Unless otherwise stated, all percentages in this section are based on NOK amounts.

Nordic Marketplaces

Nordic Marketplaces comprise operations in Norway, Sweden and Finland. In 2019, Nordic Marketplaces showed revenue growth of 8 percent and EBITDA[ii] margin of 46 percent (45 percent excluding IFRS 16 effect), particularly driven by a strong development in Norway.

Marketplaces Norway

Finn.no is the number-one website for marketplaces in Norway and one of the strongest brands in the country, regardless of industry. Finn.no is the market leader within real estate, cars, jobs and generalist ads. Marketplaces Norway had a strong year in 2019 with revenue growth of 10 percent driven by revenue increases in all major classified verticals. The growth is driven by a volume increase and upsell products in jobs, increased revenues from the professional segment and new products in cars and a volume increase throughout the year in real estate. Display advertising revenues also grew in 2019 compared to last year. EBITDA[ii] grew by 20 percent resulting in an EBITDA margin of 49 percent (47 percent excluding the IFRS 16 effect).

Marketplaces Sweden

Blocket.se holds a leading position for marketplaces in Sweden and is among the strongest brands in the country across all industries. After a revenue decline in 2018, Marketplaces Sweden proved its turnaround with a revenue growth of 3 percent in local currency in 2019, largely attributed to strong performance in the car vertical. Display advertising and generalist marketplace revenues were more challenging in 2019. EBITDA margin in Marketplaces Sweden in local currency decreased with 4 percentage points compared to last year resulting in an EBITDA margin of 45 percent (44 percent excluding the IFRS 16 effect). The margin decline in EBITDA was impacted by increased investments in mid-term growth initiatives.

News Media

News Media comprises leading newspapers in Norway and Sweden and printing plant operations in the Norwegian market. In Norway, the newspapers include the national newspapers VG and Aftenposten and the regional newspapers Bergens Tidende and Stavanger Aftenblad. Fædrelandsvennen was also included in News Media in 2019, but was sold to Polaris Media with closing of the sales transaction in January 2020.

In Sweden, the newspapers include the national newspapers Aftonbladet and Svenska Dagbladet. All newspapers are strong brands and hold leading positions within their region. In 2019, operating revenues in News Media decreased by 3 percent. This is mainly attributed to a challenging advertising market and a decline in casual sales, partly offset by strong growth in digital subscription revenues. The advertising market was particularly challenging in Sweden in 2019, primarily caused by the strong market contraction following the regulatory tightening of the gaming industry. EBITDA[ii] grew by 11 percent resulting in an EBITDA margin of 10 percent (8 percent excluding the IFRS 16 effect).

Financial Services

Financial Services comprises companies that with technology and transparency improve people's personal finance. Lendo has become one of the leading marketplaces for consumer lending in the Nordics since it was founded in 2007. In 2019 Financial Services experienced an operating revenue growth of 4 percent and EBITDA[ii] decline of 48 percent compared to last year resulting in an EBITDA margin of 16 percent (15 percent excluding the IFRS 16 effect).

Lendo

Operating revenues increased in 2019 by 4 percent driven by good performance in Lendo Sweden and incremental revenue contribution from new markets, primarily Denmark. EBITDA[ii] decreased by 52 percent largely driven by investments into geographic expansion (Denmark, Poland and Austria), but also due to challenging market conditions in Norway and Finland. In Norway this was driven by regulatory tightening in the consumer credit sector with increased capital requirements, marketing restrictions and lending constraints.

Growth

Growth comprises a portfolio of web-based growth companies including Prisjakt, Let's Deal and Schibsted's distribution companies. In 2019 operating revenues grew with 10 percent, and Growth achieved an EBITDA[ii] margin of 6 percent (4 percent excluding the IFRS 16 effect).

Distribution

Distribution currently has operations in Norway and consists of the legacy newspaper distribution and "Distribution new business" (mainly Helthjem Netthandel, Morgenlevering, Zoopit and Svosj). In 2019 operating revenues grew by 17 percent, driven by continued strong development in "Distribution new business". "Distribution new business" operating revenues grew 106 percent from last year showing strong development particularly in Helthjem Netthandel.

Prisjakt

Prisjakt is present in Norway, Sweden and other selected markets with price comparison services for e-commerce. Prisjakt had revenue growth of 6 percent in 2019, and an EBITDA[ii] margin of 29 percent (28 percent excluding the IFRS 16 effect).

Adevinta

After a successful IPO of Schibsted's international marketplaces operations in April 2019, Adevinta has operated as a standalone company for the majority of 2019, while Schibsted still obtains a majority share ownership (59.28 percent). In 2019 Adevinta experienced revenue growth of 18 percent and EBITDA[ii] growth of 35 percent resulting in an EBITDA margin of 29 percent (27 percent excluding the IFRS 16 effect). The growth is mainly driven by strong development in Adevinta's French and Spanish operations, but also reduced spending in Adevinta's Global Markets segment. Note that the figures above report Adevinta as a segment within Schibsted's consolidated figures, reported in NOK. The figures may differ from Adevinta's stand-alone reporting due to currency effects and elimination of transactions between Schibsted and Adevinta.

Research and development

Schibsted has been at the heart of the digital transformation for more than 25 years and continues to invest substantial resources in improving and developing products offered to its users. All Group entities are making continuous efforts to further develop both existing products and products that will provide new revenue flows. In 2019 innovation efforts focused on marketplace components, media platforms, privacy, advertising technology, data analytics and distribution technology.

Operational and financial risks

Schibsted is operating in an industry that is subject to constant change, and is exposed to increased competition from disruptive players, technology and new business models. Furthermore, Schibsted's display advertising revenues, marketplace revenues from the recruitment markets, and to some extent real estate markets are affected by macroeconomic cycles, i.e. unemployment rates, real estate prices and GDP growth rates. Schibsted's commitment to technology and innovation, and diversification of revenue streams from Marketplaces, News Media, Financial Services, and Growth companies, are vital contributors to bringing these risks to an appropriate level.

External cyber-attacks and threats against Schibsted's IT security may cause incidents of loss of personal data, fraud, loss of sensitive business data and inaccessible or unreliable services. Prevention of such attacks has high priority and is a vital part of Schibsted's business.

Through its operations outside Norway, Schibsted is exposed to fluctuations in the exchange rates of other currencies, mainly Euro and Swedish kronor. The Group makes use of loans in foreign currencies and financial derivatives to mitigate its currency exposure.

Schibsted's credit risk is considered low as trade receivables are diversified through a high number of customers, customer categories and markets. Moreover, a major part of sales is done through prepaid subscriptions or advertisements and credit card payments on the purchase date. Liquidity risk associated with cash flow fluctuations is also considered low as Schibsted has adequate equity and solid credit facilities. See note 23 in the financial statements for more details on currency risk, credit risk and liquidity risk.

The potential effects of the coronavirus are commented on under Outlook below.

Statement of corporate governance

Schibsted's corporate governance principles are based on the recommendations set out in the Norwegian Code of Practice for Corporate Governance. In accordance with section 3-3b of the Norwegian Accounting Act, a policy document describing Schibsted's corporate governance principles has been prepared and included as a separate section in the annual report. The policy document is an integral part of the Board of Directors' report.

Sustainability Report

In accordance with section 3-3c of the Norwegian Accounting Act, a report of sustainability has been prepared. The report is included as a separate document in the annual report and includes details on working environment, injuries, accidents, sickness absence, equality and non-discrimination, as well as social responsibility and external environment. This report is an integral part of the Board of Directors' report.

Schibsted ASA

Schibsted ASA is the parent company of the Group and is located in Oslo, Norway. The company supplies and performs services for the Group's other companies. Schibsted ASA delivered a profit after tax of NOK 3,405 million (NOK 1,019 million)[i]. As at 31 December 2019 Schibsted ASA had total assets of NOK 23,272 million (NOK 31,618 million)[i]. The equity ratio was 54 percent (53 percent)[i].

Originally the Board planned to propose to allocate NOK 468 million, corresponding to NOK 2.00 per share, to dividend payments for 2019. Due to the potential global financial crisis arising as a consequence of the Corona pandemic, and if so happens to maintain maximum financial flexibility, the Board has reconsidered and decided to propose not to pay a dividend for 2019.

The Board of Directors proposes the following allocation:
Transferred to other equity ..……..……..……. NOK 3,405 million

As at 31 December 2019 Schibsted ASA had total equity of NOK 12,662 million. The Board of Directors has determined that Schibsted ASA had adequate equity and liquidity at year end 2019.

Outlook

Schibsted excluding Adevinta

The Nordic region is perceived to be a digital frontrunner region and as such, a good venture lab to test new digital and disruptive offerings. Schibsted will build on its track record of being able to create and scale new business models and leverage technological disruptions to evolve successfully in the Nordics and beyond. We will concentrate on leveraging the combined force of our various operations, founded on our well-known consumer brands, high traffic volumes, and on our ability to harvest rich data and attract top talent.

Schibsted expects longer term to see continued good revenue development for its marketplace operations Finn, Blocket and Tori. Increased monetization of verticals and development of value-added services and adjacent growth opportunities are expected to be key drivers.

Within Schibsted Growth and Financial Services, Lendo is expected to continue to grow well, although moderate expansion investment into new markets, like Denmark, Poland and Austria, will hamper margins somewhat. Prisjakt is expected to continue with solid top-line growth and healthy margins.

The operations in News Media will continue to develop their digital business models based on strong editorial products.

Corona pandemic affecting Schibsted

Over the first days and weeks of March 2020, it became increasingly apparent that the coronavirus was not only causing a global medical crisis, but also a financial one.

Schibsted has been determined to mitigate the effects of both crises, while also rising to the crucial task of keeping the public informed through our media houses. Several of our media brands have reported record traffic numbers, in step with an increasing demand from the public for more information – about the escalating health situation and about macroeconomic developments.

It is still too early to say how severe the coronavirus pandemic will affect Schibsted and our business, but there is no doubt that it will negatively impact our results for 2020.

Most exposed to the effects of the coronavirus pandemic and the macro slowdown are the travel and job vertical in Nordic Marketplaces and advertising revenues for Schibsted in general. The latter is particularly important for News Media but affects all of our businesses. The severe measures taken by governments to reduce the spread of the coronavirus will, though primarily shorter term, also affect volumes negatively in parts of Schibsted normally more resilient to an economic downturn. This also applies for the real estate and car verticals within Nordic Marketplaces. In addition, the print newspaper business experiences severe negative volume effects.

Management is following the development closely and is preparing and implementing measures to hamper the slowdown and to adjust to the development going forward.

Operationally Schibsted established cross-group efforts early on, to closely follow and act upon advice from health authorities in our markets. This has enabled swift implementation of adequate measures as the situation developed – ranging from keeping our employees safe through guidelines to reduce risk of infection and travel advice, to the decision that everyone who can, should work from home.

Technical solutions have so far worked practically flawlessly, even with close to 75 percent of our employees working from home. Employees show an exemplary team spirit in an extreme situation, and more than meet expectations of fulfilling Schibsted's responsibilities to society and stakeholders.

Adevinta

Adevinta endeavours to maintain and expand its favorable competitive positions and markets while also capturing further core and adjacent growth opportunities. Adevinta will continue to benefit from organic online classifieds market growth, focused particularly on tapping the untapped potential that lies in its strong verticals. At the same time, Adevinta is focused on driving initiatives to increase market shares of traffic, listings and eventually monetization and profitability. France, Spain and Brazil are expected to be the key drivers for growth going forward, driven by continued strong development of its verticals.

Similar to Schibsted, Adevinta is also affected by the coronavirus. For further details see Adevinta's annual report, published 3 April 2020 on www.adevinta.com/ir .

Going concern

Based on Schibsted's long-term strategy and forecasts, and in accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

I. Figures in parentheses are for the corresponding period for the previous year.
II. EBITDA as defined under Definitions and reconciliations in the Financial Statements for the Group.

Oslo, 24 March 2020
Schibsted ASA's Board of Directors

Ole Jacob Sunde	Marianne Budnik	Torbjörn Ek	Anna Mossberg	Christian Ringnes	Ingunn Saltbones
Chairman of the Board	Board member	Board member	Board member	Board member	Board member

Birger Steen	Philippe Vimard	Finn E. Våga	Eugénie van Wiechen	Kristin Skogen Lund
Board member	Board member	Board member	Board member	CEO


Aftenposten
Junior
Stoppet salg av helium-ballonger
Ni av ti puster inn forurenset luft

Sustainability report

Index

A word from our CEO: Making sure it matters

As we enter 2020, we leave behind a decade characterized by a growing awareness of sustainability, from a clearer understanding of the immense challenges that are threatening humanity to the exciting solutions we must seek to create a sustainable society for all. Gone are the days when companies only delivered results to their shareholders. Instead, we should seek to create purpose and long-term value for all stakeholders.

Over the past 20 years the world has been digitized, a process in which Schibsted has been in the front seat and will continue to be. Now it is time to use this expertise to create sustainable solutions. At Schibsted we take pride in offering digital solutions for some of the most pressing issues in society, from independent journalism to second-hand consumption and online tools that allow users to make sound financial decisions.

In the coming decade, sustainability will no longer be optional, it will be a prerequisite for developing our business and for remaining profitable. We continue our commitment as a participant of the UN Global Compact and to the Ten Principles. In 2019 we moved forward in our quest to make sustainability an integral part of how Schibsted operates. The spin-off of Adevinta has meant a consolidation of our operations and has allowed us to focus on our Nordic markets. We updated our materiality analysis to ensure that Schibsted's focus and priorities are in line with our stakeholders' demands, global developments and our strategy. Based on the materiality analysis we have defined clear ambitions and targets to ensure the maximal positive impact on society and the environment.

Our new sustainability targets have been coupled with relevant Sustainable Development Goals (SDGs) and their targets. We believe that the best possible way of meeting today's challenges contributing to the 2030 Agenda is by doing what we do best as sustainably as possible. One example is the circular economy. Our marketplaces enable items to be reused and rented, thus promoting sustainable consumption behavior. As consumers and as citizens, we contribute to the transition to sustainable consumption by buying things second-hand.

In 2019 we saw many serious threats to democracy, including restriction of free speech, intimidation of human rights defenders, and restraints on free press. Schibsted acknowledges its responsibility to communicate transparently and in an accessible way, counteracting fake news and misinformation. Digitization has brought with it many opportunities, along with various risks. In 2020 we will continue our efforts to protect our customers' integrity and security online, delivering smart, safe and modern solutions at our users' fingertips.

To reach our targets for 2020 and achieve our ambitions for the coming years, we need to continue empowering our users and our employees to contribute to a sustainable society. The power and will of our employees to contribute to creating a sustainable society by maximizing our positive impacts and bringing sustainable innovations to the market will be crucial to our success. We will work tirelessly to deliver innovation that boost independent and high-quality journalism, empowering people to make informed choices and enabling and promoting circular consumption.

Kristin Skogen Lund
CEO of Schibsted

Sustainability at Schibsted

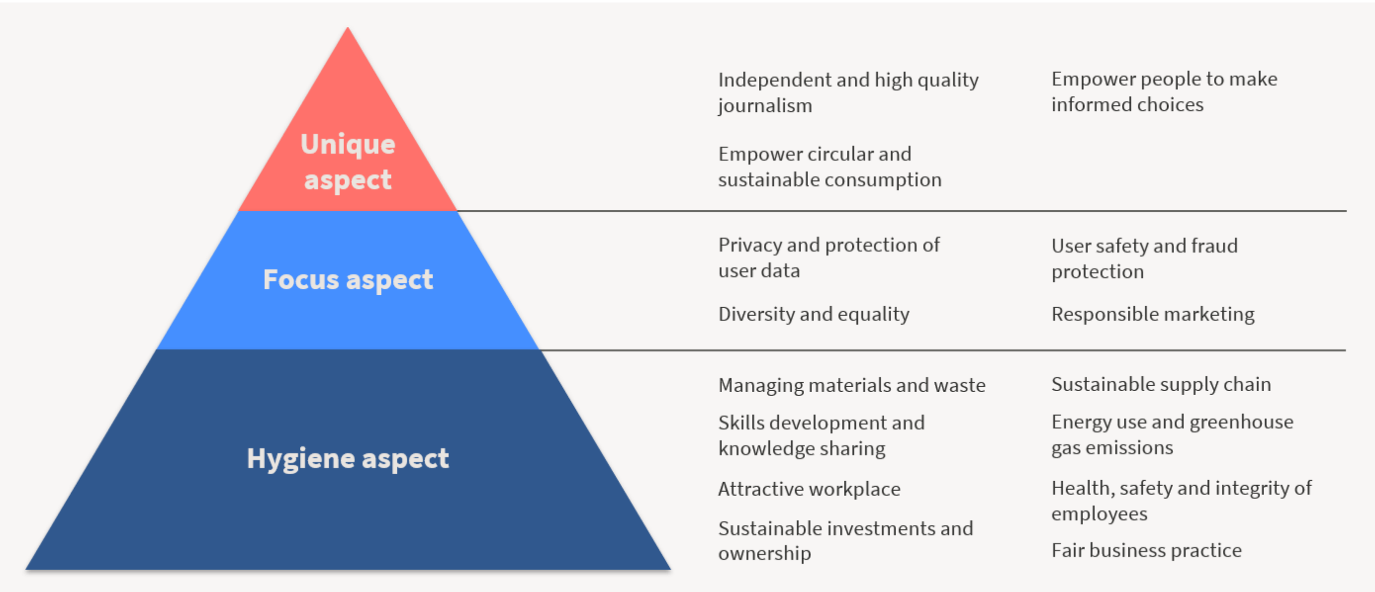
Defining Sustainability at Schibsted

During 2019 Schibsted Media Group was split into two companies; Schibsted and Adevinta. Due to the new company structure and our wish to gain a deeper understanding of our stakeholders' priorities, Schibsted performed a new materiality analysis during 2019.

Materiality analysis

We drew up a list of 15 sustainability aspects covering all our material sustainability areas based on previously identified aspects and a risk and opportunity analysis of Schibsted's value chain. We also used an external analysis performed by the Responsible Media Forum and the recommendations on sustainability reporting (GRI Standards and Sustainability Accounting Standards Board, SASB). Our most important stakeholders were identified by mapping stakeholders based on interest in and influence on our business. Through a combination of interviews, inquiries and surveys we invited our stakeholders to prioritize the identified sustainability aspects. For some stakeholder groups we performed a desktop analysis to identify their priorities.

Our stakeholders were given the opportunity to add aspects to our list which they considered important. An impact assessment was conducted on the identified sustainability aspects, based on their relevance to Schibsted and on the economic, environmental and societal impacts of our operations. By combining the results from our stakeholder dialogues and the impact assessment we could further prioritize and select our material aspects. The result was validated and discussed in a management workshop and presented to the Board. The material topics identified through the materiality analysis were prioritized according to three levels of importance: hygiene aspects, focus aspects and our unique aspects.



Stakeholder engagement

Who did we engage with?	How did we engage with them?	What is most important to them?
Users and readers	• Web surveys to selected brands	• Empower people to make informed choices • Empower circular and sustainable consumption • Privacy and protection of user data • User safety and fraud protection
Corporate customers (advertisers and business partners)	• Interviews with randomly selected customers	• Independent and high-quality journalism • User safety and fraud protection • Privacy and protection of user data • Empower people to make informed choices
Employees	• Web survey to all employees	• Fair business practices • Attractive workplace • Independent and high-quality journalism • Empower people to make informed choices • Diversity and equality
Investors	• Interviews with main investors	• Independent and high-quality journalism • Privacy and protection of user data • User safety and fraud protection • Skills development and knowledge sharing • Fair business practices • Attractive workplace
Board	• Interview and web surveys	• Attractive workplace • Independent and high-quality journalism • User safety and fraud protection • Diversity and equality
Regulators (National and EU)	• Desktop analysis	• Fair business practices • Diversity and equality • Managing materials and waste • User safety and fraud protection • Privacy and protection of user data • Sustainable investment and ownership
Analysts & rating agencies	• Analysis of inquiries	• User safety and fraud protection • Privacy and protection of user data • Fair business practices • Skills development and knowledge sharing • Attractive workplace
Media	• Desktop analysis	• Empower people to make informed choices • Independent and high-quality journalism • Diversity and equality • User safety and fraud protection • Sustainable investments and ownership • Privacy and protection of user data
Potential employees	• Desktop analysis • Reports from employer branding agencies	• Empower circular and sustainable consumption • Diversity and equality • Managing materials and waste • Energy use and greenhouse gas emissions • Health, safety and integrity of employees
Industry associations (National and international)	• Desktop analysis	• Empower people to make informed choices • Independent and high-quality journalism • Diversity and equality • User safety and fraud protection • Privacy and protection of user data

Ambitions and targets

Having a greater purpose in one's daily job is critical for a company to retain people and help them thrive and develop. Our journalism, financial services and marketplaces are important cornerstones for building a sustainable and democratic society. With great impact comes great responsibility, and Schibsted's strategy is to create purpose in everything we do. We will consider and manage our environmental and societal impact in all our business decisions.

Going forward, our direction is based on the updated materiality analysis. To ensure an effective strategy that is suited to its purpose and aligned with the updated materiality analysis, we redefined and updated the scope of aspects, ambitions and targets. We appointed a member of Schibsted's Executive Management Team to be responsible for defining, implementing, measuring, developing and following up our performance on each material aspect. We defined long-term ambitions for our performance as well as short-term targets. Our performance will be evaluated yearly by Schibsted's Executive Management Team. Previously defined targets are included in our updated targets. To ensure our commitment and contribution to the SDGs, we have aligned our activities and opportunities with the SDG Targets.

Material aspect	Ambition (long term)	Targets - 2020 (short term)	Aligned SDG Target
Independent and high-quality journalism	Ensure transparent media practices and contribute to a sustainable and democratic society.	• Establish an editorial project to define the societal impact of our journalism.	
Empower people to make informed choices	Empower and enlighten people to make well informed and sustainable choices through all our operations and drive the innovation for future-fit business models. Double our positive impact on society for our marketplaces by 2023.	• Identify group wide measurements for content impact, representation and non-compliance with voluntary codes for all our media operations. • Identify group-wide needs for training of journalists in relevant sustainability topics. • Continue our participation in the Responsible Media Forums project on measuring content impact from journalism. • Identify societal impact for Nordic Marketplaces and Next brands and decide on measurements to use for evaluating progress.	
Empower circular and sustainable consumption	By leading innovation in empowering people to make sustainable choices and enabling circular consumption, we aim to double our positive impact on the society and the environment for our marketplaces by 2023.	• Establish a cross-brand forum to identify and start to realize our business opportunities related to circular consumption. • Further promote, develop and communicate the environmental benefits of circular consumption.	 

Material aspect	Ambition (long term)	Targets - 2020 (short term)	Aligned SDG Target
Privacy and protection of user data	Leading the industry in handling and safeguarding personal and sensitive data	• Zero incidents categorized as personal data breaches	
User safety and fraud protection	Ensure safe products with zero fraud incidents.	• Identify areas for group-wide collaboration and KPIs for fraud incidents. • Identify possibilities for our media operations to implement a "No Hate"-application for comments fields in digital newspapers.	
Responsible marketing	Zero incidents of non-compliance with applicable external and internal standards or policies.	• Establish a cross-brand and cross-functional project to define the needs and scope of a responsible marketing policy and related measurements. • Zero incidents of non-compliance concerning product and service information and labelling.	
Diversity and equality	Ranked as the most diverse and equal employer within our segments.	• Gender ratio of 60/40 in leadership (three levels) by the end of 2020. • Implement the diversity and inclusion policy. • Implement our recruitment policy in everyday business operations. • Continue roll out of gender pay gap project. • Continue unconscious bias training for employees and leaders involved in recruitment.	 
Attractive workplace	Be the most attractive employer in our main markets.	• Implement a new employee engagement survey system to compare and monitor employee engagement for all Schibsted units.	
Fair business practices	Prevent corruption in our operations and industry and continue to transparently communicate and report on our business practices and purposes.	• Define a plan for how to create awareness and knowledge regarding Code of Conduct (content and format e-learning) and Speak Up function. • Compliant and transparent yearly reporting on sustainability, governance, ownership and public policy (GRI, COP, CDP).	

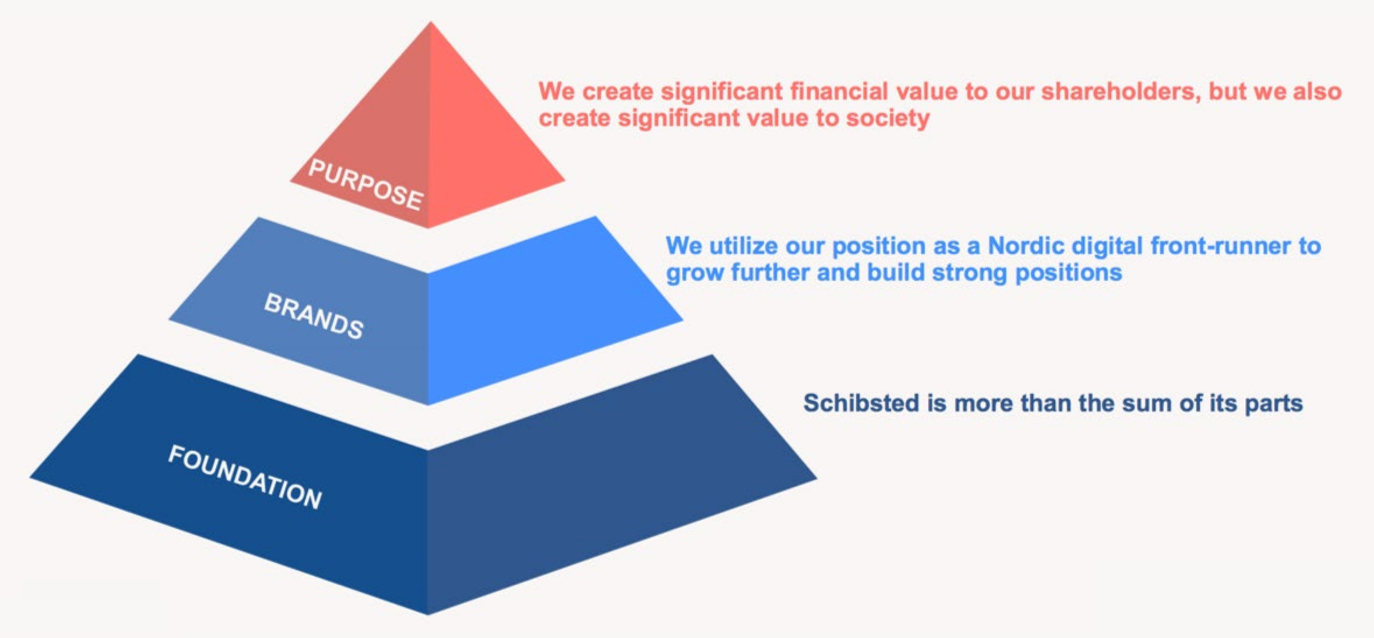
Material aspect	Ambition (long term)	Targets - 2020 (short term)	Aligned SDG Target
Energy use and greenhouse gas emissions	Lower our greenhouse gas emissions in line with Science Based Targets by 2030 and double our improvements in energy efficiency by 2030.	• Identify material energy consumption activities and how to increase energy efficiency in these activities. • Perform efficiency improvements in printing operations in Oslo that will reduce energy consumption. • Define a plan for 2021-2030 to reach the emission and energy reduction targets in line with Science Based Targets and SDGs by 2030. • Within our newspaper distribution network in Norway, implement our plan to reduce our CO_2e emissions by 50 percent by 2025.	
Health, safety and integrity of employees	Be the leading employer in our industries.	• Implement a new travel policy and travel portal for our Norwegian operations. • Continue to implement safety routines for all operations and offer regular training for appointed employees.	
Managing materials and waste	Ensure circular and environmentally friendly use of materials throughout our value chain by 2030.	• Identify possibilities to use machine learning to optimize the number of printed newspapers in casual sales. • Initiate dialogue with suppliers regarding sustainably sourced paper. • Implement management systems for printing operations in Norway that will reduce paper waste significantly. • Within our newspaper distribution network in Norway, reduce the use of plastic packaging for newspapers by 90 percent by 2022.	
Skills development and knowledge sharing	Offer a workplace where all employees have the opportunity to develop skills and contribute to innovation.	• Establish a learning and development system to follow-up completed training. • Establish a tool for career development paths. • Establish Sustainability Change Makers Program. • Establish a Future Advisory Board.	
Sustainable investments and ownership	Be ranked as the industry leader and ensure that invested capital is used to drive innovation for future-fit business models.	• For our Next operations, establish a sustainable investment policy and establish processes for sustainability screening of potential acquisitions/ investments. • For our Next operations, establish a roadmap and toolbox for sustainability maturity for brands.	
Sustainable supply chain	Establish a group-wide approach and process that mitigates and minimize our supply-chain risks.	• Establish processes for supply chain risk monitoring and follow-up of six of our brands and extend our Speak Up function to suppliers.	

Governance

Owner

The Tinius Trust is the major shareholder in Schibsted. The Trust was established in 1996 by Tinius Nagell-Erichsen, the last active member of the founding Schibsted family. Through the Trust, Tinius Nagell-Erichsen wanted to ensure that Schibsted remained a media group characterized by independent journalism, credible and high-quality services, and long-term, solid financial development. In its capacity as Board Chair, the Trust maintains close dialogue with Schibsted regarding sustainability.

Our mission and vision



We create significant financial value not only for our shareholders, but for other stakeholders too. Creating purpose and value for our stakeholders and our mission, "**Empowering people in their daily lives**", guide us in everything we do, from product development to new business ventures, recruitment policy and running our everyday business. We believe that we, together with our users, can contribute to a more sustainable society.

- We empower people by providing transparent and secure marketplaces and financial services.
- We empower people to make sustainable choices by informing about and enabling sustainable consumption and lifestyles.
- We empower people by defending a democratic society, freedom of the press and editorial integrity.

We also rely on our core values as they are articulated in four statements that guide us on a daily basis:

We have integrity: Our company is based on a long tradition of independent news, information and transparent marketplaces. Trustworthiness and quality are absolutely essential – people must be able to trust all our products and services.

We are innovative: We embrace innovation, it's at our core. We always put users' needs first – we go the extra mile. Innovation can be anything from a brilliant new concept to a minor, but no less important, improvement in how we do things.

We are a team: We believe in a friendly and open attitude. We also believe in the strength of people and competencies coming together to achieve something great. The companies in our group can reach far better results together than alone.

We are here to win: We must always strive to be better than our competitors at understanding our customers and markets – that's the key to our continued success.

Sustainability governance model

The Board oversees and governs Schibsted's sustainability performance. For information about the governance structure of the Board and its committees, see the chapter on Corporate Governance in the annual report.

We aim to incorporate responsibility for sustainability into our core business. For each identified material sustainability aspect, a member of the Schibsted Executive Management Team is assigned responsibility for defining its scope, ambitions and targets and for implementing, communicating and evaluating performance according to the defined ambitions and targets. The general managers in each company are responsible for supporting and monitoring each entity with rollout and implementation of the Code of Conduct and other sustainability-related policies and for retrieving data and information required by law.

The Head of Sustainability has overall responsibility for guiding and communicating the organization of our sustainability ambitions and targets, both internally and externally. The Head of Sustainability reports weekly to the Chief People and Corporate Affairs Officer, who is a member of the Schibsted Executive Management Team.

Schibsted has initiated an internal program to boost implementation of sustainability throughout the organization. In 2020 and the years to come, 15 employees will be appointed as Sustainability Change Makers. The Change Makers will allocate 10 percent of their working hours each year to the program. During the program, the participants will complete a university course in sustainable business management, support implementation of the sustainability strategy, and act as internal hubs to entrench the sustainability perspective in our business operations.

Effective from April 2019, changes were made in Schibsted's governance structure. Schibsted's marketplaces outside the Nordics were spun off and formed an independent listed company called Adevinta. Today Schibsted holds a majority ownership in Adevinta and exercises its ownership through representation on Adevinta's Board of Directors; see separate section for information about Adevinta's sustainability governance and performance.

Adevinta – Sustainability at a glance

Adevinta is a marketplace specialist and helps local marketplaces thrive through global connections and knowledge networks. The company operates digital marketplaces in 16 countries in Europe, Latin America and North Africa, with leading local brands including Leboncoin in France, InfoJobs in Spain and Segundamano in Mexico. Adevinta's leading local brands form an integral part of users' lives.

Initial materiality analysis

In 2019, Adevinta was separated from Schibsted as a stand-alone company. Adevinta performed an initial materiality analysis and started to set the direction of Adevinta's sustainability focus. In the coming years Adevinta will continue to strengthen its materiality analysis and sustainability governance and to engage with critical stakeholders. The result from the initial materiality analysis identified this year's reporting scope and included the following top three material aspects; Contributions to circular economy; Privacy, user safety and fraud protection; and Sustainable investments and ownership.

Sustainability governance

The CEO has overarching responsibility for Adevinta's sustainability work. The Board oversees and governs sustainability performance, while the Senior Vice President People & Communication is responsible for operational performance and reports to the executive management team and Board at least once a year.

Environmental impact

Second-hand trade is one of the most efficient ways of contributing to minimizing the negative environmental impact of consumption. Every day, millions of people buy and sell used items on Adevinta's marketplaces around the world, thereby choosing to live in a more sustainable way. In 2019, nine Adevinta sites participated in the Second Hand Effect Project, which resulted in several million tonnes of potential resource savings.

A trusted marketplace with fair business practices

The importance of trust is a crucial element in Adevinta's business model and its vision: "To create perfect matches on the world's most trusted marketplaces". Therefore, there are strong management systems and programs in place to ensure users' privacy and security, data protection, and fraud prevention and detection across the business. In addition, the marketplaces provide users with advice and recommendations on how to prevent and report fraudulent or suspicious activities.

Investing in the sustainable marketplaces of tomorrow

Adevinta Ventures, the corporate ventures arm, invests in the sustainable marketplaces of tomorrow. Adevinta Ventures looks to invest in marketplaces or new models that transform the value chain of mobility, real estate and future-of-work categories across Europe. Adevinta strives to ensure that the investments align with the Code of Conduct and purpose: "Make a positive change in the world by helping everything and everyone find new purpose".

Employee engagement and representation

Adevinta is a people-first organization and aims to offer world-class workplaces where all employees can reach their full potential. Acting responsibly and offering an engaging work environment is crucial for attracting and retaining the right people – the most valuable assets. Adevinta selected Career Development as the company-wide engagement focus area for 2019 and implemented a robust action plan to improve the visibility of career paths and development opportunities across Adevinta. In 2019, Adevinta's staff participated in Schibsted's European Works Council. Meeting twice a year, this council serves as the forum for information, dialogue and consultation between employees and the Schibsted and Adevinta executive management teams. In December the same year, Adevinta established its own Employee Works Council that will include representatives from the company's operations around the world.

Diversity and inclusion

Adevinta has adopted an action plan aimed at encouraging its workplaces to be more diverse, and for Adevinta's culture to be more inclusive. During the year, Adevinta implemented initiatives to raise awareness about the power of differences, created frameworks that promoted equality and built communities to help its employees belong. Through these initiatives, Adevinta was able to meet four of the six targets in the action plan. Adevinta has also pursued a number of initiatives and countermeasures during the year, such as the Change Makers Initiative in all the local companies and unconscious bias training.

Find more information regarding Adevinta's sustainability performance in the Adevinta Sustainability Report 2019.

Responsible ownership and investments

As a part of our core business, Schibsted is constantly evolving and growing through investments in new operations or divestments. As a responsible owner and actor in the investment industry, we need to be constantly aware of how our companies impact society and the environment. To ensure future-fit investments, we need to be aware of the sustainability risks associated with potential investments and ensure that prospective and existing investments follow our internal sustainability guidelines. Companies that are aware of their sustainability risks and that have a proactive approach to sustainability are generally more attractive and profitable. Our long-term financial success is therefore dependent on sustainable practices in each company's operations. Our Chief Financial Officer and Executive Vice President for Next are responsible for ensuring that our investments are aligned with our internal guidelines. In the coming years, we believe the importance of sustainability will increase for investors, so it is important that we continue to strengthen our efforts to ensure that we continue to make investments that are future-fit. In 2020 we will define an updated investment policy, sustainability screening process and onboarding guidelines for our Next business area.

Code of conduct and group policies

Everyone in Schibsted has a responsibility to uphold Schibsted's reputation and principles. Through the way we interact with each other, meet our users and relate with our business partners, we build and strengthen Schibsted's reputation as a group with high integrity. Our Code of Conduct outlines our principles and standards for conducting business and serves as our key sustainability policy. It is based on the UN Global Compact and includes principles on human rights, labor rights, business ethics, equal opportunities, anti-discrimination, child and forced labor, anti-corruption and protection of the environment.

The Code of Conduct is implemented through our onboarding process for new employees and training is given when deemed necessary for targeted functions. A total of 57 employees received live training during 2019. The Code of Conduct is available to all our employees on the intranet, along with an e-learning course and a quiz and includes a link to the Speak Up function enabling anonymous reporting of misconduct, breaches or potential violations. The Head of Legal receives these cases and delegates them to the appropriate managers to follow up.

The Code of Conduct applies to all entities in which we own more than 50 percent voting rights. Where Schibsted does not exercise such control, the board members appointed by Schibsted shall promote the main principles outlined in the Code of Conduct.

In addition to our Code of Conduct, our guiding principles for sustainability are stated in our group policies, which are further implemented in policies at company level. Our group policies are:

Governance

- Corporate governance principles
- Policy for risk management
- Financial policy
- CFO governing document
- Tax policy
- Legal policy
- Schibsted vendor security assessment

- Supplier code of conduct
- Environmental policy

Our people

- Journalism security policy
- Physical and travel security policy
- Diversity and inclusion policy
- Recruitment policy
- Mobility policy
- Discrimination, bullying and harassment policy

IT Security and privacy

- Privacy policies and guidelines
- Data security framework
- Company e-mail DMARC security policy
- Employee data security policy
- Company information security guidelines
- Brand data security guidelines
- Schibsted user device policy

Sustainability risk management

Constantly mitigating risks in our daily operations is key to a successful business. Our risks are annually reviewed by the responsible management teams. All senior managers have a responsibility to understand how sustainability risks intertwine with Schibsted's operational, financial, legal and reputational risks to ensure that we are compliant and proactive at all times. For Schibsted we have identified the main risks presented below. Due to the spinoff of Adevinta and changes in our countries of operations, the risk analysis differs from previous analyses. Risks linked to the rapid growth of sustainability-related legislation and high energy consumption caused by the digital transformation are considered lower compared to the main risks below.

Cyber threat

External cyber-attacks, misuse of our services and threats against our internal IT security may cause incidents such as loss of personal data, fraud, loss of sensitive business data and inaccessible or unreliable services. Incidents like these may cause reputational loss, litigation and serious leakage of sensitive personal data, potentially threatening the privacy of our users.

Lower trust for institutions

The increased penetration of social media as a news platform, the occurrence of fake news, press ethics failures and campaigns undermining mainstream media may reduce trust in mass media channels. Lower trust may result in decreased willingness to pay for content and use of products produced by mainstream media.

Consumer behavior is changing

Heightened awareness of sustainability issues among consumers is changing current consumption patterns. Increased demand for sustainable products and for renting, reusing and repairing items instead of throwing them away will change traditional linear consumption patterns. We must adapt to changing consumer behavior if Schibsted is to continue to provide products and services that are relevant to our users.

Ensuring a sustainable supply chain

Given that our business is to run digital services and creating, printing and distributing newspapers, the bulk of our global procurement activity comprises the provision of professional services, electricity, paper, ink, ICT hardware and software. In 2019 Schibsted continued the process of minimizing our risks and negative impact throughout our supply chain. Our Supplier Code of Conduct, to which our business partners will be required to adhere to, was approved by the Board in 2019. The Supplier Code of Conduct is based on the UN Global Compact's Ten Principles and outlines, among other things, our commitment to protecting and upholding international human rights. In 2019 we initiated efforts to include the Code in our contracts with existing and new strategic suppliers. At the end of the year we also initiated a supplier assessment pilot program for six of Schibsted's companies. The pilot will help the participating companies to implement policies, processes and tools to analyze, monitor, assess and develop their suppliers. The tools will include a risk analysis tool and an assessment and monitoring tool. The most important risk evaluation criteria will be country of origin, industry, supplier dependency and spend. The purpose of the pilot is to identify group-wide high-risk suppliers and industries and to define group-wide screening processes for further implementation in other parts of our organization.

Fair business practices

Long-term sustainable growth can never be built on unfair business practices. Schibsted continuously improves and evaluates the functionality of our policies, processes, controls and procedures to mitigate the risk of corruption and reviews applicable legislation in key markets. None of our employees at operational, strategic or governance level may accept or participate in any form of corruption. Furthermore, everyone is responsible for preventing any kind of corruption in their daily work.

Our Code of Conduct covers our principles for preventing bribery and facilitation payments, gifts, hospitality and conflicts of interests. To ensure understanding and compliance, anti-corruption is an integral part of our Code of Conduct training. It is tailored to address the risks faced by specific business areas and functions. In addition, we created guidelines giving practical examples of how and where corruption practices may occur. When entering into agreements with new business partners, the Legal and Compliance function assesses the need to perform full or limited due diligence procedures based on the nature and scope of the acquisition. Group Treasury is always involved in transactions, and ensures compliance with our principles regarding payments to low-tax countries and other payment-related issues.

Employees can anonymously report actual or suspected misconduct to our external whistle-blower function. All cases of actual or alleged fraud and corruption shall be brought to the attention of the Group Legal Department.

Public policy

We live in an ever-changing environment where conditions for tech, media and politics are continuously changing. Digital disruption is challenging business models and values crucial to Schibsted's companies. As the digital markets evolve, the need for regulation has become increasingly apparent. Politicians around Europe have been calling for regulation of big tech, putting pressure on the EU to develop new rules for competition policy, liability for products and services on digital platforms and online advertising.

Schibsted's mission to be a leading voice in our industry is demonstrated by our active outreach and position on digital issues towards policymakers in our markets and in the EU. We have a dedicated public policy team that is drafting position papers on prioritized issues and building knowledge about our markets for policymakers. We aim to build advocacy alliances with other actors in our industries, and through opinion editorials raise awareness amongst the general public about the challenges we encounter in our markets.

In 2019 Schibsted drafted a position paper on how we believe the EU competition policy should be modernized, taking into account the realities of the digital markets. We also issued a report on proposals for regulating social networks in order to protect democracy and freedom of speech online. Both were presented to policymakers in Oslo, Stockholm and Brussels. We also actively participate in discussions on the value of data, and monitor regulatory developments in the field of artificial intelligence. We aim to continue these efforts in 2020 and more actively participate in the debate on regulation of the digital markets.

Partnerships and memberships

To demonstrate our commitment to increased transparency on sustainability issues, Schibsted is a member of several global initiatives, such as the UN Global Compact (participant) and Transparency International. We report yearly to organizations that evaluate our sustainability performance, including the Carbon Disclosure Project (CDP), MSCI, Sustainalytics and ISS. We are also a member of several industry organizations, such as the Responsible Media Forum, the European Publishers Council (EPC), the Swedish Media Publishers' Association (TU) and the Norwegian Media Businesses' Association (MBL). The purpose of these memberships is to unite with our peers and actively participate in the media debate, as well as formulate and put forward questions and statements of importance to the industry.

As part of our efforts to develop and support a sustainable society, we are members of, or have initiated co-operation with, several organizations. When selecting partners or organizations to support, we focus on organizations that contribute to making an impact in areas that are closely linked to our material sustainability aspects. During 2019 we supported or initiated co-operation with the following organizations:

One Planet Network: A network initiated by the UN to meet the 10-Year Framework of Programmes on Sustainable Consumption and Production (SDG 12).

No Hate: A non-profit Norwegian organization trying to handle and prevent online hate in new ways.

Skift - Business Climate Leaders in Norway: A business-driven climate initiative whose purpose is to be a driving force achieving Norway's climate goals by 2030.

The Circularity Gap Reporting Initiative: An initiative that yearly publishes a global circularity metric and keys for transition to global circularity. In 2020 it will launch a Norwegian report initiated by Circular Norway.

Norwegian PEN: An organization that supports writers and promotes freedom of expression worldwide. During 2019 it established a Freedom of Expression Fund to which the founders (including Schibsted) each contributed NOK 1 million.

Societal impact

Due to our size and market presence, our services and operations have significant societal impact. Having such an impact implies considerable social responsibility. Our diverse services and products have different types of impact on society. At its best, our journalism contributes to a functioning democracy by diminishing the gap between what citizens know and what they need to know about the world around them. Our online financial services have dramatically strengthened our consumers' influence and power and our marketplaces facilitate an efficient and transparent market for goods, jobs, education and real estate.

In addition to our positive contribution, we also have a great responsibility to minimize any negative impact associated with our services. Our journalists strive every day to produce factual and reliable media content, and our marketplaces and other digital services have an extensive agenda for continually preventing malicious use of our services, such as fraud and data theft. We also play an important role in informing users of the products they use and buy and of the associated risks.

A trusted digital partner

In a digital age, transparency, safety and integrity are prerequisites for building trust and a sustainable business model. This applies not only to our journalistic process and our online services, but also to areas such as privacy and integrity, user trust, fraud protection and user security.

Privacy and integrity

Schibsted's strategic focus on technology and advanced data analytics aims to create insights that benefit our users through building more relevant, better and cheaper products and services. Over the past year we have worked on updating Schibsted's data strategy ensuring that our users receive value in return for their data and on providing transparency and efficient control options relating to data. We make extensive efforts to ensure that we process data in compliance with applicable privacy regulations and our users' expectations.

Our work on privacy and integrity is led by our Chief Privacy and Data Trends Officer, who is supported by a central team consisting of privacy experts and appointed Data Protection Officers (DPOs) for all our three business areas. Employees receive privacy training to ensure necessary awareness and competence in this area. During 2019 more than 300 Schibsted employees received training in privacy and data protection. Our extensive privacy program has the following key objectives:

- Ensure compliance with our legal obligations on a continuous basis.
- Guide Schibsted's data-driven innovations by executing on privacy by design across our product and tech organization, embedding privacy into our corporate culture, tech stack and products.
- Provide efficient and automated tools to empower users' control over their personal data by, for example deciding how their personal data is used or by accessing or deleting personal data.
- Maintain and increase end-user and public competence, knowledge and trust related to our use of data.

We conduct close and ongoing dialogue with regulators and legislators to understand and influence rules and practices. In addition, we continuously collaborate with other companies on developing industry standards in the best interests of our consumers and the business.

Schibsted has extensive reporting routines for handling complaints and data breaches. Furthermore, we have extensive measures in place for detecting vulnerabilities and thereby preventing breaches. In 2019 we had 24 incidents categorized as personal data breaches, of which three were reported to the relevant data protection authorities. One situation was reported from a user, remaining were identified internally. All situations were solved without any severe consequences and a review was conducted to prevent similar situations happening in the future. We received no substantiated complaints regarding unauthorized access to personal data.

During 2020 our target is to have zero incidents categorized as personal data breaches, and we will continue to facilitate and take part in the public debate on the data-driven society, responsible data and artificial intelligence as well as privacy. We will continue to be highly engaged in discussions, both at national levels and in EU, on how we can ensure European entities´ ability to compete with the international data giants.

Fraud protection

Across our various brands, from our personal finance companies, such as Lendo and Compricer to our leading marketplaces such as Finn and Blocket, dedicated resources focus on providing a protected community. Our fraud protection controls for our finance services include complying with regulatory obligations, building automated security processes into our product services and providing dedicated customer support to protect our users.

The marketplace brands provide quality assurance to continuously offer high-quality products and services to our users. These activities include security protection to continuously scan, detect and remove fraudulent ads and provide dedicated resources in our customer support centers to respond to any customer complaints. We are dedicated to protecting our user communities against fraud, building a safe and robust set of professional tools to continuously monitor the safety and reputation of our marketplace activities.

The quality and integrity of our media content across our media houses is fundamental to our heritage and our future. Fraud protection is essential to maintaining the trust of our readers and our advertisers; it is critical to our mission. Schibsted's editorial leaders are seasoned professionals, with years of experience in capturing critical news and bringing information to our various reader communities. We embed editorial controls to ensure the accuracy and integrity of our news. To protect our readers across our leading media brands, Schibsted operates identity and payment applications to protect user activities and transactions. These systems are designed to best-practice standards, with regular security monitoring and security testing to protect user data. Our media houses constantly moderate community debates and comments on our community forums to protect our readers. We ensure that any threatening, harassing, hateful or illegal comments are removed, and our media houses are mandated to close down discussions if deemed necessary. Our editors and their staff are dedicated to operating media houses that aspire to accurately and continuously inform our community while also protecting our users. In 2020 we will identify possibilities for our digital media operations to implement a digital tool developed by the No Hate organization to strengthen our fight against inappropriate comments online.

User security

Schibsted's security management system focuses on continuously protecting our users across our portfolio of companies and the critical brands used in our customers' daily lives. This system's purpose is to protect our brand communities against digital and cybersecurity risks. Our security management system presents a comprehensive set of procedures and technical controls to continuously improve our ability to provide leading products in a secure manner. This approach provides a continuous means to analyze digital security risks and effectively manage risks to maintain the trust of our users and user communities.

Schibsted's Chief Information Security Officer (CISO) coordinates data security activities across all our companies. This is a proactive approach to protecting our brands and user data across all layers of our businesses, products and services. We are committed to securing our brands and our users across our innovative technology services, and to serve as a vital digital partner in our users' daily lives.

Our employees focus on the need to protect our users and readers against security threats and vulnerabilities. Our security management system is built on industry-proven security-best practices, with dedicated security professionals integrating security-best practices from recognized industry standards, (ISO 27001, NIST Cybersecurity Framework and OWASP).

Schibsted actively maintains security policies and guidelines throughout our operations and brands. This comprehensive security management approach entails constant protection across the following security domain activities:

- Security compliance and risk management
- Access management security controls
- Application security management
- Secure product application design and architecture
- Network security management
- Vulnerability lifecycle management
- Third-party security management
- Security monitoring and security incident management
- Security awareness and security training

Responsible marketing

Marketing of our own services and lease space for marketing of other organizations' services and products on our platforms constitute a central part of our business. Responsible marketing is crucial in our efforts to ensure that our brands maintain our users' trust.

A significant proportion of revenues from our business areas derive from advertising and partnerships. As a platform that communicates other organizations' marketing messages, we have a responsibility to ensure that these services and products follow our internal guidelines and comply with national and EU marketing regulations and guidelines. For example, in Norway the Marketing Control Act forbids marketing directed at children, and in Sweden the Swedish Consumer Agency has compiled rules and practices governing marketing to children and minors.

Each of our companies has formulated its own guidelines for external advertising, and the general manager/publisher or editor of each company is responsible for ensuring that marketing content follows the guidelines. It is crucial for our media houses to ensure independence of their journalistic content in respect of advertisers and partners. Our media houses in Norway comply with the Ethical Code of Practice for the Press, which also contains rules on marketing.

As we also market our own brands, we have a responsibility for what we offer to the market and how we describe our services. Some of our financial services, such as Lendo, are subject to more stringent national regulations on how they may communicate their marketing messages. The general managers for each brand are responsible for meeting our ethical standards when it comes to marketing.

Our main markets (Sweden, Norway and Finland) all have regulatory bodies (governmental or self-regulatory) that receive complaints about advertising and that assess whether commercial advertising complies with requirements. Some complaints related to Schibsted and our brands were lodged in 2019. In Sweden, the Swedish Advertising Ombudsman (a self-regulatory body) reviewed three cases, two of which were upheld. In Norway, the Consumer Authority and the Market Council (governmental organizations) received no cases linked to Schibsted brands. In Finland, the Finnish Chamber of Commerce (self-regulatory body) monitors marketing practices, and received no complaints linked to Schibsted brands. No complaints have resulted in any fines or penalties.

In 2020 we will continue our efforts by establishing a cross-brand and cross-functional project team to define the need for and the scope of a responsible marketing policy and measurements in this area. We will also continue our dialogue with policymakers regarding responsible marketing to develop standards for the media industry.

Independent and high-quality journalism

Freedom of speech and a free press are fundamental in a democratic society. At Schibsted we are very proud of how our media houses reach millions of readers, digitally and in print. With this outreach comes democratic responsibilities. We want to contribute to a more democratic and transparent society by providing independent news and information as well as promoting freedom of speech. When we do our job best, our words can change society for the better; such is the power of journalism. Good journalism exposes inequality, opens eyes, puts pressure on politicians to act and ensures that people's voices are heard. This is the core of Schibsted's media houses and represents a unique tool to empower people in their daily lives. Our media houses are members of international global networks promoting high-quality investigative journalism, such as the International Consortium of Investigative Journalists (ICIJ) and the European Investigative Collaborations (EIG). Schibsted is also engaged in combating the spread of fake news.

Since 2017 we have organized The Power of Journalism event together with the Tinius Trust. This event celebrates journalism and its dynamic future, bringing together industry leaders, partners and colleagues to share ideas, discuss important issues, inspire each other, and strengthen ties between those of us who believe in the future of journalism. In 2019 the event was held in both Oslo and Stockholm and was attended by 338 internal and 119 external stakeholders. Our goal for 2020 is to establish an editorial project to define the societal and environmental impact of our journalism.

In Norway and Sweden editors are accountable for any infringements of the law, and self-disciplinary bodies have been established to uphold their respective codes of ethics. These self-regulatory bodies are founded on the principles of freedom of speech and independence of the state. In Norway and Sweden any complaints about our newspapers are reported to the Norwegian Press Complaints Commission and the Swedish Press Council respectively. In Norway, 86 (2018: 65) complaints were filed against our Norwegian newspapers in 2019, and 67 (2018: 71) in Sweden. Eight (2018: 3) complaints against our Norwegian newspapers were upheld and five (2018:14) in Sweden. The number of complaints in Sweden that were upheld reached an all-time high in 2018, due mainly to the large number of #metoo-related issues. All complaints are taken seriously and studied to avoid upheld complaints in the future.

Promoting freedom of expression

Schibsted's Articles of Association state that the shareholders shall enable Schibsted to operate its information business in such a way that editorial freedom and integrity are fully ensured. In 2011, Schibsted's Editors' Forum adopted a framework for editorial governance in the Group's publishing businesses. This framework safeguards the principle of editorial freedom.

In addition, our media houses defined more detailed in-house ethics on editorial matters. Some of our media houses prepare editorial reports in which they account for decisions by the self-disciplinary councils and legal procedures, and how they work to protect sources and journalistic methodology. To increase transparency and the readers' understanding of how editorial choices and decisions are made, our media houses have created blogs, websites and even podcasts where our editors and journalists speak openly about the dilemmas and choices they face when making editorial decisions.

Empowering people to make informed choices

Through our services we enable Finns, Norwegians and Swedes to make informed choices and access reliable information. Uncertainty about who is behind information is growing, and Schibsted's role as a trustworthy and reliable source of information is becoming increasingly important.

Empowering people through journalism

For our media houses empowerment means to enlighten and give our readers accessible, transparent, educational and balanced media content. In a time when everyone can share their thoughts online, our role becomes increasingly important. Guided by our editorial guidelines, we act responsibly and take our role seriously. Our editors are responsible for ensuring how we impact our readers. One specific topic that has been in the spotlight the past year is the climate crisis. During 2020 some of our journalists will receive education to increase our knowledge and capacity to report on the climate crisis in an accurate and accessible way. We will also continue our cooperation with the Responsible Media Forum to develop measurements on how our media content is impacting its surrounding.

Consumer empowerment, transparency and efficient marketplaces

Power is shifting from companies to consumers. The information revolution has given consumers enormous possibilities to make informed choices, and it has contributed to lower prices and greater accessibility for consumers. Our marketplaces create transparent, reliable and efficient markets for goods, jobs, education and housing. As a provider of these types of marketplaces, we have a great responsibility and possibility to further strengthen consumers' power, and this is something that drives us in our daily business and development of new services. Through our price comparison services and financial services we empower the consumer by enabling access to comparisons, insights and independent consumer information. During 2020, we will continue our journey to strengthen our users and increase our positive societal impact by identifying group-wide definitions of how our services contribute to society and finding ways of measuring our impact.

Stories that made a difference

Every year our journalists publish remarkable stories that contribute to social change and public debate. Presented below is a summary of some of the stories that made a difference in 2019.

The Tinder swindler – VG (Norway)

Private jets, fraud and Tinder: These are the key words to describe the story about the Tinder swindler Simon Leviev. He has seduced and swindled young women for millions and was a fugitive from justice in several countries. He finds his victims on the dating app Tinder and then seduces them with a luxurious lifestyle. They believe they are dating a wealthy businessman, but women he has swindled before are paying for everything. Norway's biggest newspaper, VG, has spent six months chasing him across several continents. They found him in Germany, at one of Europe's most fashionable hotels. The story about the Tinder swindler has been read and shared all over the world. At the time of publication, the incredible storyline, combined with its innovative presentation, made it the most-read article of all time in VG. Since we published, new victims have come forward and told their stories. Before and after our initial publication we have interviewed women and families in Israel, the Netherlands, Germany, England, Sweden, Denmark, Norway and the US who were scammed by the same man. Simon Leviev was arrested in Greece for using a false passport in July 2019. That created a lot of media attention around him. He is currently in prison in his home country of Israel serving a sentence for fraud crimes committed there.

Stories of poverty – Bergens Tidende (Norway)

Bergens Tidende compiled stories of people living in poverty in western Norway, in which they tell their stories in their own words. Bergens Tidende gave a voice to people who are single mothers, unemployed, low-paid workers, people in debt, recipients of social welfare assistance, disabled or who were receiving work assessment allowance. In addition, researchers, politicians and aid organizations highlighted different perspectives on poverty. The result was a series entitled Stories of Poverty. The stories reveal the embarrassment and shame many feel from not having enough money. For parents it can also be a matter of wanting to spare their children from feeling financially insecure. It is almost surprising how many paths to poverty there are in such a rich country as Norway; illness, bad luck or simply bad choices. The common denominator is that a lack of money can pervade every aspect of one's everyday life, yet many people are unaware that friends, neighbors or even family members are facing serious financial problems.

The climate change in Sweden – Svenska Dagbladet (Sweden)

In the spring of 2019, a reporter and a photographer traveled the world in search of innovative climate technologies. They wanted to turn a spotlight on the innovative forces being unleashed to stop climate change. They shifted the focus from current climate disasters to find out what was actually being done. Among others, they found the carbon "vacuum cleaner" on Iceland, an old volcano that had been transformed into a giant battery, and the world's biggest solar cell plant in the middle of the Moroccan desert. During the autumn the journey set off again, focusing on important climate innovations in Sweden. The journalistic pieces ranged from a professor who produces his own petrol and hides his invention from foreign industrial spies to a fish that is cultivated on land; a house that is fully self-sufficient in electricity; how hydrogen technology can revolutionize the market; and cutting-edge solar power technology. The readers were ecstatic, and the amount of e-mails the reporter received from tech-interested readers was overwhelming.

Initiatives that made a difference

We are proud of how we contribute to society through running our core business and related initiatives. Some of our initiatives that made a difference in 2019 are presented below.

megtildeg.no – Helthjem (Norway)

The consumer-to-consumer shipping product launched by Helthjem, called the "meg-til-deg" (me-to-you) service, proved an unprecedented success in 2019. The service opens up the existing newspaper distribution network to consumers wanting to sell used goods through our marketplaces. The online booking solution is simple and intuitive: users simply enter a five-digit code on their package and leave it on their doorstep. The package will be delivered to the receiver using the distribution network. Research shows that 85 percent of users use the service to sell used items through marketplaces in Norway. The "meg-til-deg" service facilitates more sales of used goods across geographies as 55 percent of users sold more due to the convenience of the service. The circular economy in Norway, especially reuse and resell, is growing, and in 2019 Helthjem saw a 2,000 percent increase in volume for this service. "meg-til-deg" has now become an established way of sending packages between private citizens. The service will now focus on growing geographically and providing a more integrated solution in the popular marketplaces.

White Monday instead of Black Friday - Blocket (Sweden)

Black Friday has become one of the biggest sales days of the year, and it is exclusively newly manufactured goods that are sold, especially electronics. To try to restrain this trend, White Monday (the Monday prior to Black Friday) was launched, a countermovement to Black Friday. From the start, Blocket has been proud to support this initiative in order to encourage more people to act circular rather than linear. In 2019 we therefore halved advertising rates for the Electronics category. We also released Begagnateffekten.se, an illustrative website that highlights the positive effects of buying second-hand. Through Begagnateffekten.se, our own site, social media, influencers, events and a tactically driven campaign (where we shouted sell, sell, sell instead of new consumption's buy, buy, buy) we managed to get more people than ever before to take part in White Monday and buy used instead of new.

Take care of your things – Finn (Norway)

In 2019 FINN teamed up with Friends of the Earth Norway (Naturvernforbundet) and launched an awareness campaign (take care of your things) aimed at spreading awareness amongst Norwegians about the importance of making sustainable consumer choices such as buying second-hand and repairing clothes instead of buying new. The campaign was a success and our goal of raising awareness was met. Environmental organizations, research communities and influencers were brought together as part of a further collaboration with Friends of the Earth Norway to discuss how we as a society can live more sustainably and environmentally friendly. A clothes swap was organized, and FINN app users were encouraged to participate in Earth Hour and the Climate Roar. We also provided input to the government's circular economy strategy.

Second-hand Fashion Show - Tori (Finland)

To celebrate the 10th anniversary of Tori, a Second-hand Fashion Show was organized. It was the first of its kind in Finland, and the models displayed outfits bought from the Tori marketplace, demonstrating key Tori values: promoting smart and sustainable consumption. Using professional models as well as Tori employees and users, we showed the audience that they can be sustainable and fashionable at the same time, highlighting how the clothing industry has a major impact on sustainability and is therefore an area where everyone can and should make a difference. During one year, 800 tonnes of second-hand clothes were sold through Tori, keeping them in the loop of the circular economy.

Our people

Schibsted relies on highly skilled people to succeed. Acting responsibly and offering an attractive working environment are crucial for attracting and retaining the right people. At Schibsted we therefore strive to maintain the highest standards in what we and our stakeholders believe should be prioritized regarding our people. This includes promoting diversity and equality, skills development, knowledge sharing, and a safe and healthy work environment that supports a work-life balance and employee integrity.

At year-end, Schibsted had 5,006 (2018: 4,931) employees (full-time equivalents) in 9 countries. Most of our employees are full-time workers employed at our offices. The exceptions are employees with short-term contracts in our media operations, our newspaper distributors in Norway and employees at our printing plants in Norway.

Employee data

	<30 years		30-50 years		>50 years		Total	
Total number of employees by age group	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Norway	481	521	1,815	1,807	671	679	2,967	3,007
Sweden	384	400	1,053	979	187	187	1,624	1,565
Other European countries	149	162	261	197	5	-	415	359
Total	**1,014**	**1,082**	**3,129**	**2,983**	**863**	**866**	**5,006**	**4,931**
% change by age category	-6%		5%		-0.4 %		2%	

	Male				Female				Total	
Total number of employees by gender	**2019**		**2018**		**2019**		**2018**		**2019**	**2018**
Norway	1,935	65%	1,979	66%	1,032	35%	1,028	34%	2,967	3,007
Sweden	958	59%	932	60%	666	41%	634	40%	1,624	1,565
Other European countries	294	71%	245	68%	121	29%	114	32%	415	359
Total	**3,187**	**64%**	**3,156**	**64%**	**1,819**	**36%**	**1,775**	**36%**	**5,006**	**4,931**

No significant part of our work is performed by seasonal workers or workers who are not employees (external consultants or freelancers). One reason for the increased number of employees in Other European countries is reorganizations between companies related to the split with Adevinta.

New hires and employee turnover

	New employee hires (rate%)				Employee turnover (rate%)			
New hires and employee turnover	**2019**		**2018**		**2019**		**2018**	
Total number	**167**		**159**		**189**		**125**	
Male	98	58%	93	59%	112	59%	78	62%
Female	70	42%	66	41%	77	41%	47	38%
<30 years	73	44%	70	44%	55	29%	40	32%
30-50 years	90	54%	82	52%	115	61%	63	50%
>50 years	4	2%	7	4%	20	10%	22	17%
Norway	93	56%	97	61%	106	56%	78	62%
Sweden	55	33%	51	32%	50	26%	34	27%
Other European countries	19	11%	12	7%	33	17%	13	10%

Data includes transfers between companies within Schibsted.

People strategy and employee representation

Our goal is to build a world-class workplace for our employees, one that is intellectual, virtual and aspirational, and that offers a safe and healthy working environment (both physically and psychosocially) while promoting work-life balance as well as diversity and equality. Our people strategy aims to be a competitive advantage for Schibsted. We believe that our employees represent the Group's most important asset.

To develop Schibsted as an attractive employer, we engage with our employees and value-active employee representation. Employees are represented on Schibsted's Board, currently by three representatives. Two of three employee representatives must be elected in Norway, while the third representative should represent a country outside Norway where Schibsted has its most extensive operations, currently Sweden. A further three employee representatives in the Group are elected and act on behalf of all employees, both unionized and non-unionized. Their function is laid down in the central Norwegian collective bargaining agreements. The employee representatives protect the interests of the employees in cases that are dealt with at Group level. These representatives are discussion partners for management to assure the quality of decisions and processes.

As stipulated in our Code of Conduct, Schibsted's employees have full freedom of association and may organize themselves as they choose. Schibsted's European Works Council (EWC) meets twice a year and serves as our forum for information, dialogue and consultation between employees and the Schibsted Executive Team. In 2019 the EWC consisted of 35 representatives (23 men and 12 women) from 12 countries. From 2020 the EWC will be split between Schibsted and Adevinta and Schibsted will continue with 22 representatives. Collective bargaining agreements or working environment committees are in place in all operations to ensure excellent working conditions and to prevent discrimination against employees. 73 percent of all employees were covered by a collective bargaining agreement at the end of 2019 (2018: 76 percent).

Promoting diversity and equality

At Schibsted we are convinced that our success depends on diversity and equality. To fulfill our mission to empower people in their daily lives, we need a workforce that represents the users we serve. That is why Schibsted is committed to incorporating values of diversity and inclusion into every aspect of the company with the speed and passion that characterize our organization. We want people at Schibsted to challenge the ordinary and find good ideas and achieve great things. To achieve this, we depend on a workforce with a diverse mindset that contributes with different experiences, backgrounds and perspectives. Diversity at Schibsted means all the differences and similarities that make us unique as individuals.

As clearly stated in our Code of Conduct and in our Discrimination, Bullying and Harassment Policy, Schibsted has zero tolerance for harassment of any kind. This includes all forms of verbal, digital or physical harassment. Our Code of Conduct includes a link to a whistle-blowing function called Speak Up that enables anonymous reporting on misconduct, breaches or potential violations. The Speak Up function is handled by an external party to secure the anonymity and personal integrity of our employees.

To ensure a diverse, inclusive and non-discriminatory workplace where all our employees enjoy equal opportunities and feel safe at work, Schibsted offers unconscious bias training. To make ourselves aware of the biases we might have in our product development, we also offer unconscious bias training for algorithmic bias. During 2019, 183 (2018: 599) of our employees participated in our unconscious bias training.

During 2018 we launched several policies on diversity and equality. In 2019 we focused on education and implementation of the policies in our everyday business operations. The new recruitment policy promotes diversity and inclusion by encouraging managers to build diverse teams. Processes should be equal, fair, unbiased and inclusive. Managers should aim for gender equality in all longlists, shortlists and final interviews. All candidates should meet at least one female and one male interviewer. Implementation of and training in these policies will continue in 2020.

Composition of governance bodies and operations by gender

	Male				Female				Total	
Total number of employees by gender	**2019**		**2018**		**2019**		**2018**		**2019**	**2018**
Board of Directors	**6**	**60%**	**6**	**60%**	**4**	**40%**	**4**	**40%**	**10**	**10**
Of which shareholder elected	4	57%	4	57%	3	43%	3	43%	7	7
Operations - Top management	**153**	**62%**	**143**	**62%**	**94**	**38%**	**87**	**38%**	**247**	**230**
Nordic Marketplaces	16	64%	15	63%	9	36%	9	38%	25	24
News Media	56	57%	56	61%	42	43%	36	39%	98	92
Next	66	65%	52	65%	35	35%	28	35%	101	80
Headquarters/Other	15	65%	20	59%	8	35%	14	41%	23	34
Operations - Other managers	**425**	**58%**	**371**	**63%**	**307**	**42%**	**219**	**37%**	**732**	**590**
Nordic Marketplaces	73	60%	86	69%	48	40%	39	31%	121	125
News Media	225	53%	178	57%	196	47%	135	43%	421	313
Next	59	61%	51	65%	38	39%	27	35%	97	78
Headquarters/Other	68	73%	56	76%	25	27%	18	24%	93	74
Operations - Other employees	**2,609**	**65%**	**2,644**	**64%**	**1,418**	**35%**	**1,467**	**36%**	**4,027**	**4,111**
Nordic Marketplaces	388	63%	444	68%	226	37%	213	32%	614	657
News Media	993	57%	1,137	57%	747	43%	859	43%	1,740	1,996
Next	827	72%	747	71%	318	28%	301	29%	1,145	1,048
Headquarters/Other	402	76%	316	77%	127	24%	95	23%	529	411
Operations - Total	**3,187**	**64%**	**3,158**	**64%**	**1,819**	**36%**	**1,773**	**36%**	**5,006**	**4,931**

Headquarters/Other includes part of Schibsted Product & Tech. The changes in total number of other managers and other employees for News Media and Next is mainly related to changes in classification of companies and redefinition of other employees.

Age and gender split by business areas

	<30 years				30-50 years				>50 years				Total	
	2019		2018		2019		2018		2019		2018		2019	2018
Board of Directors	-	-	-	-	5	50%	6	60%	5	50%	4	40%	10	10
Operations - Male employees	612	19%	635	20%	1,986	62%	1,916	61%	589	18%	605	19%	3,187	3,156
Nordic Marketplaces	79	17%	104	19%	365	77%	407	75%	33	7%	33	6%	477	544
News Media	122	10%	174	13%	738	58%	763	56%	413	32%	433	32%	1,273	1,371
Next	294	31%	264	31%	539	57%	465	55%	120	13%	121	14%	953	850
Headquarters/Other	117	24%	93	24%	345	71%	281	72%	23	5%	18	5%	484	392
Operations - Female employees	402	22%	447	25%	1,143	63%	1,067	60%	274	15%	261	15%	1,819	1,775
Nordic Marketplaces	68	24%	64	24%	195	69%	183	70%	20	7%	15	6%	283	262
News Media	138	14%	184	18%	626	64%	625	61%	221	22%	221	21%	985	1,030
Next	149	38%	163	46%	218	56%	175	49%	24	6%	18	5%	391	356
Headquarters/Other	47	29%	36	28%	104	65%	84	66%	9	6%	7	6%	160	127
Operations - Total	1,014	20%	1,082	22%	3,129	63%	2,983	60%	863	17%	866	18%	5,006	4,931
Nordic Marketplaces	147	19%	168	21%	560	74%	590	73%	53	7%	48	6%	760	806
News Media	260	12%	358	15%	1,364	60%	1,388	58%	634	28%	654	27%	2,258	2,400
Next	443	33%	427	35%	757	56%	640	53%	144	11%	139	12%	1,344	1,206
Headquarters/Other	164	25%	129	25%	449	70%	365	70%	32	5%	25	5%	644	519

Headquarters/Other includes part of Schibsted Product & Tech. The system is not able to split employee category by age group; hence this is excluded from the report.

Equality at Schibsted

Our Board is composed of 40 percent women, as required by the Norwegian Limited Liabilities Companies Act. Schibsted has set clear goals against which actual progress is measured. There are long-term and short-term goals on improving gender equality for both divisions and group functions. Schibsted has set a target of a 60:40 gender ratio in all leadership roles by the end of 2020. By 31 December 2019, the share of females in top management positions was 38 percent. The proportion of females in other managers increased from 37 percent to 42 percent. This increase pertains to News Media and Next.

In 2018 we performed a mapping of a potential gender pay gap in parts of the Group. The mapping revealed a gender pay gap for average pay levels, but this is largely attributed to more women working in low-pay positions (such as support) and to more men in leadership and specialist positions. In 2019 we focused on setting up a common process for performing an annual mapping of a potential gender pay gap all Schibsted companies in Sweden. The aim is not only to make mapping of a potential gender pay gap easier, but also to improve quality and find better tools for performing comparisons and analyses across the Group.

The HR departments in each company are responsible for this process, partnering with the Compensation and Benefit department to provide support in discussions on conclusions as well as on regulations and methods. To support our development and analysis in this area, we cooperate with the trade unions and have implemented a new online tool. In addition to identifying salary differences between genders, we also take a closer look at the gender balance in managerial positions professions or divisions. With this new set-up we have seen an improvement in the quality of a potential gender pay gap mapping and an increase in the number of companies that have conducted these investigations. This work will continue in 2020.

Schibsted is a member of a non-profit organization called #SheGotThis. The organization was founded in 2015 with the aim of addressing gender stereotypes and unconscious discrimination in society. In 2019 several of the Norwegian companies submitted their equality figures to a software program and received an analysis of the status of equality in their respective companies along with a list of actions to improve equality.

Skills development and performance reviews

To ensure innovation, long-term sustainable growth and an attractive workplace, we need to offer good opportunities for skills development and performance reviews to our employees. We also need to promote sharing our knowledge internally.

Our global people function and local HR business partner offer several face-to-face training programs, including our S-PACE training. S-PACE is a management program based on PACE, the core leadership principles in Schibsted. Great leadership in Schibsted means being People-driven, Agile, Collaborative and Entrepreneurial. The program is designed to train these leadership behaviors and attitudes in order to create a great leadership culture in Schibsted. With a great leadership culture we will succeed in the future and deliver on our strategy. In 2016 - 2018 a total of 760 leaders (including Adevinta) participated in S-PACE. In 2019 the program had 284 participants (excluding Adevinta).

The Schibsted Future Advisory Board was launched at the end of 2019. Fifteen employees were selected to work on strategic issues for the Schibsted Executive Management Team for a period of six months. The purpose is to give management valuable input and strengthen our innovation capability with talented and aspiring Schibsted employees. In addition, the participants will earn a certificate in disruptive strategy from Harvard Business School Online.

To ensure personalized development programs and well-being among our employees, we conduct individual performance and career development reviews at least once a year, and more frequently in some functions and countries. According to our policy, all employees should complete development dialogue with their managers at least once a year. During 2019, 85 percent of our employees completed performance reviews with their manager (2018: 63 percent). Better reporting structures and higher awareness of our policy has contributed to the increase, but we have still room for improvements to meet our policy. To evaluate our role as an employer, we conduct employee surveys at least once a year, and more frequently in some of our operations. During 2019 the employee satisfaction scores for our companies showed an overall positive trend compared to previous year. In 2020 we aim to implement several new tools and systems to evaluate our role as employer and support our employees and their development. We will establish a group-wide tool for career development paths, a learning and development system to follow up completed training, and a new employee engagement survey system.

Performance reviews by gender and employee category

	2019 Total number	2019 Rate %	2018 Total number	2018 Rate %
Total	**4,272**	**85%**	**3,100**	**63%**
Male	2,633	83%	2,020	64%
Female	1,639	90%	1,080	61%
Company top management	201	81%	134	58%
Other leaders	655	89%	403	68%
Other employees	3,416	85%	2,563	62%

The percent rate of performance and career development reviews is calculated based on total number of employees for total, male and female. For top management, other managers and other employees, the percent rate is calculated as total number who received performance and career development reviews based on number employees in each employee category.

A safe and healthy working environment

To ensure an attractive workplace and to retain our employees, we are constantly improving our workplace so that we can provide a safe and healthy working environment that facilitates a work-life balance, minimizes stress, prevents physical accidents and protects employee integrity.

Several work-life balance and flexible working arrangements are in place, though they vary across our countries of operations. Inspired by our Scandinavian roots, most of our locations offer fitness activities and wellness grants, generous paid vacation and parental leave as well as flexible working hours and flexible workplace schemes to facilitate, for example, combining work and parenting.

Parental leave

	2019 Male	2019 Female
Employees entitled to parental leave	3,187	1,819
Employees that took parental leave more than 1 month	189	207
Employees that returned to work during the year	114	91

Data is not available for 2018.

Health and safety in our operations

Each company is responsible for conducting a risk assessment identifying occupational health and safety risks. Operations at the printing plants and newspaper distribution units pose the highest risk of work-related injuries while our offices pose a risk of ill health in the form of stress. Following strict national regulations and our own risk-based approach, we have a well implemented and systemized approach to inform, prevent and identify risks related to health and safety in all our operations. In 2019, 37 (2018: 53) injuries were reported in our printing and distribution operations, mainly incidents in connection with delivering newspapers and minor personal injuries such as cuts. 45 (2018:24) cases of ill health were reported for all our companies during 2019, related mainly to stress. Better reporting structures has contributed to the increase compared to last year.

Health and safety in our printing and distribution operations

All workers hired by Schibsted Trykk (printing) and Distribusjon (distribution) are covered by our systematic approach to evaluating, preventing, communicating routines and following up identified health and safety risks. All operations within Schibsted Trykk and Distribusjon have an appointed health and safety committee. Employees and management alike are represented on the committee, and they meet on a quarterly basis, or more often if needed. Relevant information about health and safety is communicated to employees through regular e-mail updates, meetings and through updated routines. In our regular meetings, at which appointed employee representatives participate, we oversee our systematic work on health and safety, review incident records and identify areas of improvements. Appointed representatives, as well as other workers in daily operations are trained in health and safety on a regular basis. In general, no external parties are involved in our preventative and reactive health and safety work, but external consultants may be involved when deemed necessary.

For Schibsted Distribusjon quarterly assessments of local operations are used to identify risks and to follow up previously reported risks. In addition to these local assessments, assessments of new investments are made to prevent incidents, and there are, at least, yearly meetings with regional representatives and management. All employees are provided adequate protective equipment.

The main risks for workers within our distribution network relate to fall accidents in bad weather conditions and threats during night-time distribution. All employees are informed about these risks and receive continuous information on how to prevent them and how to handle incidents that occur. All employees receive clear instructions on how to handle emergency situations. These situations shall be reported directly to the manager and if needed, to the police. The manager shall register all incidents and the underlying reasons. Employees involved in such incidents will, if considered necessary, either be placed on sick leave to recover or be moved within the organization to a position where they feel safe.

Environmental impact

At Schibsted we strive to minimize our environmental footprint and to empower people to make environmentally friendly choices in their daily lives. By informing our readers about environmental issues and facilitating circular consumption for our users, we promote informed and environmentally friendly consumption patterns. How we manage our environmental impact is stated in our Group Environmental Policy. The policy is based on the principles of the UN Global Compact and includes initiatives to promote greater environmental responsibility, use of environmentally friendly technologies and application of the precautionary approach. The Head of Sustainability in Schibsted is responsible for our compliance with the policy and the implementation of sound environmental practices in all our operations. In 2019 we adopted new targets for our environmental aspects. Schibsted regularly reports its environmental performance to the financial market, such as the Carbon Disclosure Project (CDP), and scored B- in the latest report.

Our marketplaces, the epicenter of circular consumption

Schibsted empowers people to make economically sound and environmentally sustainable choices. With three marketplaces for circular consumption in the Nordics, we empower and inform consumers in their daily lives to act in more environmentally friendly ways. In 2015 we rolled out the Second Hand Effect project in cooperation with Adevinta and the Swedish Environmental Research Institute (IVL). With the Second Hand Effect project Schibsted wants to raise awareness about the environmental benefits of reusing and repairing items and minimizing waste. The work has been driven by a fundamental question: how much material and CO_2e emissions can potentially be saved through second-hand trade if each second-hand product replaces the production of a new one? Since 2015, more and more marketplaces around the world have joined the project to show the environmental benefits of circular consumption. As of 2020, 12 marketplaces are now part of the project The total amount of CO_2e saved through the marketplaces in 2019 was 25 million tonnes CO_2e, 1.4 million tonnes of plastics, 9.5 million tonnes of steel and 0.9 million tonnes of aluminum. For 2020 and beyond, our insights from this project will guide us in our business development and communication to ensure that we are maximizing our positive environmental impact by enabling circular consumption. Read more about the Second Hand Effect project at www.schibsted.com/sustainability/ . For 2020, we will also continue with our contribution to analyze and gain new insights within the area of circular economy. Together with The Circularity Gap Reporting Initiative, Circular Norway and other partners, we will launch a new report about the status of the circular economy in Norway. In Sweden, Blocket will launch a book on how users can prolong the lifespan of their goods by taking care of, reselling and repairing products.

Energy consumption and digital services

A considerable share of Schibsted's revenues comes from digital services, and the digitalization of the media sector will continue. Digital services, such as online newspapers, financial services and marketplaces, consume energy in many stages of the value chain. Schibsted is working on minimizing this impact as much as possible by minimizing our own energy consumption, designing services that are energy efficient, and when viable, choosing environmentally friendly data centers. Energy consumption from our data centers and our users' consumption of our digital services are identified as the stages that consume the most energy and generate most CO_2e emissions. The digital value chain for media companies and its environmental impact is related to many uncertainties. To map the carbon footprint of the digital value chain, Schibsted is participating in the DIMPACT project. The project aims to develop a tool for tracking carbon footprints, and the members include researchers from Bristol University and nine international media companies including Schibsted.

Environmental impact of our office operations

In our office operations we focus on monitoring and minimizing energy consumption and greenhouse gas emissions derived from our business travels. Energy consumption by our office operations and external data centers accounted for 4 percent of our total greenhouse gas emissions in 2019. During 2019, our business travels represented 5 percent of our total greenhouse gas emissions. We continuously work on minimizing the need for travelling between offices, mainly by improving our video conferencing facilities and monitoring our business travels.

The amount of waste generated from our office operations is significantly less than that from our printing plants and is therefore not a prioritized aspect. We have procedures in place for the safe handling and recycling of electronic waste. For example, in some countries we have partnerships with companies that wipe computer hard drives and sell them second-hand instead of disposing of them.

Energy consumption within Schibsted (MWh)	2019	2018	% change
Consumption of electricity, heating, cooling	**35,417**	**35,594**	**-0%**
of which electricity for printing plants	21,570	21,939	-2%
of which electricity for offices and internal data centers	10,930	10,457	5%
of which heating for offices and internal data centers*	2,610	2,856	-9%
of which cooling for offices and internal data centers*	307	342	-10%

*The 2018 figures for heating and cooling for our operations in Sweden has been restated following updated data from supplier.

Greenhouse gas emissions (tonnes of CO_2e)*	2019	2018	% change
Direct Scope 1 emissions	**262**	**270**	**-3%**
Consumption by company own cars	262	270	-3%
of which distribution of newspapers in Norway	253	253	0%
Indirect Scope 2 emissions	**1,185**	**1,187**	**-0%**
Consumption of electricity, heating, cooling	1,185	1,187	-0%
of which electricity for printing plants Norway	174	177	-2%
Other indirect Scope 3 emissions	**31,495**	**32,915**	**-4%**
Leased and privately owned cars	3,720	3,769	-1%
of which distribution of newspapers in Norway	3,436	3,381	2%
Business travel - flights	1,488	1,548	-4%
Energy from external data centers	255	253	1%
Paper used for printed newspapers	**26,032**	**27,345**	**-5%**
Total	**32,942**	**34,372**	**-4%**

* Scope 2 emissions is reported only with a location based approach. Fuels used for company own, leased and privately owned cars include petrol, diesel and ethanol.

	2019
GHG intensity, tonnes CO2e emissions/turnover NOK million	1.73
GHG intensity, tonnes CO2e emissions/employees*	6.58

	2019
Energy intensity, electricity consumption gWh/turnover NOK million	1.86
Energy intensity, electricity consumption gWh/employees*	7.07

*Employees is defined as number of employees 31 December 2019 (5,006). Intensity numbers for 2018 are excluded due to split from Adevinta and change in scope of reporting of energy sources.

Environmental impact from out print newspapers

Schibsted publishes newspapers in Sweden and Norway, and our focus is to reduce the environmental impact of our print newspapers. Our paper consumption and printing and distribution operations accounts for 91 percent of our total greenhouse gas emissions. 100 percent of the paper used for our newspapers is certified according to FSC and PEFC, and 66 percent of the paper used is certified according to EU Eco Label criteria. Our Swedish media houses procure all the paper used for our newspapers but outsource the printing and distribution operations.

Print newspapers in Norway

In Norway, Schibsted owns the printing plants and runs a distribution network for print newspapers. All our Norwegian printing plants are licensed under the Nordic Swan Ecolabelling scheme. In our printing operations we focus on monitoring and minimizing our use of energy, paper and ink as well as on reducing waste. Processes involving hazardous chemicals take place in closed systems, and the chemicals are recovered as far as possible.

The use of paper and the energy consumption derived from our printing plants have decreased significantly during the past decade. Our own efforts to reduce our consumption of energy and materials and a decline in readership of print newspapers have resulted in a decrease of 44 percent in energy consumption and a 67 percent decrease in paper consumption compared to 2012.

During 2019 Schibsted Trykk carried out several initiatives to lower our energy consumption, including the use of LED lights, ventilation and lighting timers, and motion detectors. Schibsted Trykk increased its energy efficiency by closing some of the printing machines and increasing the capacity of other machines. In line with our ongoing energy efficiency measures and reduced demand for printing machines, we will reduce our overall capacity in our Oslo plant in 2020 but will increase the efficiency of the remaining machines. In 2019 we reduced the amount of waste paper by 4.5 percent at our plant in Bergen. In 2020 we will continue on this track and plan to streamline the waste management system at our Oslo printing plant.

In Norway we offer printed newspapers for subscription and casual sales. Our casual sales newspapers are distributed by road transport. These deliveries are operated by subcontractors who transport newspapers from the printing plant to the distribution hubs or retailers using trucks or vans. Newspaper delivery to households is performed using smaller vehicles or in some cities distributed on foot. Newspaper companies in Norway arrange a return and recycling program to minimize waste related to unsold newspapers in stores. These newspapers end up in recycling plants.

During 2019, our part-owned distribution company Helthjem initiated a project to identify and minimize the environmental footprint of the organization. Helthjem mapped out the organization's material environmental aspects and the carbon emissions that are generated by distribution activities. In the coming years there will be several initiatives to minimize Helthjem's carbon footprint by updating our distribution fleet, optimizing route planning and other related initiatives. The target is to lower the carbon footprint by 50 percent by 2025. Another material aspect for Helthjem is the use of plastics for packaging and protection of newspapers. Together with Schibsted Trykk, Helthjem has defined a goal to lower the use of plastic for protection of newspapers by 90 percent by 2022.

Print newspaper in Sweden

We currently use the Swedish printing company V-TAB for most of our printing needs. V-TAB operates a system of environmental and quality control, and all their printing plants are ISO 14001:2004 and ISO 9001:2008 certified and are licensed under the Nordic Swan Ecolabelling scheme. Newspaper companies in Sweden arrange a return and recycling program to minimize waste related to unsold newspapers in stores. The newspapers are compressed and used for house insulation.

Materials used - Printed newspapers Norway*			2019	2018	% change
Paper**		**Thousand tonnes**	**39.0**	**41.5**	**-6%**
Greenhouse Gas Emission (tonnes CO2e) generated by production of paper			18,272	19,494	-6%
of which	Share certified FSC	%	100%	100%	0%
	Share certified PEFC	%	100%	100%	0%
	Share certified EU Eco label	%	56%	55%	2%
Printing Ink***		**Thousand tonnes**	**0.9**	**1.1**	**-0.2**
of which	Accepted by Nordic Eco Label Swan	%	100%	100%	0%

* Material used for printing external newspapers also included in the data
** 100% renewable material
*** Non-renewable material

Material used - Printed newspapers Sweden			2019	2018	% change
Paper*		**Thousand tonnes**	**16.5**	**16.7**	**-1%**
Greenhouse Gas Emission (tonnes CO2e) generated by production of paper			7,760	7,851	-1%
of which	Share certified FSC	%	100%	100%	0%
	Share certified PEFC	%	100%	100%	0%
	Share certified EU Eco label	%	92%	94%	-2%
Printing Ink**		**Thousand tonnes**	**-**	**-**	**-**
of which	Accepted by Nordic Eco Label Swan	%	100%	100%	0%

* 100% renewable material
** Non-renewable material

Printing plants Norway

Waste (tonnes)	Year	Recycled	Recovered	Other Disposal	Total weight
Paper (non-hazardous waste)	2019	5,673	-	116	5,789
	2018	6,141	-	125	6,266
Aluminum (non-hazardous waste)	2019	169	-	13	182
	2018	203	-	15	218
Waste water (hazardous waste)	2019	-	-	-	-
	2018	-	-	-	-
Ink waste (hazardous waste)	2019	-	12	-	12
	2018	-	7	-	7

Disposal methods are selected and reported by waste contractor. The use of water in our printing plants are limited and there are low risks related to use of and dispose of freshwater in Norway. Total amount of non-hazardous waste: 5,971 tonnes, total amount of hazardous waste: 12 tonnes.

Efficiency for use of paper	2019	2018
Share of material bought used in newspapers	91%	91%

Waste (degree of sorting for waste contractor)	2019	2018
Hazardous waste	100%	100%
Non-hazardous waste	98%	99%

Waste data is limited to waste from our own printing plants in Norway, This waste stands for the majority of our waste and hazardous waste. Disposal methods are selected and reported by waste contractor.

About the report

This is Schibsted's third sustainability report and covers the period from 1 January to 31 December 2019. Our ambition for this report is to be transparent and share our approach, performance, progress and targets in the area of sustainability during 2019 onwards. This report has been prepared in accordance with the GRI Standards: Core option. It constitutes Schibsted's Communication on Progress (COP) submission to the UN Global Compact and follows Oslo Børs guidelines set out in the Euronext Guidelines for Environmental, Social and Governance (ESG) reporting. Schibsted publishes a sustainability report on an annual basis; the previous report was published on 29 March 2019. The report is not quality assured by an external body. The sustainability information is provided mainly in the sustainability report, but also in sections of the annual report. Please see the GRI Content Index for further guidance.

Scope and boundaries

The report includes data pertaining to companies with more than 25 employees, of which Schibsted has had full ownership or operational control throughout the year, with certain scope limitations included below. In total, 35 companies are within this scope. Adevinta, which is a listed company, is excluded from the report. Sustainability information related to Adevinta is presented in Adevinta's first stand alone sustainability statement and in a summary of Adevinta's statement in this report.

Data are gathered through central management systems or functions if no other information is stated. Base year for data is 2018.

Employee data

Some companies are lacking complete internal systems for internal HR data collection, the number of companies that is lacking data, and therefore excluded, are stated for each data category below. Data relating to employee engagement (3 companies), collective bargaining agreements, parental leave (3), health and safety (11), and performance and career reviews was collected via templates completed by each company, this data is stated as head count. Other employee data, as per 31 December 2019, is stated as full-time equivalents (FTE) and covers all Schibsted companies including those who do not fall within the scope of this report. This is because we want to present the same FTE information as the annual report. Data as per 31 December 2019 was compiled using the financial reporting system.

Environmental data

The consolidation approach for environmental data is operational control. All greenhouse gases are included in the emission calculations and all scopes are included in intensity data. Data is collected via templates sent to each company and derives from third-party sources and available internal reporting data. Our calculations are based on the conversion factors used in the Greenhouse Gas Protocol, or other additional sources when needed. Due to its significant environmental impact, one company's emissions data has been included in the reporting of emissions from cars, although the company itself does not meet the scope criteria.

Omissions

102-8: Data cannot be split on employment contract and employment type due to limitations in our reporting system.

103-3: Management approach – Sustainable investments: A new structure for evaluation of performance is under development and cannot be shared in this report.

205-2: A new structure for evaluation of performance is under development and cannot be shared in this report.

302-1: Total fuel consumptions from renewable/non-renewable sources is not possible to disclose due to limitations in the information from suppliers.

403-1-403-7, 403-9, 403-10: Schibsted has chosen to transit to the new GRI Standard 403: Occupational Health and Safety (2018) hence do not have all information and data in place to fully fulfill all the requirements this year.

405-1: Data cannot be split on age by employee category due to limitations in our reporting system.

Point of contact

If you have any questions about the sustainability report, you are welcome to contact Britt Nilsen, Head of Sustainability, email sustainability@schibsted.com .

GRI Content Index

GRI Standard	Disclosure	Page	Notes
GRI 102: GENERAL DISCLOSURES (2016)			
	Organizational profile		
	102-1 Name of the organization	3	
	102-2 Activities, brands, products, and services	3, 7-8	
	102-3 Location of headquarters	9	
	102-4 Location of operations	3, 7-8, 26	
	102-5 Ownership and legal form	9, 18	
	102-6 Markets served	3	
	102-7 Scale of the organization	26, 44-46	Number of brands (operations) 47
	102-8 Information on employees and other workers	26-29	Omission
	102-9 Supply chain	21	
	102-10 Significant changes to the organization and its supply chain	19	Spin-off Adevinta
	102-11 Precautionary Principle or approach	29	UNGC Principle 7
	102-12 External initiatives	21-22	
	102-13 Membership of associations	21-22	
	Strategy		
	102-14 Statement from senior decision-maker	12	
	Ethics and Integrity		
	102-16 Values, principles, standards, and norms of behavior	18, 20	
	Governance		
	102-18 Governance structure	18-20	
	Stakeholder engagement		
	102-40 List of stakeholder groups	14	
	102-41 Collective bargaining agreements	26	UNGC Principle 3
	102-42 Identifying and selecting stakeholders	13	
	102-43 Approach to stakeholder engagement	14	
	102-44 Key topics and concerns raised	14	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	50	
	102-46 Defining report content and topic Boundaries	13	
	102-47 List of material topics	13	
	102-48 Restatements of information	13	
	102-49 Changes in reporting	13	
	102-50 Reporting period	33	
	102-51 Date of most recent report	33	
	102-52 Reporting cycle	33	
	102-53 Contact point for questions regarding the report	33	
	102-54 Claims of reporting in accordance with the GRI Standards	33	
	102-55 GRI content index	34-35	
	102-56 External assurance	33	
GRI 200 ECONOMIC STANDARDS			
Schibsted topic: Fair business practices			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	21	UNGC Principle 10
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	33	Omission
Schibsted topic: Sustainable investments and ownership			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	19-20	Omission

Schibsted

GRI Standard	Disclosure	Page	Notes
GRI 300 ENVIRONMNETAL STANDARDS			
Schibsted topic: Empower circular and sustainable consumption			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	29	Own KPI
Schibsted topic: Energy use and greenhouse gas emissions			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	29-30	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	30 30 30 30	UNGC Principle 7 and 8
GRI 302: Energy (2016)	302-1 Energy consumption within the organization 302-3 Energy intensity	30 30	Omission, UNGC Principle 7, 8 and 9
Schibsted topic: Managing material and waste			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	30-31	UNGC Principle 8
GRI 301: Materials (2016)	301-1 Materials used by weight or volume	31	
GRI 306: Effluents and Waste (2016)	306-2 Waste by type and disposal method	32	
GRI 400 SOCIAL STANDARDS			
Schibsted topic: Independent and high-quality journalism			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	23-24	UNGC Principle 1
Schibsted topic: Empower people to make informed choices			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	24	
GRI Media Supplement (2016)	M7 Media literacy	24	
Schibsted topic: Privacy and protection of user data			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	22	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	22	
Schibsted topic: Diversity and equality			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	26-27	UNGC Principle 6
GRI 404: Education and training (2016)	404-3 Percentage of employees receiving regular performance and career development reviews	28	
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	27	Omission
Schibsted topic: User safety and fraud protection			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	22-23	
GRI 417: Marketing and Labeling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	23	
Schibsted topic: Health, safety and integrity of employees			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	28-29	
GRI 403: Occupational Health and Safety (2018)	403-1 to 403-7 Occupational Health and Safety	29	Omission
GRI 403: Occupational Health and Safety (2018)	403-9 Work-related injuries	29	Omission
GRI 403: Occupational Health and Safety (2018)	403-10 Work-related ill health	29	Omission
Schibsted topic: Attractive workplace			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	26	UNGC Principle 6
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	26	
Schibsted topic: Sustainable supply chain			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	21	UNGC Principle 1, 2, 4 and 5
Schibsted topic: Skills development and knowledge sharing			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	28	UNGC Principle 6
GRI 404: Education and training (2016)	404-3 Percentage of employees receiving regular performance and career development reviews	28	
Schibsted topic: Responsible marketing			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	23	
GRI 417: Marketing and Labeling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	23	

Corporate governance

1. Statement of Corporate Governance

Schibsted is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, §3-3b and the Norwegian Code of Practice for Corporate Governance (the Code) available at www.nues.no. The Board's Statement of Corporate Governance follows the structure of the Code. Deviations from the Code are set out in section 16 below. This statement also includes information on corporate governance, pursuant to the Accounting Act, §3-3b. Corporate governance in Schibsted is subject to review and consideration by the Group Board, which also reviews the content of this Statement of Corporate Governance.

The Board has approved the Group's policy for corporate governance stating that the Group will comply with the Norwegian Code of Practice for Corporate Governance.

2. Business activities

Schibsted's purpose as defined in its Articles of Association is:

"... to engage in the information business and related business activities. The shareholders shall enable the Company to operate its information business in such a way that editorial freedom and integrity are fully ensured. The requirement for editorial freedom and integrity shall apply to all media and publications encompassed by the Norwegian and international activities of the Schibsted Group."

The Articles of Association are presented in full at www.schibsted.com/ir/corporate-governance/ .

The Schibsted Board of Directors is responsible for defining objectives, strategies and risk profiles for the Group's business activities. The Board of Directors evaluates these objectives, strategies and risk profiles on a yearly basis.

The Group's objectives, principal strategies and risks are described in the Board of Directors' report and on our website at www.schibsted.com .

Sound corporate governance is an important prerequisite for achieving Schibsted's vision and for implementing our strategy. It contributes to the Group's long-term value creation and ensures effective and sustainable use of the Group's resources. Schibsted's values represent an important foundation for corporate governance and for developing a sound and strong corporate culture. The Group's values are:

We have integrity
We are innovative
We are a team
We are here to win

Schibsted's sustainability strategy, which is aligned with the business strategy, is to ensure that we consider and manage the environmental and societal impacts in all our business decisions and through our services empower people to make economic and sustainable choices. Schibsted engages with the significant stakeholder groups that are directly or indirectly affected by our business. The purpose of the dialog with stakeholders is to understand the key aspects and how these impact Schibsted's operations. Further information on Schibsted's sustainability strategy and how we relate to stakeholders is provided in the Sustainability Report.

3. Equity and dividend

Financial strategy

In accordance with our shareholder policy, Schibsted's Board of Directors considers it crucial that shares in the company are perceived as an attractive investment option. Schibsted's financial strategy implies a strong focus on profitability, innovation and disciplined capital allocation to create long-term shareholder value. To reach these objectives, Schibsted has set targets on financial gearing, NIBD/EBITDA, equity ratio and the dividend policy. Information about our financial strategy and performance are published on the Investor Relations page on our website and communicated at investor presentations. More information about the 2019 performance can be found in the Board of Directors' report in the annual report. The Board has reviewed the Group's financial strategy, targets and performance, and considers the defined and achieved performance levels adequate for the Group's objectives, strategy and risk profile.

Dividend policy

The Group aims to provide a competitive return based on a sound financial position. The Board considers it essential that the company's shares are perceived as an attractive investment. One of the financial targets is therefore to maximize the shareholders' return through long-term growth in the share price and dividend. The Annual General Meeting approves the annual dividend based on the Board's recommendation. The Group's dividend policy is described in more detail under Share Information at www.schibsted.com .

Authorizations granted by the Annual General Meeting

To allow flexibility in its capital management strategy, authorizations empowering the Board to increase the share capital by issuing B-shares and to buy back shares, were granted by the 2019 Annual General Meeting. Such authorizations are granted by the Annual General Meeting for one year at the time. The conditions stated in the authorizations are included below:

Authorization to increase B-share capital

I. The Board of Directors is authorized pursuant to the Public Limited Liability Companies Act § 10-14 (1) to increase the company's share capital by up to NOK 6,534,218.50. Subject to this aggregate amount limitation, the authority may be used on more than one occasion.

II. The authority may only be used to issue B-shares.

III. The authority shall remain in force until the Annual General Meeting in 2020, but in no event later than 30 June 2020.
IV. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Liability Companies Act may be set aside.
V. The authority covers capital increases against contributions in cash and contributions other than in cash. The authority covers the right to incur special obligations for the company, ref. § 10-2 of the Public Limited Liability Companies Act. The authority covers resolutions on mergers in accordance with § 13-5 of the Public Limited Liability Companies Act.

Authorization to buy back shares

I. The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2020, but in no event later than 30 June 2020.
II. The total nominal value of the shares acquired and held by the company may not exceed NOK 11,934,399.
III. The minimum amount which can be paid for the shares is NOK 30, and the maximum amount is NOK 1,000.
IV. The Board is free to decide on the acquisition method and possible subsequent sale of the shares.
V. The shares may serve as settlement in the company's share based long term incentive schemes, as well as the Employee Share Saving Plan (ESSP), and may be used as settlement in acquisitions, and to improve the capital structure of the company. The shares may not be used in a take-over situation cf. section 6-17 (2) of the Norwegian Securities Trading Act.

4. Equal treatment of shareholders and transactions with related parties

Class of shares

Schibsted has two classes of shares. Each A-share gives the right to 10 votes at the Annual General Meeting, and each B-share gives the right to one vote at the Annual General Meeting. Otherwise, the A-shares and B-shares carry equal rights.

Restrictions on ownership and voting rights

Based on Schibsted's publishing responsibilities and the role in the society as a media company, Schibsted's independence and integrity are safeguarded through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

Article 7 states that important decisions relating to the Group's key companies must be submitted to Schibsted's shareholders for their approval. According to the wording of this provision, any amendments to the Articles of Association or any sales of shares or operations or corresponding transactions in any subsidiary must be submitted to Schibsted's General Meeting for approval, with the exception of intercompany transactions, which are exempt in their entirety. Through resolutions, the General Meeting may authorize the Board to administer specific areas of the protection offered under this provision. A general one year authorization to administer the protection was granted at the 2019 Annual General Meeting and will apply until the next Annual General Meeting. The authorization granted at the Annual General Meeting in 2019 states:

"Pursuant to the third paragraph of Article 7 of the Articles of Association, the Board of Directors is authorized to make decisions on the following matters referred to in the second paragraph, subparagraph a) of Article 7 of the Articles of Association:

a) Voting relating to amendments to subsidiaries' Articles of Association.
b) Decisions to sell shares or operations, including private placements, mergers or demergers, in subsidiaries when the net payment (sales amount, merger or demerger payment, etc.) does not exceed NOK 4 billion after financial adjustments.

Within the framework of the Group CEO's general authorization, the Board of Directors may delegate its authority pursuant to this authorization to the management.

A director appointed pursuant to the second paragraph of Article 8 of the Articles of Association may demand that certain matters which are covered by this authorization must nonetheless be submitted to the General Meeting for its decision.

This authorization applies until the next Annual General Meeting."

In addition, a specific authorization to administer the protection with respect to Adevinta ASA was granted by an Extraordinary General Meeting in Schibsted on 25 February 2019. The said authorization, which is irrevocable and time unlimited, states:

"Pursuant to the third paragraph of Article 7 of the Articles of Association, the Board of Directors is authorized to make decisions on the following matters referred to in the second paragraph, subparagraph a) of Article 7 of the Articles of Association:

a) Voting relating to amendments of the Articles of Association of Adevinta ASA and its subsidiaries.
b) Decisions to sell shares or operations, including private placements, mergers or demergers, in Adevinta ASA and its subsidiaries.

Furthermore, the Board of Directors is authorized to exempt Adevinta ASA and its subsidiaries from the requirement in the fourth paragraph of Article 7 of the Articles of Association.

These authorizations are irrevocable and unlimited in time and amount.

Within the framework of the Group CEO's general authorization, the Board of Directors may delegate its authority pursuant to these authorizations to the management of the company."

Waiver of preemptive rights in the event of a capital increase

In the event that the Board resolves to carry out an increase in the share capital and waive the pre-emptive rights of existing shareholders on the basis of a mandate granted to the Board, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the increase in the share capital.

Transactions involving own shares

The acquisition of own shares, in accordance with the Board's authorization referred to in item 3 of this statement, must take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices. Acquired shares may be sold in the market or used as settlement for the acquisition of businesses, for the Schibsted share based incentive schemes and share saving programs for the Group's employees. The share-based incentive schemes are described in more detail in the Statement of Executive Compensation in note 9, note 10 and in the notice of the Annual General Meeting.

Transactions with related parties

In the event of material transactions between the Group and its shareholders, board members, executive personnel, or related parties, the Board will obtain valuations by an independent third party. In 2019 the Board concluded that there were no such material transactions.

5. Shares and negotiability

Schibsted's shares are freely negotiable subject to the restrictions laid down in the Articles of Association, Article 6, which states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

The background for the limitation set out in Article 6 of the Article of Association is further set out in section 16 below.

6. Annual General Meetings

The shareholders exercise the highest authority through the Annual General Meeting. The Annual General Meeting considers and decides on matters that are important to Schibsted in a way that reflects the shareholders' views. The Annual General Meeting is held within six months after the end of each financial year.

Notice

The Annual General Meeting for this year is scheduled for 6 May 2020. The notice of the Annual General Meeting and documents to be considered are available on the Schibsted website prior to the meeting, and are sufficiently detailed, comprehensive and specific to allow shareholders to form an opinion on all matters to be considered at the meeting. Shareholders not registered electronically will receive the notice by regular mail with information on how documents to be considered at the meeting may be downloaded from our website. The deadline for electronic registration is two working days prior to the meeting.

Attendance

Representatives of the Board and the chairman of the Nomination Committee are required to attend the Annual General Meeting. The Board Chair is present at the Annual General Meeting and is available to respond to any questions. Other board members will attend as necessary. The chair of the Nomination Committee and the external auditor are also present. At a minimum, the CEO and CFO must attend the meeting as representatives of Schibsted executive management.

Voting

The shareholders are given the opportunity to vote on each individual matter, including on each individual candidate nominated for election to the company's bodies (i.e. the Board and the Nomination Committee).

Shareholders who cannot attend the Annual General Meeting but who wish to exercise their voting rights may authorize a proxy by the deadline for registration. An authorization form containing voting instructions may also be given to the Board Chair. The authorization form is enclosed with the notice of the Annual General Meeting. More information on how to appoint a proxy and how to propose resolutions for consideration by the meeting is stated in the notice of the Annual General Meeting and on our website at www.schibsted.com .

Agenda

The agenda is prepared by the Board, and the agenda items must comply with Article 10 of the Articles of Association.

Minutes of the Annual General Meeting are available on our website at www.schibsted.com .

Chairing of the Annual General Meeting

Prior to the Annual General Meeting the Board considers, taking into account the complexity of the proposed agenda, whether an independent person shall be proposed to act as chair of the Annual General Meeting. In 2019, the Annual General Meeting was chaired by Ole Jacob Sunde, Board Chair.

7. Nomination Committee

The Nomination Committee is regulated by the provisions in Article 10 of Schibsted's Articles of Association, which also states the Nomination Committee's mandate. In addition, the company has implemented additional guidelines for the Nomination Committee approved by the Annual General Meeting in 2017.

The work of the Nomination Committee

The Nomination Committee prepares a recommendation to the Annual General Meeting regarding the election of shareholder representatives and their deputies to the Board. The Nomination Committee has contact with shareholders, board members, and the company's executive personnel. The Nomination Committee's most important task is to continually review the Board's overall expertise and experience in relation to the challenges facing the

Group at any given time. The Nomination Committee also proposes remuneration payable to the board members at the Annual General Meeting.

The Annual General Meeting approves the remuneration to the Nomination Committee. The Nomination Committee's proposals are explained in the Nominations Committee's report.

Composition of the Nomination Committee

The Nomination Committee is elected by the Annual General Meeting for two-year terms and consists of three members. The composition of the Nomination Committee shall take into account the interests of shareholders. The Annual General Meeting elects the chair of the Nomination Committee.

The current members of the Nomination Committee are John A. Rein (Chair), Spencer Adair and Ann Kristin Brautaset. The current members were re-elected by the Annual General Meeting on 3 May 2019 for a period of two years.

The current chair of the Nomination Committee is not considered to be independent due to his roles as board member in the Tinius Trust and Blommenholm Industrier. The other two members are considered to be independent.

See the Nomination Committee's report for further details on the work of the Nomination Committee.

8. Board of Directors: Composition, independence and employee representation

Composition of the Board

Pursuant to Article 8 of Schibsted's Articles of Association, the Board must consist of six to eleven members in addition to deputy members. The Group's employees must be represented on the Board by employee representatives in accordance with prevailing agreements with the company (Representation Agreement).

The Board currently consists of ten members, of whom seven are shareholder representatives and three are employee representatives. Two employee representatives are elected from Norway and one from the country outside Norway where Schibsted has its most extensive operations. This is currently Sweden. The Board's composition is compliant with the requirement set forth in section 6-11a of the Norwegian Public Limited Liability Companies Act, which states that the minority gender shall represent at least 40 percent of the board members. In addition to gender balance, the Board ensures that diversity with regard to age, education, professional background and international experience are applied as relevant criteria in the Nomination Committee's consideration of Board composition.

The Annual General Meeting elects the shareholder representatives to the Board. The Nomination Committee prepares a recommendation of candidates for election to the Board. The recommendation is distributed to the shareholders along with the notice of the Annual General Meeting. The Annual General Meeting elects the Board Chair.

The Board's shareholder representatives are elected for one-year terms while the employee representatives are elected for two-year terms. Pursuant to Article 8 of the Articles of Association, any shareholder owning at least 25 percent of the A-shares in the company is entitled to appoint a board member directly. Blommenholm Industrier AS, which owns 26.4 percent of the A-shares, is the only shareholder holding this right. At the Annual General Meeting in 2019, Blommenholm Industrier AS exercised its right to directly appoint one member, and nominated Ole Jacob Sunde.

More information on the individual board members is available on our website at www.schibsted.com .

Independence of the Board of Directors

The composition of the Board ensures that it can operate independently of any special interest. The current Board meets the requirement set forth in the Code that the majority of shareholder-elected board members be independent of the Group's executive personnel and material business, and that at least two of the shareholder-elected board members be independent of the main shareholders. Ole Jacob Sunde is not considered to be independent of the main shareholders due to his position as chairman of the board of the Tinus Trust and board member of Blommenholm Industrier AS. All other shareholder-elected board members are considered to be independent.

Pursuant to section 6-27 of the Public Limited Liability Companies Act, individual board members may not participate in the discussion or decision of matters in which they or a closely related party are deemed to have a major personal or financial interest. Each board member is personally responsible for assessing whether any such circumstances exist that may, from an objective perspective, affect public confidence in the board member's independence or that may lead to a conflict of interest in connection with a matter to be considered by the Board. Such circumstances must be brought to the attention of the Board Chair. The Rules of Procedure specifically mention board members' involvement in competing businesses.

Board members' shareholdings

The Code states that members of the Board should be encouraged to own shares in the company. Encouraging share ownership is not part of the Board's current Rules of Procedures. However, the board members' shareholdings are disclosed in note 11 of Schibsted ASA's financial statements.

Board meetings in 2019

In 2019 the Board held 12 meetings, one of which was a two-day strategy meeting. Meetings that are not listed on the meeting schedule may be conducted by telephone. The strategy meeting is normally held in June and forms the basis for the Group's strategy and budget processes.

Attendance at board meetings and board committee meetings in 2019:

ATTENDANCE AT MEETINGS	BOARD MEETINGS	AUDIT COMMITTEE MEETINGS	COMPENSATION COMMITTEE MEETINGS
Ole Jacob Sunde	12/12		5/5
Marianne Budnik	12/12		5/5
Torbjörn Ek	11/12		
Anna Mossberg (from May 2019)	5/6	3/3	
Orla Noonan (until May 2019)	6/6	2/3	
Christian Ringnes	11/12	6/6	
Ingunn Saltbones	12/12		5/5
Birger Steen	12/12	6/6	
Philippe Vimard	11/12		2/2
Finn E. Våga	12/12		
Eugénie van Wiechen	10/12		0/3

9. The work of the Board of Directors

Role of the Board

The Board supervises the day-to-day management of the Group as it is exercised by the CEO, and monitors Schibsted's general activities. The Board actively participates in shaping Schibsted's strategy, ensuring that the businesses are properly organized and that adequate governance and control systems are implemented. The Board also supervises the Group's financial performance, establishes necessary guidelines, and adopts plans and budgets for the businesses. The Board appoints the CEO and prepares the job description and terms and conditions for the position. The Board also considers issues pertaining to appointments to key positions within the Group.

Rules of Procedure

The Board has established internal Rules of Procedure describing the Board's responsibilities, duties and administrative procedures. The Rules of Procedure also state the CEO's duties in relation to the Board. The Board conducts periodic reviews of the procedures for the Board and the CEO.

Conflicts of interests and disqualification

A board member is obligated to notify the Chair if he/she is considering working for or on assignment with organizations who operate, or seek to operate, a business that competes with Schibsted Group's current or planned business activities. The Chair ensures that the rest of the Board and the Chair of the Nomination Committee are kept informed.

Organization of board meetings

The Board works on the basis of an annual meeting schedule that is normally agreed at the first meeting after the Annual General Meeting. The meeting schedule includes strategic planning, business issues and supervisory activities. At the same meeting, the Board appoints the members of the Board's Compensation Committee and Audit Committee. The Head of Legal serves as secretary to the Board.

The CEO, in consultation with the Board Chair, prepares matters for consideration by the Board. Emphasis is placed on timely preparation and distribution of documents to ensure that the Board has a satisfactory basis for its work. Board meetings are presided over by the Board Chair. Before every board meeting the Board convenes for a 30-minute closed session without Schibsted's executive management present.

Board committees

Schibsted has established an Audit Committee and a Compensation Committee which contribute to thorough preparation and consideration of matters covered by the committees' respective mandates. The committees do not make decisions, but monitor the work of the Group on behalf of the Board and prepare matters for board consideration within their respective areas.

Compensation Committee

The Compensation Committee was established in 2004, and its members are appointed by and from the Board for one-year terms. The current members of the committee are Ole Jacob Sunde (Chair), Marianne Budnik, Philippe Vimard and Ingunn Saltbones. The CEO attends committee meetings apart from those at which remuneration of the CEO is considered. The Compensation and Benefit Manager serves as secretary to the Compensation Committee.

The Compensation Committee prepares matters relating to the remuneration of the Group CEO. The committee also assists the Board by dealing with issues of principle, guidelines, and strategies for the remuneration of other members of Schibsted's executive management and of senior managers in key subsidiaries.

The Compensation Committee also assists the Board in matters related to talent and culture, by reviewing the CEO's talent strategy and philosophies as well as by reviewing Group wide cultural assessments and/or yearly Group wide engagement surveys.

The Committee monitors the use of long-term incentives (LTI) in the Group and prepares the Board's annual consideration of the LTI program for selected managers. For further details, see section 12 of this statement.

Audit Committee

The Audit Committee was established in 2007, and its members are appointed by and from the Board for one-year terms. The members shall be independent from the company. The current members of the committee are: Christian Ringnes (Chair), Anna Mossberg and Birger Steen. The CFO is the management's main representative in the Audit Committee and attends all its meetings. The external auditor attends Audit Committee meetings when matters within the external auditors' area of responsibility are considered. The Internal Control Manager serves as secretary to the Audit Committee.

The Audit Committee prepares the Board's processes for quality assurance of financial reports. The committee monitors the Group's internal control and risk management for financial reporting, and reviews and monitors the external auditor's work and independence.

The Board's self-evaluation

The Board regularly evaluates its own work and submits a written report to the Nomination Committee. The report forms the basis for the Nomination Committee's evaluation of the Board's work. The Nomination Committee performs additional assessments of the board members through interviews conducted either by the committee's members or by external consultants. The Board considers itself to work well, with members whose expertise and experience complement each other.

10. Risk management and internal control

The Group's risk management and internal control systems reflect Schibsted's governance model. The management team of each business area, function and company is responsible for risk management and internal control to ensure:

- achievement of financial and non-financial targets;
- high-quality and safe products and services;
- cost-effective operations;
- reliable financial and management reporting;
- compliance with legislation and regulations; and
- adherence to Schibsted's values, Code of Conduct and policies.

Schibsted's Group Treasurer is responsible for initiating and monitoring the annual enterprise risk management process in the Group on behalf of the CFO and CEO. The Group Treasurer reports in practice and administratively to the CFO.

In addition to risk analysis part of the day-to-day decision-making process, the management teams of the operating segments are responsible for preparing risk assessments and defining mitigation activities at least once a year. Schibsted's executive management reviews the overall risk assessment of strategy, market, legal, compliance, and ethical issues as well as operational and organizational risk assessments. The annual risk assessments are also reported to and reviewed by the Audit Committee and the Board.

Financial reporting

Management submits periodic status reports to assist the Board in its work on monitoring and controlling the Group's operations. The reports cover financial reporting of the Group's key figures, the status of business-related matters, financial market information, non-financial indicators, and a status report on each operating segment. Quarterly and annual financial statements are reviewed by the Audit Committee and the Board. Schibsted's Group Accounting department prepares the Group's financial reports and ensures compliance with current accounting standards and legislation. Quarterly financial review meetings are also held with each of the operating segments in the Group.

Schibsted's Group Accounting department publishes financial and accounting manuals that are made available to all the subsidiaries on the Group's intranet. These manuals describe reporting requirements, content, guidelines and deadlines.

11. Remuneration of Board members

The Annual General Meeting determines the remuneration of the board members. The remuneration reflects the Board's responsibilities, expertise and time commitment and the complexity of the Group's activities. The directors' fees are determined one year in advance, are fixed amounts, and are not related to performance or incentive schemes. The Board has established rules of procedures to ensure that any material assignments for the company, including remuneration for any such assignments, shall be approved by the Board. Any payments made to board members beyond normal directors' fees are disclosed in note 9 to the financial statements. In 2019 no such fees were paid. See the Nomination Committee's Report and note 9 to the financial statements for further details on remuneration of the Group board members.

12. Remuneration of executive personnel

The Compensation Committee prepares matters relating to the remuneration of the Group CEO. The committee also assists the Board by dealing with issues of principle, guidelines, and strategies for the remuneration of other members of Schibsted's executive management and of senior managers in key subsidiaries.

Schibsted's Statement of Executive Compensation outlines the main principles of the Group's executive remuneration policy, including the scope and organization of bonus schemes and of the Group's long-term incentive programs. The Compensation Committee has assessed the incentive program and has concluded that the program ensures alignment of the financial interests of the executive personnel and the shareholders.

The Statement of Executive Compensation is considered by the Annual General Meeting and made available to the shareholders on our website when the notice of the Annual General Meeting is issued. The Annual General Meeting votes individually on the binding and non-binding aspects of the guidelines.

13. Information and communication

Dialogue with shareholders and the financial market

Schibsted has established a Shareholder policy and an Investor Relations policy that guide Schibsted's contact with shareholders outside the general meetings. These are available on the Investor Relations page on our website at www.schibsted.com. In accordance with the Shareholder policy, Schibsted as a listed company shall give competitive returns based on a sound financial position. Schibsted's Board considers it essential that the Schibsted shares be perceived as an attractive investment option. One of the objectives of the Schibsted's Board is to promote shareholder returns by means of long-term growth in share prices and dividends. The Board will work to ensure that the company's shares achieve a price that best reflects the long-term earning capacity of the company.

In accordance with our Investor Relations policy, communication with the Norwegian and international stock markets has high priority for Schibsted. Members of Schibsted's executive management and our Investor Relations department maintain regular contact with the financial markets to ensure that relevant and sufficient information reach the market in a timely manner. The objectives are to increase awareness about, and create confidence in Schibsted in the investment market, achieve improved liquidity for our shares, and provide a basis for correct pricing of the share. Openness, accessibility, transparency and equal treatment of participants in the securities market are fundamental to good relationships with investors, analysts and other players in the financial market. All information distributed to the company's shareholders is published on the company's website at the same time as it is sent to the shareholders. Schibsted's contact with shareholders complies with all material aspects of the Oslo Børs Code of Practice for Investor Relations. The CFO and VP Head of Investor Relations regularly update the Board on Investor Relations activities.

Reporting of financial information

Schibsted wants investors to have confidence in the integrity of its financial reporting. In accordance with its mandate, the Board's Audit Committee monitors the work on preparing the Company's financial reports.

Schibsted publishes its financial figures quarterly. Open presentations to investors are held in connection with the Group's quarterly reports, at which the CEO and CFO present the results and comment on the market and outlook. The Board Chair also attends these presentations regularly. Members of Schibsted's executive management attend the presentations as required.

The presentations in connection with the quarterly results are published on our website. Complete versions of the Annual Report and Directors' Report are published on our website at least 21 days before the Annual General Meeting. Schibsted's financial calendar is announced one year at a time and published on our website.

Other market information

In accordance with the Norwegian Securities Trading Act and Stock Exchange Act, notifications are distributed to the Oslo Børs and national and international news agencies and are published on our website.

Schibsted regularly arranges Capital Markets Days and Investor Days in order to present its strategy and other key development trends. The most recent Capital Markets Day event was held in London on 7 March 2019. A video webcast of the event and the presentation material are available on our website. See Share Information and our website for further details.

14. Takeovers

As stated in item 4 above, Schibsted's Articles of Association state that:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

The purpose of these restrictions is to safeguard Schibsted's independence and integrity in order to ensure that the company has full editorial freedom, allowing the company to fulfil its publishing responsibilities and role in the society as a media company. The acceptance of a takeover bid for the company would, as a consequence of the voting restrictions set out above, require a change to the Articles of Association.

The Board has prepared principles and guidelines for handling any takeover bids. In the event of a takeover bid the Board will, within the limitations set out in the Articles of Association, seek to comply with the recommendations in the Code.

15. Auditor

Appointment of auditor

The external auditor is elected by the Annual General Meeting. The Audit Committee presents a recommendation on the appointment of an external auditor to the Board. The Board's recommendation is then presented to the Annual General Meeting, which makes the final decision. As a general rule, all subsidiaries must use the same audit firm. Exceptions may be approved by the CFO.

The Board's relationship with the external auditor

According to its mandate, the Audit Committee is responsible for ensuring that Schibsted is subject to an independent and effective external audit. The Audit Committee evaluates the following factors relating to the external auditor each year:

- The audit firm's independence
- The quality of the auditing services
- The estimated fee

The Audit Committee evaluates the external auditor's fee and makes a recommendation to the Board. The Board submits a proposal to the Annual General Meeting regarding the approval of the external auditor's fee. See note 30 to the financial statements for information on remuneration of the external auditor for the financial year 2019.

The external auditor presents an annual audit plan to the Audit Committee. The company's external auditor is present when the management presents the preliminary consolidated financial statements to the Board and when the final results are presented, if deemed necessary. The external auditor also reviews internal controls as part of the annual audit procedures, and reports identified weaknesses and proposed improvements to the Audit Committee. The external auditor regularly attends Audit Committee meetings and holds meetings with the Board without the management present.

The external auditor attends the company's Annual General Meeting and comments on the Auditor's Report.

Independence of the external auditor

The external auditor must under no circumstances perform advisory services or other services which could potentially affect or raise doubts about the auditor's independence. The Group has prepared guidelines on the relationship with the external auditor.

The amount of non-audit services provided by the external auditor in 2019 is compliant with the requirements in the Auditing and Auditors Act and guidelines from the Financial Supervisory Authority of Norway. The Board finds the advisory services provided by the external auditor in 2019 not to influence the auditor's independence but acknowledges the potential issues this entails. The Audit Committee is responsible for ensuring that the auditor does not provide any prohibited non-audit services for the Group. See note 30 to the financial statements for information on fees relating to auditing and consultancy services.

16. Deviations from the Code of Practice

According to the Group's own evaluation, we deviate from three of the recommendations of the Norwegian Code of Practice for Corporate Governance:

Section 3: Equity and dividends

The Code states that *"mandates granted to the Board of Directors to increase the company's share capital should be restricted by defined purposes"*. The authorization to increase the share capital granted by the 2019 Annual General Meeting is not restricted to defined purposes as recommended by the Code. The Board elected not to propose such restrictions in order to give the Board of Directors the flexibility to raise capital as deemed appropriate.

Section 5: Shares and negotiability

As stated above, the Tinius Trust has certain negative controlling rights by virtue of its shareholding in Schibsted. The Tinius Trust's purpose is to ensure that Schibsted remain a media group characterized by free, independent editorial staffs, credibility and quality and with long-term, healthy financial development. Due to the Group's ownership structure as well as Schibsted's publishing responsibilities and societal role as a media company, Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

Section 6: Annual General Meeting

Schibsted does not systematically make arrangements to ensure that an independent person chair the Annual General Meeting. This is assessed on a year-by-year basis considering the complexity of the proposed agenda. Traditionally, the Board Chair chairs the Annual General Meeting when the agenda does not require an independent person. The rationale for this is that available voting technology has resulted in lower physical attendance of the Annual General meeting, and thus has decreased the need for an independent chair.

Section 14: Takeovers

According to Article 6 of the Articles of Association shareholders may not own or vote for more than 30 percent of the shares in the company. The purpose of these restrictions is to safeguard Schibsted's independence and integrity in order to ensure that the company has full editorial freedom, allowing the company to fulfil its publishing responsibilities and role in society as a media company.

Financial statements for the Group

Consolidated income statement for the year ended 31 December

(NOK million)	Note	2019	2018
Operating revenues	6, 7	**19,075**	**18,059**
Raw materials and finished goods		(416)	(409)
Personnel expenses	9	(7,101)	(6,598)
Other operating expenses	8	(7,652)	(7,784)
Gross operating profit (loss)	6	**3,906**	**3,268**
Depreciation and amortisation	17, 18, 31	(1,253)	(731)
Share of profit (loss) of joint ventures and associates	5	1	60
Impairment loss	5, 16, 17, 18	(283)	(747)
Other income and expenses	12	(278)	(55)
Operating profit (loss)	6	**2,093**	**1,794**
Financial income	13	78	29
Financial expenses	13	(222)	(142)
Profit (loss) before taxes		**1,948**	**1,681**
Taxes	14	(752)	(965)
Profit (loss)		**1,196**	**715**
Profit (loss) attributable to:			
Non-controlling interests	27	247	68
Owners of the parent		949	648
Earnings per share in NOK:			
Basic	15	4.00	2.72
Diluted	15	3.99	2.72

Consolidated statement of comprehensive income for the year ended 31 December

(NOK million)	Note	2019	2018
Profit (loss)		**1,196**	**715**
Items not to be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension liabilities	11	45	(27)
Income tax relating to remeasurements of defined benefit pension liabilities	14	(10)	7
Share of other comprehensive income from joint ventures and associates	5	-	(3)
Change in fair value of equity instruments		(3)	(2)
Items to be reclassified subsequently to profit or loss:			
Foreign exchange differences		(256)	(366)
Hedges of net investments in foreign operations		7	20
Income tax relating to hedges of net investments in foreign operations	14	(1)	(5)
Other comprehensive income		**(218)**	**(376)**
Comprehensive income		**978**	**339**
Comprehensive income attributable to:			
Non-controlling interests		340	65
Owners of the parent		638	274

Consolidated statement of financial position as of 31 December

(NOK million)	Note	2019	2018
ASSETS			
Intangible assets	16, 17	17,369	16,521
Property, plant and equipment and investment property	18	849	870
Right-of-use assets	31	2,317	-
Investments in joint ventures and associates	5	4,529	4,248
Deferred tax assets	14	179	233
Other non-current assets	19	241	131
Non-current assets		**25,483**	**22,003**
Contract assets	7	224	280
Trade receivables and other current assets	19, 25	3,047	3,199
Cash and cash equivalents	25	3,866	1,844
Assets held for sale	32	157	-
Current assets		**7,294**	**5,322**
Total assets		**32,778**	**27,325**
EQUITY AND LIABILITIES			
Paid-in equity	26	6,967	6,927
Other equity		3,531	7,484
Equity attributable to owners of the parent		**10,498**	**14,412**
Non-controlling interests	27	6,383	262
Equity		**16,882**	**14,673**
Deferred tax liabilities	14	944	901
Pension liabilities	11	1,095	1,241
Non-current interest-bearing borrowings	24, 25	4,729	3,837
Non-current lease liabilities	31	2,192	-
Other non-current liabilities	22	355	242
Non-current liabilities		**9,314**	**6,222**
Current interest-bearing borrowings	24, 25	1,089	389
Income tax payable		234	381
Current lease liabilities	31	352	-
Contract liabilities	7	1,109	1,085
Other current liabilities	22	3,660	4,575
Liabilities held for sale	32	138	-
Current liabilities		**6,582**	**6,430**
Total equity and liabilities		**32,778**	**27,325**

Oslo, 24 March 2020

Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Marianne Budnik
Board member

Torbjörn Ek
Board member

Anna Mossberg
Board member

Christian Ringnes
Board member

Ingunn Saltbones
Board member

Birger Steen
Board member

Philippe Vimard
Board member

Finn E. Våga
Board member

Eugénie van Wiechen
Board member

Kristin Skogen Lund
CEO

Schibsted

Consolidated statement of cash flows for the year ended 31 December

(NOK million)	Note	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		1,948	1,681
Depreciation, amortisation and impairment losses	5, 17, 18, 31	1,537	1,479
Net effect pension liabilities		(84)	(90)
Share of loss (profit) of joint ventures and associates	5	(1)	(60)
Dividends received from joint ventures and associates		41	40
Taxes paid		(978)	(941)
Sales losses (gains) on non-current assets and other non-cash losses (gains)		(1)	(23)
Change in working capital and provisions *		382	(304)
Net cash flow from operating activities		**2,844**	**1,781**
CASH FLOW FROM INVESTING ACTIVITIES			
Development and purchase of intangible assets, and property, plant and equipment	17, 18	(908)	(817)
Acquisition of subsidiaries, net of cash acquired	28	(884)	(38)
Proceeds from sale of intangible assets, and property, plant and equipment		13	20
Proceeds from sale of subsidiaries, net of cash sold	28	(1)	1
Net sale of (investment in) other shares		(460)	(134)
Net change in other investments		(5)	15
Net cash flow from investing activities		**(2,244)**	**(953)**
Net cash flow before financing activities		**600**	**828**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings		1,951	11
Repayment of interest-bearing loans and borrowings		(405)	-
Payment of principal portion of lease liabilities	28	(438)	-
Change in ownership interests in subsidiaries	28	1,964	(97)
Capital increase		9	-
Net sale (purchase) of treasury shares		(1,069)	(13)
Dividends paid to owners of the parent		(477)	(417)
Dividends paid to non-controlling interests	27	(106)	(92)
Net cash flow from financing activities		**1,429**	**(608)**
Effects of exchange rate changes on cash and cash equivalents		(7)	(2)
Net increase (decrease) in cash and cash equivalents		**2,022**	**218**
Cash and cash equivalents as at 1 January		1,844	1,626
Cash and cash equivalents as at 31 December		**3,866**	**1,844**

* Changes in working capital and provisions consist of changes in trade receivables, other current receivables and liabilities, and other accruals.

Consolidated statement of changes in equity

(NOK million)	Note	Share capital	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Hedging reserves	Share-holders' equity	Non-controlling interests	Total
		Attributable to owners of the parent							
As at 31 December 2017		**119**	**6,776**	**6,920**	**1,287**	**(310)**	**14,793**	**261**	**15,054**
Change in accounting principle IFRS 2		-	-	13	-	-	13	-	13
Change in accounting principle IFRS 15		-	-	(58)	-	-	(58)	(2)	(59)
As at 1 January 2018		**119**	**6,776**	**6,875**	**1,287**	**(310)**	**14,748**	**259**	**15,008**
Profit (loss) for the period		-	-	648	-	-	648	68	715
Other comprehensive income		-	-	(26)	(363)	16	(373)	(3)	(376)
Total comprehensive income		**-**	**-**	**622**	**(363)**	**16**	**274**	**65**	**339**
Capital increase		-	-	-	-	-	-	2	2
Share-based payment		-	32	-	-	-	32	-	32
Dividends paid to owners of the parent		-	-	(417)	-	-	(417)	-	(417)
Dividends paid to non-controlling interests		-	-	11	-	-	11	(92)	(81)
Change in treasury shares	26	-	-	(13)	-	-	(13)	-	(13)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(8)	-	-	(8)	13	5
Initial recognition and change in fair value of non-controlling interests' put options	21	-	-	(212)	-	-	(212)	14	(198)
Share of transactions with the owners of joint ventures and associates		-	-	(4)	-	-	(4)	-	(4)
Total transactions with the owners		**-**	**32**	**(643)**	**-**	**-**	**(611)**	**(62)**	**(674)**
As at 31 December 2018		**119**	**6,808**	**6,854**	**924**	**(294)**	**14,411**	**262**	**14,673**
Change in accounting principle IFRS 16	31	-	-	(131)	-	-	(131)	(2)	(132)
As at 1 January 2019		**119**	**6,808**	**6,723**	**924**	**(294)**	**14,281**	**260**	**14,541**
Profit (loss) for the period		-	-	949	-	-	949	247	1,196
Other comprehensive income		-	-	32	(347)	5	(311)	93	(218)
Total comprehensive income		**-**	**-**	**980**	**(347)**	**5**	**638**	**340**	**978**
Capital increase		-	-	-	-	-	-	9	9
Share-based payment		-	42	-	-	-	42	9	51
Dividends paid to owners of the parent		-	-	(477)	-	-	(477)	-	(477)
Dividends paid to non-controlling interests		-	-	14	-	-	14	(106)	(92)
Change in treasury shares	26	(2)	-	(1,067)	-	-	(1,069)	-	(1,069)
Business combinations	4	-	-	-	-	-	-	12	12
Loss of control of subsidiaries		-	-	-	-	-	-	(1)	(1)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(2,765)	(233)	103	(2,896)	5,860	2,964
Initial recognition and change in fair value of non-controlling interests' put options	21	-	-	(16)	-	-	(16)	-	(16)
Share of transactions with the owners of joint ventures and associates		-	-	(19)	-	-	(19)	-	(19)
Total transactions with the owners		**(2)**	**42**	**(4,329)**	**(233)**	**103**	**(4,421)**	**5,783**	**1,363**
As at 31 December 2019		**117**	**6,850**	**3,374**	**343**	**(186)**	**10,498**	**6,383**	**16,882**

Share capital reflects shares outstanding. See note 26 Number of shares for shares issued and treasury shares.

Notes to the consolidated financial statement

General information

Group structure

Information on income statement items

Information on statement of financial position items

Capital management

Other information

Note 1 - General information

General

Schibsted ASA is a public limited liability company and its offices are located in Akersgata 55, Oslo in Norway. The A-shares and B-shares of Schibsted ASA are listed on the Oslo Stock Exchange. Schibsted is an international family of digital consumer brands with leading positions within online classifieds and world-class media houses in Scandinavia. The operating segments are described in segment information in note 6. Schibsted owns 59.3 percent of the shares in the public limited liability company Adevinta ASA. The company operates several leading digital marketplaces outside the Nordics. Unless otherwise stated, "Schibsted" or "Group" in the notes disclosures refers to the consolidated figures for Schibsted Group including Adevinta figures. The consolidated financial statements including notes for Schibsted ASA for the year 2019 were approved by the Board of Directors on 24 March 2020 and will be proposed to the General Meeting 6 May 2020.

Note 2 - Basis for preparing the consolidated financial statements

Compliance with IFRS

The consolidated financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The measurement and recognition of the items in the financial statements have been carried out in accordance with applicable IFRS standards.

New and amended standards adopted by the Group

The Group implemented IFRS 16 with effect from 1 January 2019. The nature and effect of the changes as a result of adopting this new accounting standard is described in note 31. IFRIC 23 Uncertainty over income tax treatments and certain amendments to standards are implemented with effect from 1 January 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Financial statements

The consolidated financial statements have been prepared based on a historical cost basis with the exception for certain financial assets and liabilities, including derivatives, measured at fair value. Non- financial assets that no longer justify their value are written down to the recoverable amount, which is the higher of value in use and fair value less selling costs.

An asset or liability is classified as current when it is part of a normal operating cycle, when it is held primarily for trading purposes, when it falls due within 12 months after the end of the reporting period or when it is cash or cash equivalents. Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less. Other items are non-current. A dividend does not become a liability until it has been formally approved by the General Meeting. Assets and directly associated liabilities held for sale are presented separately within current items in the statement of financial position and are valued at the lower of their former carrying amount or fair value minus sales costs. Discontinued operations are presented separately in the income statement.

All amounts are in NOK million unless otherwise stated. Tables may not summarise due to roundings.

The accounting principles applied and significant estimation uncertainties are disclosed in relevant notes to the consolidated financial statements.

Statement of cash flows

The statement of cash flows is prepared under the indirect method.

Consolidation principles

The consolidated financial statements include the parent Schibsted ASA and all subsidiaries, presented as a single economic entity. All the entities have applied consistent principles and all intercompany transactions and balances have been eliminated.

Subsidiaries are all entities controlled, directly or indirectly, by Schibsted ASA. The Group controls an entity when it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through power over the entity. Power over an entity exists when the Group has existing rights that give the current ability to direct the activities that significantly affect the entity's returns.

Generally, there is a presumption that a majority of voting rights result in control. The Group considers all relevant facts and circumstances in assessing whether control exists, including contractual arrangements and potential voting rights to the extent that those are substantive.

Subsidiaries are included in the consolidated financial statements from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to the parent Schibsted ASA. Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Profit (loss) and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit (loss) and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The statutory company accounts of Schibsted ASA and the consolidated financial statements for the Group are presented in Norwegian kroner (NOK). Schibsted ASA has NOK as functional currency.

Foreign currency transactions are translated into the entity's functional currency on initial recognition by using the spot exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities are translated from foreign currency to the entity's functional currency by:

- translating monetary items using the exchange rate at the balance sheet date
- translating non-monetary items that are measured in terms of historical cost in a foreign currency using the exchange rate at the transaction date
- translating non-monetary items that are measured at fair value in a foreign currency using the exchange rate at the date when the fair value was determined

Exchange differences arising on the settlement of, or on translating monetary items not designated as hedging instruments, are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss.

Upon incorporation of a foreign operation into the consolidated financial statements by consolidation or the equity method, the results and financial position is translated from the functional currency of the foreign operation into NOK (the presentation currency) by using the step-by-step method of consolidation. Assets and liabilities are translated at the closing rate at the balance sheet date and income and expenses are translated monthly at the average exchange rates for the month and accumulated. Resulting exchange differences are recognised in other comprehensive income until the disposal of the foreign operation.

Exchange rates are quoted from the Norwegian state bank (norges-bank.no).

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation, is treated as assets and liabilities of that foreign operation. They are therefore expressed in the functional currency of the foreign operation and translated at the closing rate at the balance sheet date.

New standards and interpretations not yet adopted
Certain new accounting standards, interpretations and amendments to standards have been issued, but are not mandatory for the 31 December 2019 reporting period and have not been early adopted in the consolidated financial statements. The Group's assessment is that the possible impact of implementation will not be significant for the financial statements.

Note 3 - Significant accounting judgements and major sources of estimation uncertainty

The management has made use of estimates and assumptions in preparing the consolidated financial statements. The most important areas where estimates and judgements are having an impact are listed below. Detailed information of these estimates and judgements are disclosed in the relevant notes. The short-term impact of the coronavirus pandemic is not expected to have a material impact on significant estimates.

Significant estimates and judgements:

- Recognition of contracted listing fees and premium products according to normal pattern of views (note 7)
- Calculation of present value of defined benefit pension obligations (note 11)
- Recognition of deferred tax asset for carried forward tax losses (note 14)
- Calculation of value in use in testing for impairment (note 16)
- Capitalisation of development costs (note 17)
- Fair value of contingent consideration and liabilities related to non-controlling interests' put options (note 21)
- Provisions and contingent liabilities (note 22)
- Assets and liabilities measured at fair value (note 25)
- Determination of lease term and estimating the incremental borrowing rate (note 31)

Note 4 - Changes in the composition of the Group

Principle

Business combinations
The acquisition method is used to account for all business combinations where Schibsted ASA or a subsidiary is the acquirer, i.e. the entity that obtains control over another entity or business. When a subsidiary or business is acquired, a purchase price allocation is carried out. Identifiable assets acquired and liabilities, including contingent liabilities assumed are measured at fair value at the acquisition date. Any non- controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. The residual value in the acquisition is goodwill. Acquisition-related costs are expensed as incurred.

Contingent consideration is recognised as part of the consideration transferred in exchange for the acquiree. Subsequent changes in the fair value of contingent consideration deemed to be a liability is recognised in profit or loss.

In business combination achieved in stages, the previously held equity interest is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Changes in ownership interests in subsidiaries that do not result in a loss of control
Transactions with non-controlling interests are recognised in equity. The carrying amount at non-controlling interests is adjusted to reflect the change in their relative share in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Loss of control
When control of a subsidiary is lost, the assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests are derecognised. Any consideration received and any investment retained in the former subsidiary is recognised at their fair values. The difference between amounts recognised and derecognised is recognised as gain or loss in profit or loss. Amounts recognised in other comprehensive income related to the subsidiary are reclassified to profit or loss or transferred to equity similarly as if the parent had disposed of the assets and liabilities directly. Amounts reclassified to profit or loss (including accumulated translation differences) are included in gain or loss on loss of control of subsidiary in profit or loss.

Business combinations
During 2019, Schibsted has invested NOK 884 million related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree. The largest business combination in Schibsted excluding Adevinta is the acquisition of 100% of Qasa AB, a service complementing Blocket’s real estate rental service. In addition, Schibsted excluding Adevinta acquired 67.5% of the shares of Nettbil AS in December. The company operates within the second-hand car market and offers synergies with marketplaces such as Finn.no and Blocket.

Adevinta has acquired 100% of Locasun SARL (France) and Locasun Spain SLU, a holiday rental and travel specialist marketplace operating across Europe and 68.8% of Paycar SAS, a French startup specializing in peer-to-peer payments for second-hand vehicle purchases. In October 2019, Adevinta closed the acquisition of 100% of the shares in Argus Group, further enhancing Leboncoin's position in the French car market segment.

Acquisition-related costs of NOK 11 million (NOK 3 million in 2018) related to business combinations closed are recognised in profit or loss in the line item Other income and expenses.

The table below summarises the consideration transferred and the preliminary amounts recognised for the assets acquired and liabilities assumed after the business combinations:

	Total 2019	Total 2018
Consideration:		
Cash	1,048	93
Other assets	1	-
Contingent consideration	169	-
Deferred consideration	67	-
Total	**1,285**	**93**
Amounts for assets and liabilities recognised:		
Intangible assets	447	11
Property, plant and equipment	6	1
Other non-current assets	31	1
Trade and other receivables	114	9
Cash and cash equivalents	164	56
Deferred tax liabilities	(123)	-
Other non-current liabilities	(54)	(5)
Current liabilities	(182)	(66)
Total identifiable net assets	**403**	**7**
Non-controlling interests	(12)	-
Goodwill	894	87
Total	**1,285**	**93**

The purchase price allocations for acquisitions made in 2019 are preliminary due to uncertainty in certain valuation factors. There are no significant effects from finalising preliminary purchase price allocations from previous year.

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.

The fair value of acquired receivables is NOK 114 million in 2019 (NOK 9 million in 2018), of which NOK 56 million (NOK 6 million in 2018) are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets.

The companies acquired in business combinations have since the acquisition dates contributed NOK 129 million to operating revenues in 2019 (NOK 7 million in 2018) and contributed negatively to consolidated profit (loss) by NOK 19 million in 2019 (negatively NOK 3 million in 2018). If the acquisition date of all business combinations completed through purchase of shares was as at 1 January, the operating revenues of the Group would have increased by NOK 469 million in 2019 (NOK 34 million in 2018) and profit (loss) would have increased by NOK 8 million (decreased NOK 13 million in 2018). The above figures do not include business combinations completed through purchase of assets for which no separate financial statements exists.

Other changes in the composition of the Group

Schibsted has during 2019 paid NOK 1,058 million related to increases in ownership interests in subsidiaries. The amount invested is primarily related to Adevinta's increase of ownership interest in Schibsted Classified Media Spain SL to 100%.

Adevinta comprises Schibsted's international online classifieds operations outside the Nordics. In connection with the listing of Adevinta ASA on the Oslo Stock Exchange on 10 April 2019, Schibsted reduced its ownership interest in Adevinta from 100% to 59.25% through a demerger and a sale of shares. In a demerger of Schibsted ASA, ownership of 35% of Adevinta was distributed to the shareholders of Schibsted. In a private placement, Schibsted sold shares representing 5.75% of the capital of Adevinta ASA. Net proceeds from the sale and distribution of shares amounted to NOK 3,022 million.

The transactions above are, in the consolidated accounts of Schibsted, accounted for as transactions with non-controlling interests and recognized in equity. The carrying amount of non-controlling interests is adjusted by NOK 5,874 million to reflect the change in their relative share in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the consideration received from the sale of shares is recognized in equity and attributed to the owners of the parent. Adevinta continues to be consolidated by Schibsted. Profit or loss is therefore not affected other than indirectly from return on the sales proceeds. Earnings per share is affected through the allocation of profit or loss to the non-controlling interests of Adevinta.

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The effect on the equity attributable to owners of the parent is presented in the table below:

	2019	2018
Net consideration received (paid)	1,964	(97)
Financial liabilities previously recognised related to non-controlling interests' put options	975	102
Effect of reciprocal ownership interests and taxes	25	-
Adjustment to equity	**2,964**	**5**
Of which adjustment to non-controlling interests	5,860	13
Of which adjustment to equity attributable to owners of the parent	(2,896)	(8)

In September 2019, Schibsted entered into an agreement with Polaris Media to sell the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. The transaction was closed in January 2020 and is further disclosed in note 32 Assets held for sale.

Note 5 - Investments in joint ventures and associates

Principle

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement and exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as joint ventures if they are structured through separate vehicles and the parties have rights to the net assets of the arrangements.

An associate is an entity that Schibsted, directly or indirectly through subsidiaries, has significant influence over. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee. Significant influence can also be persumed to exist when Schibsted is entitled to a board member, even at ownership interests lower than 20%.

Interests in joint ventures and associates are accounted for using the equity method.

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses. The Group's share of the investee's profit or loss is recognised in profit or loss and the share of changes in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Dividends received reduce the carrying amount of the investment.

When the Group's share of losses equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Gains or losses from upstream or downstream transactions between the Group and a joint venture or an associate, including any sale or contribution of subsidiaries to a joint venture or associate, are recognized only to the extent of unrelated investors' ownership interest in the joint venture or associate.

Changes in ownership
The use of the equity method is discontinued from the date an investment ceases to be a joint venture or an associate. The difference between the total of the fair value of any retained interest and any proceeds from disposing of a part interest in a joint venture or an associate, and the carrying amount of the investment, is recognised as gain or loss in profit or loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but the equity method is still applied, a gain or loss from the partial disposal is recognised in profit or loss. The retained interest is not remeasured.

	2019			2018		
Development in net carrying amount	**Joint ventures**	**Associates**	**Total**	**Joint ventures**	**Associates**	**Total**
As at 1 January	**3,679**	**549**	**4,228**	**4,005**	**486**	**4,491**
Change in accounting principle IFRS 15	-	-	-	(5)	-	(5)
Change in accounting principle IFRS 16	-	(5)	(5)	-	-	-
Additions	34	330	365	12	88	99
Transition from (to) subsidiaries	-	-	-	-	5	5
Transition from (to) other shares	-	21	21	-	7	7
Transition from (to) receivables	21	-	21	(18)	-	(18)
Share of profit (loss)	**55**	**(54)**	**1**	**65**	**(6)**	**60**
Share of other comprehensive income	-	-	-	-	(3)	(3)
Increase from dividend received from subsidiary (reciprocal interests)	-	38	38	-	11	11
Gain	-	6	6	-	8	8
Impairment loss	-	(3)	(3)	-	-	-
Capital decrease and dividends received	(11)	(33)	(44)	(3)	(42)	(44)
Share of transactions with the owners of joint ventures and associates	-	(19)	(19)	-	(4)	(4)
Foreign exchange differences	(90)	(2)	(92)	(377)	(1)	(379)
As at 31 December	**3,688**	**831**	**4,519**	**3,679**	**549**	**4,228**
Of which presented in Investments in joint ventures and associates	3,688	841	4,529	3,679	569	4,248
Of which presented in Other current liabilities	-	(10)	(10)	-	(20)	(20)

The carrying amount of investments in joint ventures and associates comprises the following investments:

		2019			2018		
	Country of incorporation	Interest held	Joint ventures	Associates	Interest held	Joint ventures	Associates
Silver Brazil JVCO BV	Netherlands	50.00%	3,571	-	50.00%	3,600	-
Willhaben Internet Service GmbH	Austria	50.00%	68	-	50.00%	56	-
Our Interest Holding AB	Sweden	50.00%	45	-	50.00%	18	-
Polaris Media ASA	Norway	28.97%	-	201	28.97%	-	205
Bynk AB	Sweden	32.00%	-	175	32.00%	-	79
Younited SA	France	10.94%	-	115	11.09%	-	71
TT Nyhetsbyrån AB	Sweden	39.64%	-	88	33.67%	-	63
Norsk Telegrambyrå AS	Norway	29.47%	-	48	29.47%	-	49
Capcito Finance AB	Sweden	14.09%	-	30	n/a	-	-
AddHealth Media AB	Sweden	26.81%	-	29	n/a	-	-
eEducation Albert AB	Sweden	24.60%	-	28	24.60%	-	34
Habity AB	Sweden	22.62%	-	19	n/a	-	-
Harvest Funds AS (previously Fronteer Solutions AS)	Norway	12.86%	-	18	16.90%	-	20
Other			4	78		5	29
Carrying amount as at 31 December			**3,688**	**831**		**3,679**	**549**

If the company mentioned is the parent company of a group, the figures presented are for the consolidated group. Interest held refers to direct ownership, irrespective of non-controlling interests of ownership company.

Description of the business of the joint ventures and associates:

Silver Brazil JVCO BV	Operates an online classified site in Brazil (olx.com.br)
Willhaben Internet Service GmbH	Operates online classified sites in Austria (willhaben.at, car4you.at, and autopro24.at)
Our Interest Holding AB	A financial intermediation service
Polaris Media ASA	A Norwegian media group that operates local and regional media houses
Bynk AB	Operates a lending marketplace in Sweden
Younited SA	Operates peer-to-peer lending marketplaces in France, Italy and Spain (younited-credit.com, it.younited-credit.com and es.younited-credit.com)
TT Nyhetsbyrån AB	A Swedish news agency
Norsk Telegrambyrå AS	A Norwegian news agency
Capcito Finance AB	Pioneering automated financing for small and medium-sized enterprises
AddHealth Media AB	An online communication platform for health and well-being
eEducation Albert AB	Operates an application that educates children in mathematics
Habity AB	A webportal providing digital services related to the housing market
Harvest Funds AS (previously Fronteer Solutions AS)	A tech company doing research on investment strategies

The following table sets forth summarised financial information for material joint ventures as at 31 December:

	2019 Silver Brazil	2019 Other	2019 Total	2018 Silver Brazil	2018 Other	2018 Total
Interest held as at 31 December	**50.00%**			**50.00%**		
Income statement and statement of comprehensive income:						
Operating revenues	779			601		
Depreciation and amortisation	(20)			(11)		
Interest income	7			4		
Interest expenses	(3)			(2)		
Taxes	53			103		
Profit (loss)	78			95		
Profit (loss) attributable to non-controlling interests	-			-		
Profit (loss) attributable to owners of the parent	78			95		
Other comprehensive income attributable to owners of the parent	-			-		
Total comprehensive income attributable to owners of the parent	78			95		
Share of profit (loss)	**39**	**16**	**55**	**48**	**18**	**65**
Share of other comprehensive income	-	-	-	-	-	-
Share of total comprehensive income	**39**	**16**	**55**	**48**	**18**	**65**
Balance sheet:						
Non-current assets	402			323		
Other current assets	104			93		
Cash and cash equivalents	154			117		
Non-controlling interests	-			-		
Non-current financial liabilities (excluding trade and other payables)	(65)			(48)		
Other non-current liabilities	(172)			(76)		
Current financial liabilities (excluding trade and other payables)	-			(22)		
Other current liabilities	(152)			(196)		
Net assets	**271**			**191**		
Share of net assets	136			96		
Goodwill	3,435			3,504		
Carrying amount as at 31 December	**3,571**	**117**	**3,688**	**3,600**	**79**	**3,679**
Fair value (if there is a quoted market)	n/a	n/a		n/a	n/a	

Share of profit of Silver Brazil is posetively affected by the recognition of previously unrecognized deferred tax assets. The positive effect is less significant in 2019 than in 2018. The Silver Brazil figures presented are for the consolidated Silver Brazil group. Schibsted's share is presented on separate line items. Other includes Schibsted's share of all individually immaterial joint ventures.

Note 6 - Operating segments

Principle

The operating segments correspond to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO. The operating segments reflect an allocation based on the type of operation.

Schibsted's operating segments are Nordic Marketplaces, News Media, Financial Services and Growth. Reportable operating segments were changed from 1 January 2019 because of the Adevinta spin-off and are restated retrospectively to give comparable information.

Nordic Marketplaces comprises online classified operations in Norway, Sweden and Finland. The digital marketplaces, FINN, Blocket and Tori, deliver services and help millions of people to buy and sell items, hire and get hired. Nordic Marketplaces also include the adjacent businesses Nettbil and Qasa.

News Media comprises news brands in Norway and Sweden both in paper and digital 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 including Product and Technology.

Adevinta comprises global online classifieds operations outside the Nordic countries.

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).

2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted excl. Adevinta	Adevinta	Eliminations	Total
Operating revenues	**3,062**	**7,465**	**1,054**	**2,165**	**797**	**(1,890)**	**12,653**	**6,664**	**(242)**	**19,075**
-of which internal	97	580	1	590	774	(1,890)	151	91	(242)	-
Gross operating profit (loss)	**1,421**	**760**	**170**	**124**	**(499)**	**-**	**1,977**	**1,929**	**-**	**3,906**
Gross operating profit (loss) excl. IFRS 16	1,370	575	160	91	(557)	-	1,639	1,788	-	3,427
Depreciation and amortisation	(103)	(338)	(30)	(85)	(258)	-	(813)	(447)	7	(1,253)
Share of profit of joint ventures and associates	-	12	(64)	(6)	-	-	(58)	59	-	1
Impairment loss	(7)	(3)	-	(23)	(3)	-	(35)	(248)	-	(283)
Other income and expenses	(13)	(63)	(1)	-	(73)	-	(151)	(127)	-	(278)
Operating profit (loss)	**1,298**	**369**	**75**	**10**	**(832)**	**-**	**920**	**1,167**	**7**	**2,093**

For information regarding operating revenues, see note 7. For information regarding Other income and expenses, see Note 12.

2018	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted excl. Adevinta	Adevinta	Eliminations	Total
Operating revenues	**2,843**	**7,733**	**1,011**	**1,966**	**714**	**(1,756)**	**12,511**	**5,665**	**(117)**	**18,059**
-of which internal	87	527	1	569	685	(1,756)	112	5	(117)	-
Gross operating profit (loss)	**1,267**	**682**	**327**	**99**	**(535)**	**-**	**1,840**	**1,427**	**-**	**3,268**
Depreciation and amortisation	(52)	(205)	(12)	(38)	(170)	-	(478)	(254)	1	(731)
Share of profit of joint ventures and associates	-	31	(33)	(3)	-	-	(6)	66	-	60
Impairment loss	(2)	(11)	(130)	(4)	(47)	-	(193)	(554)	-	(747)
Other income and expenses	(12)	36	(3)	(3)	(11)	-	6	(62)	-	(55)
Operating profit (loss)	**1,200**	**532**	**149**	**51**	**(762)**	**-**	**1,170**	**623**	**-**	**1,794**

For information regarding operating revenues, see note 7. For information regarding Other income and expenses, see Note 12.

Operating revenues and non-current assets by geographical areas
In presenting geographical information, attribution of operating revenues is based on the location of group companies. There are no significant differences between the attribution of operating revenues based on the location of group companies and an attribution based on customer's location. Operating revenues presented in the table below are revenues from external customers. Non-current assets are attributed based on the geographical location of the asset.

Operating revenues	2019	2018
Norway	7,718	7,471
Sweden	4,549	4,705
France	3,525	2,940
Spain	1,754	1,535
Other Europe	1,223	1,129
Other countries	304	278
Total	**19,075**	**18,059**

Non-current assets	2019	2018
Norway	3,657	2,263
Sweden	2,601	2,035
France	6,751	5,525
Spain	5,148	4,845
Other Europe	2,340	2,148
Other countries	4,568	4,823
Total	**25,063**	**21,639**

The non-current assets comprise assets, excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period. In 2019 the non-current assets also include Right-of-use assets. Other countries consist primarily of Schibsted's businesses in Latin America.

Note 7 - Revenue recognition

Principle

IFRS 15 Revenue from Contracts with Customers establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Schibsted has applied the following principles for revenue recognition for the different categories of products and services:

Classifieds
Listing fees in contracts entitling the customer to have an ad displayed for a defined maximum period of time is recognised over that period, reflecting the normal pattern of views of such ads. Revenue from premium products that are active for a defined maximum period is recognised over that period. Revenue from other premium products benefiting the customer in a pattern similar to that of a listing fee is recognised over the applicable period similar to listing fees.

Advertising
Advertising revenues are sales of advertisement space on printed newspapers and on online sites. Advertising revenue in printed media is recognised when inserted. Digital advertising revenues on online sites are recognised as the ads are displayed.

Subscription
Subscription revenues include revenues from subscription-based models including printed and online newspapers. Subscription revenues are invoiced in advance and recognised upon delivery over the subscription period.

Casual sales
Casual sales are sales of printed newspapers. Revenue from casual sales are recognised upon delivery, taking into account estimated future returns. Accumulated experience is used to estimate such returns at year end using expected value method.

Revenue is measured at the fair value of the goods or services delivered or received, depending on which item that can be measured reliably.

Management expects that incremental commission fees paid to intermediaries as a result of obtaining customer contracts are recoverable. Schibsted has therefore applied the principle to capitalise contract costs. Capitalised commission fees are amortised over the period when related revenues are recognised.

Significant judgement and estimation uncertainty

For classified revenues from certain listing fees and premium products recognised over time, judgement is required in determining the normal pattern of views for ads displayed for a defined maximum period of time. The management believes that, based on past experience, a declining rate is the most appropriate reflection of the normal pattern of views, i.e. ads are viewed more frequently in the beginning of the period it is displayed than towards the end of the maximum period. Relevant contracts applying this recognition principle normally has a duration of 30- 60 days.

Contracts with customers typically have a contract period of one year or less and do not contain significant variable consideration.

The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as the sales are normally made with a credit terms of 30-60 days, which is consistent with market practice. While deferred payment terms exceeding normal credit terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

Schibsted has no significant obligations for refunds, warranties and other similar obligations.

Disaggregation of revenue
In the following table, revenue is disaggregated by category.

2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted excl. Adevinta	Adevinta	Eliminations	Total
Classifieds revenues	2,350	-	-	-	-	(2)	2,349	5,097	-	7,446
Advertising revenues	457	2,559	-	258	-	(140)	3,134	1,331	-	4,466
-of which digital	457	1,634	-	258	-	(123)	2,227	1,325	-	3,552
Subscription revenues	-	2,550	-	213	-	(2)	2,761	-	-	2,761
-of which digital	-	901	-	213	-	-	1,114	-	-	1,114
Casual sales	-	1,358	-	-	-	-	1,358	-	-	1,358
Other revenues	253	917	1,053	1,694	659	(1,586)	2,991	215	(229)	2,977
Revenues from contracts with customers	**3,061**	**7,384**	**1,054**	**2,165**	**659**	**(1,731)**	**12,592**	**6,644**	**(229)**	**19,007**
Revenues from lease contracts, government grants and others	1	81	-	-	138	(160)	61	20	(13)	68
Operating revenues (Note 6)	**3,062**	**7,465**	**1,054**	**2,165**	**797**	**(1,890)**	**12,653**	**6,664**	**(242)**	**19,075**

In 2019 revenues from lease contracts were NOK 14 million and government grants were NOK 53 million.
Other revenues are mainly revenues from distribution operations and commissions.

2018	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted excl. Adevinta	Adevinta	Eliminations	Total
Classifieds revenues	2,147	-	-	-	-	(12)	2,135	4,327	-	6,462
Advertising revenues	454	2,877	-	266	-	(127)	3,470	1,292	(5)	4,758
-of which digital	454	1,817	-	266	-	(102)	2,435	1,283	(11)	3,707
Subscription revenues	-	2,394	-	205	-	(2)	2,597	-	-	2,597
-of which digital	-	726	-	205	-	-	932	-	-	932
Casual sales	-	1,481	-	-	-	-	1,481	-	-	1,481
Other revenues	241	902	1,010	1,495	572	(1,455)	2,765	33	(112)	2,685
Revenues from contracts with customers	**2,841**	**7,653**	**1,011**	**1,966**	**572**	**(1,596)**	**12,448**	**5,652**	**(117)**	**17,983**
Revenues from lease contracts, government grants and others	1	80	-	-	142	(160)	63	13	-	76
Operating revenues (Note 6)	**2,843**	**7,733**	**1,011**	**1,966**	**714**	**(1,756)**	**12,511**	**5,665**	**(117)**	**18,059**

In 2018 revenues from lease contracts were NOK 16 million and government grants were NOK 58 million.
Other revenues are mainly revenues from distribution operations and commissions.

Contract assets and liabilities

The contract assets primarily relate to the Schibsted's rights to consideration for advertisements and newspapers delivered but not billed at the reporting date and have substantially the same risk characteristics as the trade receivable for the same types of contracts. The contract assets are transferred to receivables when the rights to consideration from the customer become unconditional. It is expected insignificant credit loss on contract assets. The contract liabilities relate to payments received in advance of performance under subscription, advertising and classified contracts. Contract liabilities are recognised as revenue when we perform under the contract.

The following table provides information about receivables and significant changes in contract assets and contract liabilities from contracts with customers.

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2019	1,880	280	1,085
Net of cash received and revenues recognised during the period	(241)	214	33
Transfer from contract assets recognised at the beginning of the period to receivables	279	(279)	-
Business combination	57	12	1
Impairment losses recognised	(22)	-	-
Currency translation	(25)	(2)	(10)
Balance as at 31 December 2019	**1,927**	**224**	**1,109**

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2018	1,699	275	927
Net of cash received and revenues recognised during the period	(74)	276	150
Transfer from contract assets recognised at the beginning of the period to receivables	271	(271)	-
Business combination	6	-	-
Impairment losses recognised	(21)	-	-
Currency translation	(2)	-	8
Balance as at 31 December 2018	**1,880**	**280**	**1,085**

All contracts have duration of one year or less, hence contract liability at the beginning of the period are recognised as revenue during the period. Remaining performance obligations at the reporting date have original expected durations of one year or less. Schibsted applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Contract costs

In 2019 there were no significant incremental commission fees capitalised and no impairment loss related to capitalised contract costs was recognised.

Note 8 - Other operating expenses

	2019	2018
Distribution	1,108	1,004
Commissions	729	785
Rent, maintenance, office expenses and energy	333	704
PR, advertising and campaigns	2,119	2,193
Printing contracts	221	266
Editorial material	353	369
Professional fees	1,127	1,058
Travelling expenses	281	296
IT expenses	1,041	873
Other operating expenses	340	238
Total	**7,652**	**7,784**

Rent, maintenance, office expenses and energy include an effect of implementing IFRS 16 of NOK 479 million in 2019, see note 31.

Note 9 - Personnel expenses and remuneration

	2019	2018
Salaries and wages	5,434	5,099
Social security costs	1,208	1,106
Net pension expense (note 11)	458	427
Share-based payment (note 10)	92	19
Other personnel expenses*	(92)	(53)
Total	**7,101**	**6,598**
Number of full time equivalents	8,391	8,348

*Other personnel expenses are deducted with amount of capitalised salaries, wages and social security.

The Board of Directors' Statement of Executive Compensation for Schibsted excluding Adevinta

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives. According to section 5-6 (3) of the same Act, the Annual General Meeting shall hold an advisory vote on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year (section 1 below), and a binding vote on guidelines concerning share-related incentive programs (section 2 below).

The Board of Directors has appointed a dedicated Compensation Committee in order to ensure thorough consideration of matters relating to the CEO's remuneration. In addition, the Committee advises the Board of Directors and CEO in the work on the philosophy, principles and strategy for the compensation of senior executives in the Schibsted Group.

1. Guidelines for determination of salary and other remuneration for the financial year 2020

The Board of Director's considers the employees as the Group's most important resource, and aims to have reasonable, well balanced, and competitive remuneration packages that attract and retain talented employees that are crucial to our business. The fixed salary shall form the basis for the total compensation in addition to both short- and long-term incentive schemes to align and motivate the executive's efforts in continuous business development and value creation. The compensation of executives is regularly assessed relative to both the market and the positions' responsibilities and complexity.

The Group has established policies that cover several human resource aspects, including terms related to pay and pension, working environment, development programs, and more traditional employee benefits. Guidelines have been developed for the use of variable pay and other incentive schemes in the Group.

1.1 Fixed salary

The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits are calculated) shall be reasonable, balanced and competitive and represent a significant component of executive compensation.

1.2 Directors' fees

Employees do not receive directors' fees for board appointments when they serve as board members as part of their position. Employee representatives are exempted from this rule.

1.3 Benefits in kind and other special schemes

Senior executives will normally be given benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking. There are no specific restrictions on what other benefits may be agreed. Selected executives have some outstanding subsidized loans from a previous scheme.

1.4 Variable pay – short term incentive scheme

Senior executives participate in an annual bonus scheme linked to achievements of both financial criteria, and strategic and operational objectives. Annual bonus is limited to a maximum of six months' salary for the CEO and varies from four to six months' salary for other members of Schibsted's Executive Team. Other Group employees may also participate in such schemes. In such cases the maximum annual bonus is normally limited to three to four months' salary.

1.5 Pension schemes

The CEO and other senior executives in the Group have individual pension plans which mainly entitle them pension from the age of 67 and thereafter a lifelong retirement pension. As from 2012, the Group's pension scheme for new executives in Norway is a defined contribution scheme in line with established market practices.

Group senior executives based in Sweden belong to pension schemes entitling them to benefits in line with those offered to Norwegian senior executives, however from the age of 62 years. The Board of Directors is of the opinion that the current schemes for senior executives based in Sweden are adapted to the market, and these schemes will continue without any major changes.

Pension schemes for senior executives outside Norway and Sweden must be viewed in connection with the individual manager's overall salary and employment conditions, and should be comparable to the overall compensation package offered to executives in Norway and Sweden. Local rules governing pension entitlement, social security entitlement and taxation are taken into account when designing individual pension plans.

1.6 Severance pay

The CEO is entitled to severance payment equivalent to 18 months' salary in addition to pay during the six-month notice period. Members of Schibsted's Executive Team and other senior executives are normally entitled to severance pay equivalent to 6–18 months' salary, depending on their position. A non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

2. Guidelines for share based programs for the financial year 2020

2.1. Long-term incentive schemes for executives

The long-term incentive plan (the "LTI Plan"), proposed by The Board of Directors and approved on the Annual General Meeting of 2018, along with adjustments proposed by the Board of Directors and approved on the Annual General Meeting of 2019, continues to roll during 2020. The purpose of the LTI Plan is to align shareholder and management interests to ensure long term value creation in Schibsted.

The LTI Plan uses total shareholder return (“TSR”) relative to a peer group to measure the performance-based part of the plan. TSR is an objective long-term performance measure for value creation as it considers the share price change over time plus respective years’ dividends, and as it is less exposed to changes in market conditions than certain other financial metrics. Further, TSR aligns shareholders’ interests with participants’ interests as it links the rewards to participants directly to the returns shareholders make on their investment in the company.

The LTI Plan is an annual 3-year rolling plan, part delivered in restricted shares and part delivered in performance shares, with fulfillment in Schibsted B-shares. It is proposed to be offered to the CEO, the members of Schibsted’s Executive Team, the members of management teams in the business areas News Media, Next and Nordic Marketplaces, as well as other key employees. Under the LTI Plan the participants will be granted an Award equivalent to a percentage of their base salary at the time of granting. The CEO shall receive a grant equal to 100% of her base salary, whereas other members of Schibsted’s Executive Team will receive grants between 50% and 100%. Other participants will receive grants ranging from 10% to 50% of their base salary. The Award will consist of two separate elements; a fixed base (the “Fixed Base”) comprising Restricted Stock equal to 1/2 of the grant value and a performance-related grant (the “Performance Base”) equal to 1/2 of the grant value.

The Fixed Base is converted into B-shares based on the share price at the program start and transferred to participants at the end of the 3-year program period.

The Performance Base shall vest at the end of the 3-year program period subject to performance and be delivered to participants in B-shares. The value of any vesting is proposed to be a factor of Schibsted’s Total Shareholder Return (“TSR”) performance over a 3-year performance period relative to a predefined peer group. Vesting of the Performance Base is subject to a minimum performance threshold whereby Schibsted’s TSR performance must be at or above the 25th percentile when compared to the peer group. Subject to the performance threshold being met, the Performance Base shall vest as follows:

- At the 25th percentile, the face value of the Performance base shall vest at 50%
- At the 50th percentile, the face value of the Performance Base shall vest in full
- At or above the 75th percentile, the face value of the Performance Base shall vest at 300% (3 times the face value)
- Vesting in-between the above performance milestones shall be on a straight-line basis

The predefined peer group is composed of companies involved in online classifieds, but also includes other media companies as well as a subset of Europe Stoxx 600 companies, equal in market cap size to Schibsted. The composition of the peer group is intended to reflect the underlying values in Schibsted in a balanced matter, and to ensure that the different parts of the Schibsted organization are incentivized to create stable and value-creating businesses in line with Schibsted’s long-term strategy.

Detailed general conditions has been developed to ensure a fair and consistent governance of the Plan; these include change of control provisions, and “good leaver”/”bad leaver” provisions related to employment. The LTI Plan also includes a claw-back mechanism which would permit Schibsted to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company. Such a claw-back scenario would include any event whereby Schibsted is required to restate financial statements during a program period, for example due to material non-compliance with applicable accounting rules. A claw-back might also be enforced in the event of fraud or criminal activity, a breach of a non-competition clause or a breach of Schibsted’s Code of Conduct by the participant.

As both the Fixed Base and the Performance Base are subject to absolute caps, the maximum cost of the LTI Plan will be equal the Awards for all participants multiplied by the maximum pay-out of 2.

The LTI Plan has replaced the previous LTI plans: the Senior Executive Plan (“SEP”) and the “Key Contributor Plan” as from 2018. Agreements entered into with employees under these LTI plans up until 2017, will remain in force for the duration of these plans. Details of these programmes are included in note 10 of the financial statements

2.2 Mandatory shareholding requirements

To ensure additional alignment between the interests of senior executives and shareholders, the Board of Directors has broadened shareholding requirements for the senior executives, meaning the senior executives may not sell or otherwise transfer Schibsted shares below the defined requirements.

The requirements are set out as follows:

- CEO: 4 x base salary
- Members of Schibsted’s Executive Team: 2 x base salary

2.3 Share-saving program for all Group employees

In order to motivate and retain employees, all Group employees are invited annually to save up to 5 percent of their basic annual salary, subject to a maximum of NOK 50,000, through payroll deductions in order to purchase shares in Schibsted. The share purchase is made on market terms four times a year, after the release of Schibsted’s quarterly results. Employees who choose to hold their shares for two years (the “Holding Period”) and who are still employed by the Group at the end of the Holding Period, are entitled to receive one free bonus share from Schibsted per two shares purchased and held during the Holding Period.

3. Remuneration principles and implementation in the previous fiscal year ending 31 December 2019

The implementation of executive remuneration principles during 2019 have overall been in line with the described principles in the Statement of Executive Compensation for 2019, previously approved by Schibsted’s Annual General Meeting.

4. Agreements entered into or amended in 2019 and their impact on the company and the shareholders

In 2019 Schibsted entered into agreements with selected executives regarding participation in the share-based long-term incentive plan (the LTI Plan). The Board of Directors believes that share-based remuneration promotes value creation in the Group and that the impact these agreements have on the company and shareholders is positive.

Details of salary, variable pay and other benefits provided to Group management in 2019 (in NOK 1,000):

Members of Group management[1,2]	Salary incl. holiday pay	Variable pay	Shared-based payment (earned 2019)[3]	Other benefits	Total remuneration	Accrued pension expenses
Kristin Skogen Lund	4,260	1,417	2,039	239	7,955	966
Ragnar Kårhus[4]	1,187	378	844	85	2,494	142
Trond Berger[5]	2,686	1,441	1,226	238	5,592	1,816
Raoul Grünthal	3,641	574	3,693	87	7,995	1,074
Siv Juvik Tveitnes[6]	2,602	750	847	302	4,501	308
Christian Printzell Halvorsen[7]	625	170	-	46	841	208
Mette Krogsrud[8]	2,016	710	720	165	3,611	253
Sven Størmer Thaulow[8]	1,902	614	2,575	166	5,256	185

1) Some of the members receive salary in other currencies than NOK. Average annual exchange rate is used to translate the numbers in table above to NOK.
2) For members of Group management who either resigned or joined in the year, total remuneration includes all salary and other benefits received from the Group.
3) Cost details and valuation of share-based payment is disclosed in note 10.
4) Ragnar Kårhus was appointed as CFO from 1 September 2019.
5) Trond Berger was CFO until 31 August 2019. Total remuneration also includes remuneration for part-time employment as an advisor for Group management.
6) Siv Juvik Tveitnes joined the Group management 1 January.
7) Christian Printzell Halvorsen joined the Group management in October 2019.
8) Mette Krogsrud and Sven Størmer Thaulow joined the Group management in March 2019.

The development in number of shares not-vested in share-based payment programs for the Group management in 2019 as follows:

	Shares not-vested 1 January 2019	Shares granted[1]	Adjustment shares granted[2]	Shares vested[3]	Shares not-vested 31 December 2019[4]
Kristin Skogen Lund	-	29,132	-	-	29,132
Ragnar Kårhus	-	12,050	-	-	12,050
Trond Berger	25,483		(22,653)	(2,830)	-
Raoul Grünthal	30,701	19,891	7,358	(2,793)	55,158
Siv Juvik Tveitnes	-	10,283	-	(931)	9,352
Christian Printzell Halvorsen	-	-	-	-	-
Mette Krogsrud	-	10,282	-	-	10,282
Sven Størmer Thaulow	-	23,035	-	-	23,035

1) Shares granted reflects shares granted for the 2019 program and other bonuses settled in shares.
2) Adjustment shares granted mainly reflects forfeited shares and changes to number of shares granted previous years due to tax rate change.
3) Share price for vested shares are NOK 233.
4) Number of shares includes tax, which will be deducted and withheld at share transfer.

Details of salary, variable pay and other benefits provided to the Group management in 2018 (in NOK 1,000):

Members of Group management[1,2]	Salary incl. holiday pay	Variable pay	Shared-based payment (earned 2018)[3]	Other benefits	Total remuneration	Accrued pension expenses
Kristin Skogen Lund[4]	354	354	-	20	728	7
Rolv Erik Ryssdal[5]	4,518	1,594	3,712	280	10,105	2,809
Trond Berger	3,034	1,128	2,050	243	6,455	1,648
Raoul Grünthal	2,925	943	2,819	44	6,731	1,065
Rian Liebenberg[6]	4,029	953	881	11	5,874	260
Sondre Gravir[7]	1,998	701	1,176	776	4,651	871

1) Some of the members receive salary in other currencies than NOK. Average annual exchange rate is used to translate the numbers in table above to NOK.
2) For members of Group management who either resigned or joined in the year, total remuneration includes all salary and other benefits received from the Group.
3) Cost details and valuation of share-based payment is disclosed in note 10.
4) Kristin Skogen Lund is CEO from 1 December 1. Variable pay includes a pro-rated compensation for non-enrollment in the Long-Term Incentive Plan of 2018. Her contract grants her the right to take part in the company's STI and LTI from 1.12. The Board resolved to pay an additional amount and she will join the incentive schemes from 1.1.2019.
5) Rolv Erik Ryssdal was CEO until 30 November.
6) Rian Liebenberg left Schibsted in July 2018
7) Sondre Gravir left Schibsted in October 2018. Other benefits for Sondre Gravir include coverage of expenses related to expatriation.

The development in number of shares not-vested in share-based payment programs for the Group management in 2018 as follows:

	Shares not-vested 1 January 2018	Shares granted[1)]	Adjustment shares granted[2)]	Shares vested[3)]	Shares not-vested 31 December 2018[4)]
Kristin Skogen Lund	-	-	-	-	-
Rolv Erik Ryssdal	36,548	22,206	(1,638)	(11,177)	45,939
Trond Berger	20,520	12,279	(560)	(6,756)	25,483
Raoul Grünthal	20,174	19,530	-	(9,002)	30,701
Rian Liebenberg	18,522	3,040	(15,482)	(6,080)	-
Sondre Gravir	11,824	15,663	(19,021)	(8,466)	-

1) Shares granted reflects shares granted for the 2018 program and other bonuses settled in shares.
2) Adjustment shares granted mainly reflects forfeited shares and changes to number of shares granted previous years due to tax rate change.
3) Share price for vested shares are in a range of NOK 197-266
4) Number of shares in 2018 have been amended to include tax, which will be deducted and withheld at share transfer.

Remuneration to the Board of Directors in 2019 (in NOK 1,000):

Members of the Board and Committees:	Board remuneration	Commitee remuneration	Board remuneration from other Group companies	Total remuneration
Ole Jacob Sunde, Chairman of the Board and the Compensation Committee	1,060	125	-	1,185
Christian Ringnes, Member of the Board and Chairman of the Audit Committee	497	184	-	681
Birger Steen, Member of the Board and the Audit Committee*	597	113	-	710
Eugénie van Wiechen, Member of the Board and the Compensation Committee*	597	81	-	678
Marianne Budnik, Member of the Board and the Compensation Committee	597	81	-	678
Orla Noonan, Member of the Board and the Compensation Committee until May 2019	597	113	265	975
Philippe Vimard, Member of the Board and the Compensation Committee*	597	-	-	597
Torbjörn Harald Ek, Employee representative of the Board*	547	-	-	547
Finn Våga, Employee representative of the Board	547	-	-	547
Ingunn Saltbones, Employee representative of the Board and the Compensation Committee	497	81	-	578
Anna Mossberg, Member of the Board from May 2019	513	-	-	513
Frank Lynum, Deputy employee representative of the Board	-	-	19	19
Louise Adrea Meiton, Employee representative of the Board*	-	-	-	-
Maria Elisabet Carling, Deputy employee representative of the Board	22	-	-	22
Total	**6,668**	**778**	**284**	**7,730**

* Board remuneration include compensation for travelling hours for directors who do not live in Oslo

Remuneration of the Nomination Committee

Remuneration to the Chairman of the Nomination Committee was NOK 134,000 and NOK 82,000 to the other members of the committee.

Note 10 - Share-based payment

Principle

In equity-settled share-based payment transactions with employees, the employee services and the corresponding equity increase is measured by reference to the fair value of the equity instruments granted. The fair value of the equity instruments are measured at grant date, and is recognised as personnel expenses and equity increase immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period.

At each reporting date the entities remeasure the estimated number of equity instruments that is expected to vest. The amount recognised as an expense is adjusted to reflect the number of equity instruments which are expected to be, or actually become vested.

In cash-settled share-based payment transactions with employees, the employee services and the incurred liability is measured at the fair value of the liability. The employee services and the liability are recognised immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period. Until the liability is settled, the fair value of the liability is revised at each balance sheet date and at settlement date, with changes in fair value recognised in profit or loss.

Long-term incentive programmes

In 2015, Schibsted introduced the annual rolling programmes, Key Contributor Plan (KCP) and Senior Executive Plan (SEP). The 2015 programmes initially included 128 participants. The 2016 programmes initially included 117 participants. The 2017 programmes initially included 103 participants. In 2018, the LTI programmes was replaced by the LTI Plan. As from the final payout of the KCP programmes in Q1 2020, the KCP programmes have fully vested and will no longer be in use. All programmes that started before 2018 will remain in force for the duration of these programs. The 2018 program includes 34 participants (originally the LTI plan from 2018 included 90 participants, some have resigned since then, but most of the decrease is due to the Adevinta spin-off in 2019). The 2019 programme includes 54 participants.

In June 2019 (with effect as from 10 April 2019), Adevinta introduced a Performance Share Plan (or PSP) to senior employees of Adevinta including the Executive team. In addition, certain subsidiaries have separate cash-settled local programmes.

	2019	2018
Share-based payment (included in personnel expenses)	**92**	**19**
Of which is equity-settled in Schibsted shares	33	33
Of which is equity-settled in Adevinta shares	55	-
Of which is cash-settled in Adevinta[1]	5	(14)

1) In 2018 a settlement of a local programme effected the cost positively by NOK 17 million.

	2019	2018
Liabilities recognised from share-based payment transactions	**21**	**26**

Key Contributor Plan and Senior Executive Plan

The SEP is a five-year program applicable for the CEO and Schibsted Executive Team, while KCP is a three-year program applicable for managers in key sub- sidiaries, high potentials and key contributors across the Group. All participants need to show strong performance to stay eligible for the long-term incentive programs.

At the start of the program, each participant is granted a number of shares based on a certain percentage of their fixed salary and the share price at the start of the program. CEO can be granted maximum 100 percent of fixed salary, while the maximum grants for members of the Senior Executive Team vary between 50 to 84 percent of fixed salary. Grant to participants in the KCP range from 10 percent to 50 percent of fixed salary depending on role and position.

In the SEP, the number of shares calculated at the start of the program vest in three equal tranches over a five-year period, subject to the participant's continuous employment in Schibsted. The first one-third of the shares vest at the start of the program, the second one-third vests after three years, and the final one-third after five years. In the KCP the number of shares calculated at the start of the program vest in three equal tranches over a three year period, subject to the participant's continuous employment in Schibsted. The first one third of the shares vest after one year, the second one third vests after two years, and the final one third after three years.

If the employment in Schibsted is terminated three years after grant date, Schibsted's CEO may in special occasions, such as early retirement, make discretionary exceptions and entitle a SEP participant to receive the last 1/3 of granted, but unvested shares.

LTI Plan

The LTI Plan is an annual 3-year rolling plan, part delivered in restricted shares and part delivered in performance shares, with fulfilment in Schibsted B-shares. The program is applicable to the CEO, members of Schibsted's Executive Team, the members of management teams in the business areas News Media, Next and Nordic Marketplaces, as well as other key employees. The participants are granted an award equivalent to a percentage of their base salary at the time of granting. The CEO receives a grant equal to 100% of the base salary, whereas other members of Schibsted's Executive Team will receive grants between 50% and 100%. Other participants will receive grants ranging from 10% to 50% of their base salary. The award consists of two separate elements; a fixed base (the "Fixed Base") comprising Restricted Stock equal to 1/2 (1/3 in the LTI plan from 2018) of the grant value and a performance related grant (the "Performance Base") equal to 1/2 of the grant value (2/3 in the LTI plan from 2018).

The Fixed Base is converted into B-shares based on the share price at the program start and transferred to participants at the end of the performance period. For the LTI plan from 2018 the shares were transferred at the start of the performance period, albeit with a 3-year holding requirement.

The Performance Base is vested at the end of the 3-year program period subject to performance and continuous employment and is delivered to participants in B-shares. The value of any vesting is a factor of Schibsted's Total Shareholder Return ("TSR") performance over a 3-year performance period relative to a peer group. Vesting of the Performance Base is subject to a minimum performance threshold whereby Schibsted's TSR performance must be at or above the 25th percentile when compared to the peer group. Subject to the performance threshold being met, the Performance Base is vested as follows:

- At the 25th percentile, the face value of the Performance base vest at 50%
- At the 50th percentile, the face value of the Performance Base vest in full
- At or above the 75th percentile, the face value of the Performance Base vest at 300%
- Vesting in-between the above performance milestones will be on a straight-line basis

The predefined peer group is composed of companies involved in online classifieds, but also includes other media companies as well as a subset of Europe Stoxx 600 companies, equal in market cap size to Schibsted. The composition of the peer group is intended to reflect the underlying values in Schibsted in a balanced matter, and to ensure that the different parts of the Schibsted organization are incentivized to create stable and value-creating businesses in line with Schibsted's long-term strategy.

Detailed general conditions have been developed to ensure the fair and consistent governance of the Plan; these include change of control provisions, and "good leaver"/"bad leaver" provisions related to employment. The LTI Plan also includes a claw-back mechanism which would permit Schibsted to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company.

Such a claw-back scenario would include any event whereby Schibsted was required to restate financial statements during a program period, for example due to material non-compliance with applicable accounting rules. A claw-back might also be enforced in the event of fraud or criminal activity, a breach of a noncompetition clause or a breach of Schibsted's Code of Conduct by the participant.

The cost of the 2020 LTI Plan will be equal to the Awards for all participants multiplied by the maximum pay-out of 2. This does not take into account any share depreciation or appreciation during the programme's runtime period nor any employer's fees related to the plan.

The LTI Plan has replaced the previous LTI plans: the Senior Executive Plan ("SEP") and the "Key Contributor Plan" from 2018. Agreements entered into with employees under these LTI plans up until 2017, will remain in force for the duration of these programs.

Number of shares in the LTI Plan, SEP and KCP programmes settled in Schibsted shares[1]:	2019	2018
Number of shares granted, not-vested at 1 January	410,527	443,781
Number of shares granted	210,063	284,024
Number of shares adjusted Adevinta spin-off[2]	41,194	-
Number of shares forfeited	(56,296)	(74,586)
Number of shares vested during the period	(90,810)	(242,692)
Modification Adevinta employees[3]	(157,260)	-
Number of shares not-vested at 31 December[4]	**357,418**	**410,527**
Average share price at vesting date (NOK per share)	233	205
Weighted average fair value at grant date (NOK per share)	212	218

1) Number of shares includes employee's tax obligation, which will be deducted and withheld at transfer of shares to employees. Number of shares in 2018 have been amended with an increase of 190,926 shares due to inclusion of tax.

2) Number of shares not-vested were increased with a factor of 1.375 after the Adevinta spin-off to adjust for decreased value of Schibsted shares.

3) LTI programmes related to Adevinta employees where modified to be settled in cash or in Adevinta shares in 2019.

4) An amount of NOK 47 million is estimated to be paid to tax authorities as part of equity-settled programmes not-vested at 31 December.

Number of granted shares include granted shares and adjustment of performance. The fair value of shares granted in 2019 is measured at grant date by adjusting the quoted price by expected dividend yield.

Share-saving program for all Group employees

To motivate and retain employees, all Group employees in Schibsted excluding Adevinta are invited to save up to 5 percent, but a maximum of NOK 50,000, annually of their base gross salary through payroll deductions in order to purchase shares in Schibsted. The shares are purchased on market terms four times a year, after the release of Schibsted's quarterly results. If still employed by the Group, participants receive one free bonus share from Schibsted per two shares purchased and held for two years. Employees in Adevinta can participate in a separate share-saving program.

Settlement of rights under the Schibsted schemes (Key Contributor Plan ("KCP"), Senior Executive Plan ("SEP") and Long-term incentive plan 2018 ("LTI")) and The Adevinta Transition Award

During Q2 2019 there has been certain modifications to the settlement of the rights under the Schibsted schemes and in addition Adevinta's Board of Directors have later decided that the awards which Adevinta employees have from the Schibsted employee share-saving program will be settled in cash. Existing performance awards in the LTI program have been pro-rated and measured just prior to the demerger date and will be settled in a fixed number of Adevinta shares just after the first anniversary of the IPO subject to continuous employment up until this date. Existing awards in the KCP and SEP program will be settled in cash. KCP pay-out has been divided into two tranches with vesting date May 2019 and April 2020 respectively. SEP has maintained the initial vesting dates that would correspond to each of the remaining tranches.

In June 2019 (with effect as from 10 April 2019) the Company granted to some senior employees a so-called Transition award. The award will be paid out in Adevinta shares just after the second anniversary of the IPO on the condition of continuous employment up until that date. This award contains two elements. The first element is mainly a fixed number of shares corresponding to the maximum pay-out related to the existing LTI awards that would have vested after the IPO date and the Adevinta share price during the first 30 days after the IPO. The second element is an amount corresponding to 3 months of the PSP program (see below more information about PSP) at 62.5-percentile pay-out.

The Adevinta Performance Share Plan ("PSP")

In June 2019 (with effect as from 10 April 2019) the Adevinta Performance Share Plan (or PSP) was granted to senior employees of Adevinta including the Adevinta Executive team. Under the PSP, the employees will be granted awards of Adevinta shares on an annual basis. These shares will be subject to a three-year vesting period (for the Adevinta Executive team the vesting is subject to an additional holding and employment period meaning that 50% of their awards vests after 3 years, 25% of their awards vests after 4 years and the remaining 25% of their awards vests after 5 years). Under the PSP, the employee will be granted an award over Adevinta shares based on their prescribed maximum opportunity under the plan (for the Adevinta Executive team the maximum amount is in the range of 175% and 300% of his/her base salary). The number of shares the employee receives will depend on the Adevinta share price performance against a peer group (relative Total Shareholder Return (TSR)) over a three-year performance period. The payout mechanism related to the PSP is the following:

- For minimum payout, the Adevinta share must perform better than 50% of its peers ("median" relative TSR). If this is achieved, 25% of the shares granted to the employees under the PSP award will be transferred to the employee after the performance period.
- For maximum payout, the Adevinta shares must perform better than 75% of its peers ("upper quartile" relative TSR). If this is achieved, 100% of the shares granted to the employee under the PSP award will "vest" and be transferred to the employee.

The payout is linear between the minimum and maximum payout. The peer group for the PSP purpose is the group of companies in the Stoxx Europe 600 index.

Number of shares in the LTI Plan, Adevinta Transition Award and PSP programmes settled in Adevinta shares:	2019
Number of shares granted, not-vested at 1 January	-
Number of shares granted	2,279,605
Number of shares forfeited	(133,949)
Number of shares vested during the period	-
Number of shares not-vested at 31 December	**2,145,656**
Average share price at vesting date (NOK per share)	-
Weighted average fair value at grant date (NOK per share)	69

Number of granted shares include granted shares and adjustment of performance. The fair value of shares granted in 2019 is measured at grant date by adjusting the quoted price by expected dividend yield.

Note 11 - Pension plans

Principle

Schibsted has both defined contribution plans and defined benefit plans. In the defined contribution plans, the company pays an agreed annual contribution to the employee's pension plan, but any risk related to the future pension is borne by the employee. In a defined benefit plan, the company is responsible for paying an agreed pension to the employee based on his or her final pay, and the risk related to the future pension is hence borne by Schibsted.

In a defined contribution plan, the pension cost will be equal to the contribution paid to the employees' pension plan. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, i.e. there is no liability to record in the statement of financial position.

In a defined benefit plan, the net liability recognised is the present value of the benefit obligation at the balance sheet date, less fair value of plan assets. The present value of defined benefit obligations, current service cost and past service cost is determined using the projected unit credit method and actuarial assumptions regarding demographic variables and financial variables. Net pension expense include service cost and net interest on the net defined benefit liability recognised in profit or loss and remeasurements of the net defined benefit liability recognised in other comprehensive income.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service cost is recognised at the earlier date of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

In the cases where a multi-employer plan is classified as defined benefit plans, but sufficient information is not available to enable recognition as a defined benefit plan, they are accounted for as if they were defined contribution plans.

Social security taxes are included in the determination of defined benefit obligations and net pension expense.

Significant judgement and estimation uncertainty

Defined benefit plans are calculated on the basis of a set of selected financial and actuarial assumptions. Changes in parameters such as discount rates, future wage adjustment, etc. could have substantial impacts on the estimated pension liability.

Schibsted has occupational pension plans in several countries established partly as defined benefit plans (primarily in Norway), partly as multi-employer defined benefit plans accounted for as defined contribution plans (in Norway and Sweden) and partly as defined contribution plans (in Norway, Sweden and other countries).

Schibsted has its occupational pension plans for its employees in Norwegian companies with Storebrand Livsforsikring AS. These pension plans meet the requirements of the Act on Mandatory occupational pensions applicable to Norwegian companies. A significant part of the existing funded defined benefit plans are closed.

The terms of the funded defined benefit plans are mainly uniform. The benefits are mainly dependent upon number of years of employment, salary level at retirement age and the amount of benefits from the National Insurance pension. The majority of the funded defined benefit plans comprise retirement pension for life from 67 years and full retirement pension amounts to approximately 66% of the basis (limited to 12G (the social security base amount) including assumed pension from the National Insurance pension (based on calculated National Insurance pension). Some of the plans include spouse pension, child pension and disability pension.

As at 31 December 2019 the funded defined benefit plans in Norway covered approximately 780 working members and 0 retirees (943 in 2018). Estimated contributions in 2020 to the above mentioned funded defined benefit plans amount to approximately NOK 65 million. Future contributions will be dependent on the accumulation period for each member's pension rights according to the principle of linear accumulation.

The terms related to contributions to defined contribution plans in Norway are mainly uniform, and for most companies the contribution in 2019 amounts to 5.55% of salaries within the interval from 1G to 7.1G and 8% in the interval from 7.1G to 12G. The plans include disability pension.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to disability pensions (if not covered by other pension plans or insurances), supplementary pensions for salaries above 12G, Agreement-based pension (AFP) and early retirement pensions.

The Group's companies outside Norway have pension plans, mainly defined contribution plans, in accordance with local practice and local legislation.

The Group has certain pension schemes in Norway and Sweden established as multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2019 and 2018 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

The amounts recognised in profit or loss and in comprehensive income:

	2019	2018
Current service cost	102	95
Past service cost and gains and losses arising from settlements	(14)	(67)
Net interest on the net defined benefit liability (asset)	25	26
Remeasurements of the net defined benefit liability	(45)	27
Net pension expense defined benefit plans	**68**	**81**
Pension expense defined contribution plans	257	226
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	103	106
Net pension expense	**428**	**414**
Of which included in Profit or loss - Personnel expenses (note 9)	458	427
Of which included in Profit or loss - Other income and expenses (note 12)	(10)	(67)
Of which included in Profit or loss - Financial expenses (note 13)	25	26
Of which included in Other comprehensive income - Remeasurements of defined pension liabilities	(45)	27

Past service cost comprise restructuring costs in the form of pensions as well as the effect of plan amendments.

The amounts recognised in the balance sheet:

	2019	2018
Present value of funded defined benefit obligations	1,420	1,467
Fair value of plan assets	(1,081)	(1,017)
Present value of unfunded defined benefit obligations	757	792
Net pension liability	**1,095**	**1,241**

The average duration of the defined benefit plan obligations at the end of the reporting period is 15 years (2018: 18 years).

Changes in net pension liability, present value of defined benefit obligations and plan assets:

	2019			2018		
	Net pension liability	**Defined benefit obligations**	**Plan assets**	**Net pension liability**	**Defined benefit obligations**	**Plan assets**
As at 1 January	1,241	2,259	1,017	1,364	2,376	1,012
Current service cost	102	99	(3)	95	95	-
Past service cost and gains and losses arising from settlements	(14)	(49)	(35)	(67)	(177)	(110)
Interest income and expense	25	54	28	27	51	25
Remeasurements (see below)	(45)	(37)	8	27	23	(4)
Contributions to the plan	(113)	2	115	(95)	2	97
Payments from the plan	(67)	(68)	(1)	(84)	(85)	(1)
Reclassified as held for sale	(26)	(75)	(49)	-	-	-
Business combinations and disposals	18	18	-	-	-	-
Social security costs	(25)	(25)	-	(26)	(26)	-
As at 31 December	**1,095**	**2,176**	**1,081**	**1,241**	**2,259**	**1,017**

Remeasurements of defined benefit pension obligations include:

	2019	2018
Actuarial gains and losses arising from changes in financial assumptions	(60)	40
Other remeasurements (experience adjustments)	24	(17)
Remeasurements of defined benefit pension obligations	**(37)**	**23**

Remeasurements of fair value of plan assets include:

	2019	2018
Return on plan assets, excluding amounts included in interest	4	30
Cost of managing plan assets	(6)	(7)
Other remeasurements (experience adjustments)	10	(28)
Remeasurements of fair value of plan assets	**8**	**(4)**

The fair value of plan assets is disaggregated by class:

	2019	Quoted in active markets	Unquoted	2018	Quoted in active markets	Unquoted
Equities	14.8%	90%	10%	15.4%	100%	-
Alternative investments	1.1%	-	100%	0.7%	-	100%
Real estate	13.4%	-	100%	13.7%	-	100%
Bonds	11.2%	95%	5%	9.5%	95%	5%
Corporate bonds	14.7%	80%	20%	16.1%	80%	20%
Bonds - loans & receivables	36.4%	80%	20%	35.7%	80%	20%
Money market / other	8.3%	100%	-	8.4%	100%	-
Total	**100.0%**			**100.0%**		

The actual return on plan assets (value-adjusted return on relevant portfolio of assets) was approximately 6.1 % in 2019 and approximately 0.9 % in 2018.

Significant actuarial assumptions used to determine the present value of the defined benefit obligation:

	2019	2018
Discount rate	2.30%	2.60%
Future salary increases	2.25%	2.75%
Future increase in the social security base amount	2.00%	2.50%
Future pension increases	0.50%	0.80%

Schibsted determines the discount rate by reference to high quality corporate bonds. Schibsted has concluded that a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The assumption regarding expected pension increases is used for pensions being increased in accordance with the Act on Company pensions. For pension agreements containing specific clauses on increases in pension, those clauses are applied.

Sensitivity analysis, indicating increase (decrease) in present value of defined benefit pension liabilities, for significant actuarial assumptions:

	2019	2018
Discount rate - increase 0.5 percentage points	(236)	(228)
Discount rate - decrease 0.5 percentage points	254	245
Future salary increases - increase 0.5 percentage points	140	150
Future salary increases - decrease 0.5 percentage points	(156)	(164)
Future increase in social security base amount - increase 0.5 percentage points	(80)	(81)
Future increase in social security base amount - decrease 0.5 percentage points	50	52
Future pension increases - increase 0.5 percentage points	153	141
Future pension increases - decrease 0.5 percentage points	(160)	(149)

Any increases or decreases in present value of defined benefit pension liabilities from changes in actuarial assumptions are recognised in Other comprehensive income.

Note 12 - Other income and expenses

Principle

Income and expenses of a special nature are presented on a separate line within operating profit (loss). Such items are characterised by being transactions and events not considered to be part of operating activities and not being reliable indicators of underlying operations. Other income and expenses include items such as restructuring costs, acquisition-related costs, gains or losses on sale or remeasurement of assets, investments or operations and other. Acquisition-related costs may include both costs related to acquisitions done and transactions that were not completed.

Gain on amendments and curtailment of pension plans includes gain on curtailment of pension plans related to restructuring of NOK 20 million and loss on amendment of pension plans of NOK 10 million.

Restructuring costs and acquisition-related costs are mainly related to the spin-off and listing process of Adevinta, restructuring costs following the spin-off and headcount reductions in News Media and Adevinta.

	2019	2018
Gain on sale of subsidiaries, joint ventures and associates	6	13
Gain on sale of intangible assets, property, plant and equipment and investment property	-	10
Gain on amendments and curtailment of pension plans (note 11)	10	67
Other	1	-
Other income or gain	**16**	**90**
Restructuring costs	(216)	(136)
Acquisition-related costs	(72)	(3)
Loss on sale of intangible assets, property, plant and equipment and investment property	(5)	-
Other	-	(7)
Other expenses or loss	**(293)**	**(145)**
Total	**(278)**	**(55)**

Note 13 - Financial items

Financial income and expenses consists of:

	2019	2018
Interest income	49	25
Net foreign exchange gain	24	-
Other financial income	5	5
Total financial income	**78**	**29**
Interest expenses	(197)	(116)
Net foreign exchange loss	-	(12)
Other financial expenses	(25)	(13)
Total financial expenses	**(222)**	**(142)**
Net financial items	**(145)**	**(113)**
Net foreign exchange gain (loss) consists of:		
Net foreign exchange gain (loss) currency derivatives	35	(33)
Net foreign exchange gain (loss) other financial instruments	(11)	21
Net foreign exchange gain (loss)	**24**	**(12)**

Schibsted hedges the majority of its currency exposure by using loans and derivatives, see note 23 Financial risk management. Net foreign exchange loss in both 2019 and 2018 are largely related to currency effects in the Group's businesses in Latin America.

Interest expense relates to:

	2019	2018
Loans and borrowings	(91)	(80)
Pension liabilities (note 11)	(25)	(26)
Lease liabilities (note 31)	(77)	-
Put options and contingent considerations (note 21)	(3)	(9)
Interest expenses	**(197)**	**(116)**

Financial income and financial expenses include the following amounts of interest income and interest expenses related to financial assets and liabilities that are not included in the category Financial assets or financial liabilities at fair value through profit or loss:

	2019	2018
Interest income	49	25
Interest expenses	(210)	(130)

Note 14 - Income taxes

Principle

Current tax liabilities and assets are measured at the amount that is expected to be paid to or recovered from the tax authorities.

Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the consolidated financial statements and the tax basis of tax losses carried forward. For deferred tax assets and liabilities, the nominal tax rates expected to apply when the asset is realised or the liability is paid will be used.

Deferred tax assets relating to tax deficits and other tax-reducing temporary differences are recognised to the extent that it is probable that they can be applied against future taxable income.

Deferred tax liabilities for temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised when it is probable that the temporary difference will reverse in the foreseeable future. Deferred tax liabilities are not recognised for the initial recognition of goodwill.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Any amount recognised as current tax assets or liabilities and deferred tax assets or liabilities are recognised in profit or loss, except to the extent that the tax arises from a transaction or event recognised in other comprehensive income or directly in equity or arises from a business combination.

Significant judgement and estimation uncertainty

Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with tax planning strategies. For unrecognised deferred tax assets see table below.

The Group's income tax expense comprises the following:

	2019	2018
Current income taxes	738	921
Deferred income taxes	27	43
Taxes	**765**	**963**
Of which recognised in profit or loss	752	965
Of which recognised in other comprehensive income	11	(2)
Of which recognised in equity	2	-

The Group's effective tax rate differs from the nominal tax rates in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2019	2018
Profit (loss) before taxes	**1,948**	**1,681**
Estimated tax expense based on nominal tax rate in Norway	429	387
Tax effect share of profit (loss) of joint ventures and associates	-	(14)
Tax effect impairment loss goodwill	54	138
Tax effect other permanent differences	33	18
Change in unrecognised deferred tax assets	104	278
Effect of tax rate differentials abroad	132	153
Effect of changes in tax rates	-	5
Taxes recognised in profit or loss	**752**	**965**

Permanent differences include, in addition to non-deductible operating expenses, tax- free dividends and gains (losses) on sale of subsidiaries, joint ventures and associated companies. Such gains (losses) are recognised in Other income and expenses.

Tax expense for 2019 is positively affected by NOK 78 million from the subsequent recognition of previously unrecognised deferred tax benefits acquired in business combinations. The recognition is based on obtaining assurance that the related pre-acquisition tax benefits can be utilised against taxable profits of the acquiree.

The Group's net deferred tax liabilities (assets) are made up as follows:

	2019	2018
Current items	(28)	(24)
Pension liabilities	(236)	(268)
Other non-current items	1,217	1,105
Unused tax losses	(1,882)	(1,603)
Calculated net deferred tax liabilities (assets)	**(930)**	**(790)**
Unrecognised deferred tax assets	1,695	1,458
Net deferred tax liabilities (assets) recognised	**765**	**667**
Of which deferred tax liabilities	944	901
Of which deferred tax assets	(179)	(233)

The Group's unused tax losses are mainly related to operations in United Kingdom, Mexico, Austria and Italy as well as other countries in which online classified operations have been established. The majority of the tax losses can be carried forward for an unlimited period. Approximately 25% of the unused tax losses expire during the period until 2029.

The development in the recognised net deferred tax liabilities (assets):

The Group's deferred tax assets recognised are mainly related to operations in Norway and Spain. The Group's unrecognised deferred tax assets are mainly related to foreign operations with recent tax losses where future taxable profits may not be available before those unused tax losses expire. Deferred tax liabilities and assets are offset for liabilities and assets in companies which are included in local tax groups.

	2019	2018
As at 1 January	667	646
Change in accounting policy	(36)	(19)
Change included in tax expenses	27	43
Change from purchase and sale of subsidiaries	119	-
Reclassified as held for sale	(5)	-
Foreign exchange differences	(8)	(2)
As at 31 December	**765**	**667**

Note 15 - Earnings per share

Principle

Basic and diluted earnings per share are presented for ordinary shares. The A-shares and B-shares of Schibsted have equal rights to share in profit for the period and are therefore treated as being one class of ordinary shares in relation to calculation of earnings per share.

Basic earnings per share is calculated by dividing profit (loss) attributable to the owners of the parent by the weighted average number of shares outstanding.

In calculating diluted earnings per share, the profit (loss) attributable to owners of the parent and the weighted average number of shares outstanding are adjusted for the effects of any dilutive potential shares. The profit (loss) attributable to owners of the parent is adjusted for the dilutive effect of any potential shares convertible into shares of subsidiaries, joint ventures or associates.

The weighted average number of shares outstanding is adjusted as follows:

- For share-based payment transactions with performance conditions, by including the number of shares that would be issuable at the reporting date
- For any other share-based payment transactions, by including the excess of the total number of potential shares over the number of shares that could be issued out of the issue proceeds

Adjusted earnings per share is calculated by adjusting profit (loss) attributable to owners of the parent by items reported in the income statement as Other income and expenses and Impairment loss, net of any related taxes and non-controlling interests. Dilutive effects are adjusted for similarly as for diluted earnings per share as described above.

	2019	2018
Weighted average number of shares for basic earnings per share	237,327,313	238,329,205
Effects of dilution from share-based payment	409,306	232,330
Weighted average number of shares for diluted earnings per share	**237,736,619**	**238,561,535**
Profit (loss) attributable to owners of the parent for basic earnings per share	949	648
Effect of potential shares convertible into shares of subsidiaries, joint ventures or associates	(1)	-
Profit (loss) attributable to owners of the parent for diluted earnings per share	**948**	**648**
Earnings per share - basic (NOK)	4.00	2.72
Earnings per share - diluted (NOK)	3.99	2.72
Profit (loss) attributable to owners of the parent for basic earnings per share	949	648
Other income and expenses	278	55
Impairment loss	283	747
Taxes and non-controlling interests related to Other income and expenses and Impairment loss	(183)	(8)
Profit (loss) attributable to owners of the parent for basic earnings per share - adjusted	**1,327**	**1,442**
Effect of potential shares convertible into shares of subsidiaries, joint ventures or associates	(2)	-
Profit (loss) attributable to owners of the parent for diluted earnings per share - adjusted	**1,325**	**1,442**
Earnings per share - basic - adjusted (NOK)	5.59	6.05
Earnings per share - diluted - adjusted (NOK)	5.58	6.05

Note 16 - Impairment assessments

Principle

Property, plant, equipment, intangible assets and goodwill are reviewed for impairment whenever an indication that the carrying amount may not be recoverable is identified. Goodwill and other intangible assets that have an indefinite useful life are tested annually for impairment. Impairment indicators will typically be changes in market developments, competitive situation or technological developments. An impairment loss is recognised in the income statement if the carrying amount of an asset (cash-generating unit) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Value in use is assessed by discounting estimated future cash flows. Estimated cash flows are based on management's experience and market knowledge for the given period, normally five years. For subsequent periods growth factors are used that do not exceed the long-term average rate of growth for the relevant market. Expected cash flows are discounted using an after tax discount rate that takes into account the expected long-term interest rate with the addition of a risk margin appropriate for the assets being tested.

For the purpose of impairment testing, assets, except goodwill, are grouped together into the smallest group of assets that generates independent cash flows (cash-generating units). Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Testing for impairment of goodwill is done by comparing recoverable amount and carrying amount of the same groups of cash-generating units as to which goodwill is allocated.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill. Any remaining amount is then allocated to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are reversed if the loss no longer exists for all property, plant and equipment and intangible assets with the exception of goodwill where impairment losses are not reversed.

Significant judgement and estimation uncertainty

The valuation of intangible assets in connection with business combinations and the testing of intangible assets for impairment will to a large extent be based on estimated future cash flows. Correspondingly, the expected useful lives and residual values included in the calculation of depreciation and amortisation will be based on estimates.

The Group has activities within established media, but is also active in establishing positions at an early point in time in new media channels through both business combinations and its own start-ups. Estimates related to future cash flows and the determination of discount rates to calculate present values are based on management's expectations on market developments, the competitive situation, technological development, the ability to realise synergies, interest rate levels and other relevant factors.

The risk of changes in expected cash flows that affect the financial statements will naturally be higher in markets in an early phase and be more limited in established markets. Furthermore, the risk of changes will be significantly higher in periods with uncertain macroeconomic prognosis.

The structural changes in media consumption, with accelerated migration from print to digital results in pressure on profits and cash flows for the media houses in Norway and Sweden. Rapid adaption of the business model and cost base is required to be relevant and profitable in the digital future. Inability to convert print cash flows to digital cash flows can consequently lead to a negative adjustment to the Group's cash flows.

Goodwill and trademarks with indefinite expected useful life specified on cash-generating units

		Goodwill		Trademarks, indefinite	
	Operating segment	**2019**	**2018**	**2019**	**2018**
Marketplace operations France	Adevinta	4,955	3,846	969	936
Marketplace operations Spain	Adevinta	3,407	3,436	186	180
Marketplace operations Chile	Adevinta	574	601	60	63
Marketplace operations France, Italy, Austria, Germany and UK*	Adevinta	16	542	226	228
Marketplace operations Ireland	Adevinta	370	374	159	160
Marketplace operations Spain, Italy and Mexico	Adevinta	-	-	1,272	1,282
Marketplace operations Mexico	Adevinta	77	286	-	-
Marketplace operations Sweden	Nordic Marketplaces	834	692	-	-
Marketplace operations Norway	Nordic Marketplaces	487	487	-	-
Subscription-based newspapers Norway	News Media	165	237	347	431
Other CGUs		1,342	1,227	144	145
Total		**12,227**	**11,729**	**3,363**	**3,426**

*Goodwill reclassified to primarily Marketplace Operations France in 2019 to reflect the operating segments within Adevinta after the spin-off.

Impairment testing / Impairment assessments

Schibsted recognised impairment losses related to goodwill of NOK 247 million in 2019 and NOK 601 million in 2018. Impairment loss of NOK 227 million is related to marketplace operations in Mexico and NOK 19 million related to Mötesplatsen in Sweden.

The carrying amounts of goodwill and other intangible assets with indefinite useful lives are disclosed above. Recoverable amounts of cash generating units are estimated based on value in use. Discount rates applied takes into consideration the risk-free interest rate and risk premium for the relevant country as well as any business specific risks not reflected in estimated cash flows. Expected sustained growth reflects expected growth for the relevant market.

In estimating cash flows used in calculating value in use, consideration is given to the competitive situation, current developments in revenues and margins, trends and macroeconomic expectations for the relevant area of operations. The media houses in Norway and Sweden are experiencing pressure on profits and cash flows from the structural changes in media consumption while marketplace operations continue to experience good growth. Schibsted has goodwill related to cash generating units in certain markets that presently recognise negative or low profitability due to large investments in market positions and immature monetization rates. Such units are dependent on future growth in profitability to recover goodwill.

For the marketplace operations in France and Spain, recoverable amount is significantly higher than the carrying amount.

The structural digital shift is continuing but Schibsted remains focused on digital product development combined with cost adaptions aiming at producing healthy cash flows and operating margins.

Information on effect of changes in significant assumptions is included below for operations with a higher risk that a reasonable change in the significant assumptions could lead to an impairment.

Value in use of the marketplace operations in Mexico is calculated using a pretax weighted average discount rate of 16.29 % and sustained growth of 2.5% in 2019. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2019 as follows:

Pre-tax discount rate	+1%	(12)
	(1%)	15
Sustained growth	+1%	7
	(1%)	(6)

Value in use of the marketplace operations in Chile is calculated using a pretax weighted average discount rate of 10.26% and sustained growth of 2.5% after the budget period. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2019 as follows:

Pre-tax discount rate	+1%	(109)
	(1%)	143
Sustained growth	+1%	117
	(1%)	(84)

An increase in pre-tax discount rate of one percentage point or a decrease in sustained growth of one percentage point in Chile would have not resulted in any impairment loss having to be recognised. The recoverable amount is also significantly affected by assumptions used for future cash flows which are uncertain.

For all cash-generating units pre-tax discount rates are determined by country and are in the range between 8.2% and 16.29%. Sustained growth is determined by cash generating unit and does not exceed 2.5%.

Note 17 - Intangible assets

Principle

Intangible assets are measured at its cost less accumulated amortisation and accumulated impairment losses. Amortisation of intangible assets with a definite useful life is allocated on a systematic basis over its useful life. Intangible assets with an indefinite useful life are not amortised. Costs of developing software and other intangible assets are recognised as an expense until all requirements for recognition as an asset are met. The requirements for recognition as an asset include, among other requirements, the requirement to demonstrate probable future economic benefits and the requirement that the cost of the asset can be measured reliably. Costs incurred after the time that all the requirements for recognition as an asset are met are recognised as an asset. The cost of an internally generated intangible asset is the sum of expenditure incurred from the time all requirements for recognition as an asset are met and until the time the asset is capable of operating in the manner intended by management.

Subsequent expenditure incurred in the operating stage to enhance or maintain an intangible asset are normally recognised as an expense as the requirement to demonstrate probable increased economic benefits will normally not be met.

Intangible assets with a finite expected useful life are as a general rule amortised on a straight line basis over the expected useful life. The amortisation period of software and licenses is normally 3 years, and 1.5-10 years is used for Other intangible assets. The amortisation method, expected useful life and any residual value are assessed annually.

Significant judgement and estimation uncertainty

Schibsted has significant activities related to developing new technology to facilitate digital transformation and the strategy of forming identity-based ecosystems and products that improve the ability to offer targeted advertising and personalised products for customers within both online marketplaces and news. Costs of developing such technology is expensed until all requirements for recognition as an asset is met. When requirements for recognition as an asset are met, the costs are capitalised. The requirements for recognition as an asset include the requirement to demonstrate probable future economic benefits and the requirement that the cost of the asset can be measured reliably. Determining whether cost shall be charged to expense or be recognised as an asset based on the existing requirements involves the use of judgement by management.

Development in net carrying amount in 2019	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	11,729	3,426	12	1,228	126	16,521
Additions	-	-	-	672	1	673
Acquired through business combinations	894	41	30	334	43	1,342
Disposals	-	-	-	(3)	-	(4)
Reclassified as held for sale	(16)	(82)	-	(1)	-	(99)
Reclassification	-	8	(8)	(8)	(1)	(10)
Amortisation	-	-	(3)	(550)	(44)	(597)
Impairment loss	(247)	-	-	(31)	-	(278)
Foreign exchange differences	(132)	(30)	-	(14)	(2)	(179)
As at 31 December	**12,227**	**3,363**	**30**	**1,627**	**122**	**17,369**
Of which accumulated cost	15,211	3,371	127	4,313	412	23,433
Of which accumulated amortisation and impairment loss	(2,983)	(8)	(97)	(2,686)	(289)	(6,064)

Development in net carrying amount in 2018	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	12,249	3,408	10	1,150	166	16,983
Additions	-	-	1	658	2	660
Acquired through business combinations	87	-	-	3	8	98
Disposals	-	-	-	(1)	-	(1)
Reclassification	-	-	3	(3)	-	-
Amortisation	-	-	(1)	(426)	(49)	(476)
Impairment loss	(601)	(5)	-	(137)	-	(743)
Foreign exchange differences	(7)	23	-	(16)	(1)	(1)
As at 31 December	**11,729**	**3,426**	**12**	**1,228**	**126**	**16,521**
Of which accumulated cost	14,523	3,440	260	3,460	369	22,051
Of which accumulated amortisation and impairment loss	(2,794)	(13)	(248)	(2,232)	(243)	(5,530)

Additions in software and licenses mainly consists of internally developed intangible assets. Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognised as an expense when incurred. Such investments and maintenance of existing software reduced Gross operating profit by NOK 1,369 million in 2019 and NOK 1,245 million in 2018. For information on impairment loss on goodwill see note 16. For information regarding amortisation of right-of-use assets, see note 31.

Note 18 - Property, plant and equipment and investment property

Principle

Property, plant and equipment are measured at its cost less accumulated depreciation and accumulated impairment losses.

Property that is not owner-occupied, but held to earn rentals or for capital appreciation is classified as investment property. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount (cost less residual value) of property, plant and equipment is allocated on a systematic basis over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

Costs of repairs and maintenance are recognised in profit or loss as incurred. Cost of replacements and improvements are recognised in the carrying amount of the asset.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no economic benefits are expected from its use or disposal. Gain or loss arising from derecognition is included in profit or loss when the item is derecognised.

Property, plant and equipment and investment properties excluding land are depreciated on a straight-line basis over their estimated useful life. Depreciation schedules reflect the assets' residual value. Items of property, plant and equipment where material components can be identified with different useful life are depreciated over the individual component's expected useful life. Buildings (25-50 years), Plant and machinery (5-20 years), Equipment, furniture and similar assets (3-10 years). The depreciation method, expected useful life and any residual value are reviewed annually.

Development in net carrying amount in 2019	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	192	64	102	511	869
Additions	2	-	22	211	235
Acquired through business combinations	-	-	-	6	6
Disposals	(13)	(1)	-	(4)	(17)
Reclassified as held for sale	-	-	-	(8)	(8)
Reclassification	(64)	40	(2)	37	10
Depreciation	(10)	-	(26)	(213)	(250)
Impairment loss	-	-	-	(2)	(2)
Foreign exchange differences	-	-	-	6	6
As at 31 December	**106**	**103**	**95**	**545**	**849**
Of which accumulated cost	279	171	1,701	1,384	3,535
Of which accumulated depreciation and impairment loss	(173)	(68)	(1,606)	(840)	(2,686)

Development in net carrying amount in 2018	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	209	67	149	564	989
Additions	4	-	6	146	156
Acquired through business combinations	-	-	-	1	1
Disposals	(3)	-	-	(10)	(13)
Reclassification	-	-	-	-	-
Depreciation	(18)	(3)	(53)	(182)	(256)
Impairment loss	-	-	-	(4)	(4)
Foreign exchange differences	-	-	-	(4)	(4)
As at 31 December	**192**	**64**	**102**	**511**	**869**
Of which accumulated cost	434	68	1,692	1,456	3,650
Of which accumulated depreciation and impairment loss	(242)	(4)	(1,590)	(945)	(2,781)

Investment properties

The investment properties consist of a former printing plant and associated unused property reserve located in Stavanger (Norway). Fair values as at 31 December 2019 are not expected to deviate significantly from the carrying amount.

Note 19 - Trade receivables and other non-current and current assets

	Non-current		Current	
	2019	**2018**	**2019**	**2018**
Trade receivables, net (note 7 and 20)	-	-	1,927	1,880
Prepaid expenses	16	22	427	395
Income tax receivables	-	-	184	111
Loans to joint ventures and associates	17	-	21	59
Other shares (note 25)	154	55	3	-
Financial derivatives (note 25)	5	8	25	40
Other receivables	50	46	442	699
Inventories	-	-	17	15
Total	**241**	**131**	**3,047**	**3,199**

Note 20 - Trade receivables

	2019	**2018**
Trade receivables	2,059	1,984
Less provision for expected credit loss on trade receivables (note 25)	(132)	(104)
Trade receivables (net)	**1,927**	**1,880**

Aging of trade receivables by due date	**2019**	**2018**
Not due	1,376	1,310
Past due 0-45 days	409	387
Past due 46-90 days	88	118
Past due more than 90 days	186	168
Trade receivables	**2,059**	**1,984**

For information regarding receivables transferred from contract assets, see Note 7.

Note 21 - Financial liabilities related to business combinations and increases in ownership interests

Principle

When put options are granted by Schibsted to holders of non-controlling interests, Schibsted determines and allocates profit (loss), other comprehensive income and dividends paid to such non-controlling interests. Accumulated non-controlling interests are derecognised as if the non-controlling interest was acquired at the balance sheet date and a financial liability reflecting the obligation to acquire the non-controlling interest is recognised. The liability is measured at fair value calculated as the present value of the redemption amount. The net amount recognised or derecognised is accounted for as an equity transaction. In the Consolidated statement of changes in equity, such amounts are included in the line item initial recognition and change in fair value of non-controlling interests' put options.

The accounting policy for contingent consideration is disclosed in note 4 Changes in the composition of the Group.

Significant judgement and estimation uncertainty

The liabilities are measured at fair value which is based on the best estimate of future considerations. The estimates take into account the principles for determination of the consideration in the existing agreements. The estimates take further into account, when relevant, management's expectations regarding future economic development used in determining recoverable amount in impairment tests. The estimate can be changed in future periods as the consideration to be paid is dependent upon future fair value as well as future results. Estimation uncertainty is significantly reduced due to settlement of non-controlling interest put option in January 2019.

	Non-controlling interests' put options		Contingent considerations	
Development in net carrying amount	**2019**	**2018**	**2019**	**2018**
As at 1 January	1,039	924	-	1
Additions	8	-	169	-
Settlement	(975)	(102)	-	(1)
Change in fair value recognised in equity	8	198	-	-
Interest expenses	1	9	2	-
Foreign exchange differences	(20)	10	2	-
As at 31 December	**61**	**1,039**	**173**	**-**
Of which non-current (note 22)	23	29	150	-
Of which current (note 22)	38	1,010	24	-
The maturity profile of the financial liabilities				
Maturity within 1 year	38	1,010	24	-
Maturity between 1 and 2 years	23	29	19	-
Maturity between 2 and 5 years	-	-	130	-

The requirement to settle the liability recognised for non-controlling interests' put options is contingent on the non-controlling interest actually exercising their options. For agreements where an option can be exercised over a period, the actual settlement may occur in later periods than presented in the maturity profile.

In January 2019 Schibsted acquired the remaining 10% of Adevinta Spain S.L (previously SCM Spain S.L) for EUR 100 million. The non-controlling interests' put option related to Finderly GmbH was settled in 2018.

The most significant liability related to contingent considerations in 2019 is related to shareholdings in Qasa AB.

Note 22 - Other non-current and current liabilities

Principle

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The provision is calculated on the basis of the best estimate of anticipated expenses. If the effect is material, anticipated future cash flows will be discounted, using a current pre-tax interest rate that reflects the risks specific to the provision.

Contingent liabilities are liabilities not recognised as it is not yet confirmed that the Group has a present obligation, or a present obligation for which it is not probable that an outflow of resources will be required to settle the obligation, or it is not possible to make a sufficiently reliable estimate of the obligation.

Contingent liabilities are disclosed unless the probability that an economic settlement will be required to settle the obligation is remote.

Significant judgement and estimation uncertainty

The Group may from time to time be subject to various legal proceedings, disputes and claims including regulatory discussions related to the Group's business, investments etc., of which the outcomes are subject to significant uncertainty. Management applies significant judgement when evaluating the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable or a reasonable estimate could not be made, or increase or decrease an amount accrued for a matter in previous reporting periods.

	Non-current		Current	
	2019	**2018**	**2019**	**2018**
Financial liabilities related to non-controlling interests' put options (note 21)	23	29	38	1,010
Contingent considerations business combinations (note 21)	150	-	24	-
Deferred consideration related to business combinations	-	-	66	-
Liabilities to joint ventures and associates	16	-	-	-
Trade payables	-	-	735	1,010
Public duties payable	-	-	826	751
Accrued salaries and other employment benefits	22	17	899	845
Accrued expenses	-	-	666	497
Provision for restructuring costs	59	82	70	81
Financial derivatives (note 25)	45	70	25	71
Other liabilities	40	45	312	309
Total	**355**	**242**	**3,660**	**4,575**

Contingent liabilities

The French Digital Services Tax legislation (DST) was enacted in July 2019 and retrospectively applies to digital services revenue as of 1 January 2019. If applicable for Schibsted Group (including Adevinta Group), the DST will negatively impact the Group's Gross operating profit. The DST amount payable is deductible for corporate income tax purposes. The French tax authorities have not yet published final administrative guidelines regarding the scope of the DST law. Due to its complexity and the absence of final guidelines, the assessment of whether DST is applicable to Schibsted Group (including Adevinta Group) is highly uncertain. However, management currently assesses that it is more likely than not that DST is not applicable and hence no provision has been recognized for DST as at 31 December 2019. The main uncertainties relate to whether the services which Schibsted Group (including Adevinta Group) provide to its users are within the scope of the DST. It is expected that should the final guidelines and interactions with the French Tax Authorities conclude differently, the DST applicable to Schibsted Group (including Adevinta Group), should not exceed EUR 9 million for 2019.

Note 23 - Financial risk management

Capital management and funding

After the listing of Adevinta in April 2019, financing is done on a stand-alone basis for both Schibsted excluding Adevinta and Adevinta. The financial strategy and dividend policy also differ somewhat between the two companies. The following description applies to Schibsted excluding Adevinta. All amounts are consolidated figures for Schibsted group including Adevinta if not otherwise stated.

Schibsted aims to provide a competitive rate of return based on healthy finances. Schibsted targets to maximise the shareholders' return through long-term growth in the share price and dividend. The Group's dividend policy is to place emphasis on paying a stable to increasing dividend amount over time. In years when there is an economic slowdown, or for other reasons weaker cash flows of the company, the company may reduce or decide not to pay dividend.

The Group's strategy and vision imply a high rate of change and development of the Group's operations. Schibsted's capital structure must be sufficiently robust in order to maintain the desired freedom of action and utilise growth opportunities based on strict assessments relating to allocation of capital.

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile, see note 24 Interest-bearing borrowings. The most important funding sources are banks and the Norwegian bond market. Schibsted's objective is to be considered as an investment grade rated company over time (BBB- or better). Schibsted does not have an official credit rating, but has been rated by lenders in the past. Due to new regulations the banks have now discontinued such ratings. Schibsted will follow up on the requirement for rating going forward. The financial flexibility is good and the refinancing risk is considered as low.

Schibsted excluding Adevinta's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. According to the definition of the loan agreements, the ratios were 0.41 as at 31 December 2019 and 0.73 as at 31 December 2018 excluding the effects of IFRS 16. The target level is 1-3, but being in the higher end there should always be a plan on how to reduce the gearing back.

Available liquidity should at all times be equal to at least 10 % of expected annual revenues. Available liquidity refers to the Group's cash and cash equivalents and available long-term bank facilities.

Adevinta's Revolving Credit Facility contains financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. Adevinta was in compliance with the financial covenants as at 31 December 2019.

The Group's capital consists of net interest-bearing debt and equity:

	2019	2018
Non-current interest-bearing borrowings	4,729	3,837
Current interest-bearing borrowings	1,089	389
Cash and cash equivalents	3,866	1,844
Net interest-bearing debt	**1,951**	**2,383**
Group equity	16,882	14,673
Net gearing (net interest-bearing debt/equity)	0.12	0.16
Undrawn long-term bank facilities (note 24)	3,946	2,984

Financial risks

Schibsted is exposed to financial risks, such as currency risk, interest rate risk, credit risk and liquidity risk. Group Treasury is responsible for keeping the Group's exposure in financial risks in accordance with the financial strategy over time.

Currency risk

Schibsted has Norwegian kroner (NOK) as its base currency, but is through its operations outside Norway also exposed to fluctuations in the exchange rates of other currencies, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has currency risks linked to both balance sheet monetary items and net investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross currency swaps) to reduce this currency exposure. The loans in foreign currencies and the financial derivatives are managed actively in accordance with the Group's financial strategy. As at 31 December 2019 the Group had entered into several forward contracts and several interest rate and cross currency swap agreements.

Currency gains and losses relating to borrowings and forward contracts which hedge net investments in foreign operations are recognised in Other comprehensive income until the foreign operation is disposed of. Other currency gains and losses are recognised in the income statement on an ongoing basis as financial income or expenses.

As at 31 December 2019 and 31 December 2018 Schibsted has the following forward contracts, which all mature within 12 months:

		2019		2018	
	Currency	Amount	NOK	Amount	NOK
Forward contracts, sale	SEK	646	609	832	807
Forward contracts, sale	EUR	61	601	127	1,263
Forward contracts, sale	MXN	-	-	77	34
Forward contracts, buy	SEK	320	302	870	844
Forward contracts, buy	MXN	-	-	77	34

As at 31 December 2019 forward contracts for the sale of SEK 566 million and EUR 61 million are related to hedging of net investments in foreign operations. As at 31 December 2018 the corresponding figure was SEK 832 million. Fair value of the contracts accounted for as hedges was NOK 5 million as at 31 December 2019 and NOK (14) million as at 31 December 2018. Fair value of other forward contracts was NOK 3 million as at 31 December 2019 and NOK (22) million as at 31 December 2018.

Cash flows in foreign currencies relating to considerable investments or significant individual transactions are hedged by using financial instruments. At year-end the Group had no such contracts. The Group's foreign exchange exposure relating to operations is low, since most of the cash flows take place in the individual businesses' local currency.

As at 31 December 2019 Schibsted has the following cross currency swaps, which mature in 2020-2021:

	Currency	Currency payment		NOK to receive	
Cross currency swap	EUR	40	Euribor 3 months + margin	350	Nibor 3 months + margin
Cross currency swap	EUR	43	Euribor 3 months + margin	405	Nibor 3 months + margin

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The agreements are accounted for as hedges. The fair value of the agreements was NOK (60) million as at 31 December 2019 and NOK (89) million as at 31 December 2018.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. As at 31 December 2019 66% of the Group's interest-bearing debt and derivatives was in EUR. Similarly, 8% of the Group's interest-bearing debt and derivatives was in SEK. As at 31 December 2018 66% of the Group's interest-bearing debt and derivatives was in EUR and 3% was in SEK.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10% compared to the actual rate as at 31 December 2019 for SEK and EUR, the carrying amount of the Group's net interest-bearing debt and currency derivatives in total will change by approximately NOK 343 million. Such currency effects will have a limited effect on Group profits since changes in value will be tied to instruments hedging the net foreign investments or matching interest-bearing loans to non-Norwegian subsidiaries.

A change in exchange rates also affects the translation of net foreign assets to NOK. The equity effect of these changes is to some extent reduced by the Group's currency hedging, where changes in the value of net foreign assets are mitigated by changes in the value of the Group's foreign-denominated interest- bearing borrowings and currency derivatives.

Interest rate risk

Schibsted has floating interest rates on most of its interest-bearing borrowings according to the financial strategy, see note 24 Interest-bearing borrowings, and is thereby influenced by changes in the interest market. An increase of 1 percentage point in Schibsted's floating interest rate means a change in net interest expenses of approximately NOK 17 million.

Interest rate swap agreements have been entered into to swap the bonds issued in 2012 from fixed interest rates to floating interest rates based on Nibor 6 months with addition of a margin. An interest rate swap has also been entered into converting the floating rate note issued in December 2012 from Nibor 3 months with addition of a margin to Nibor 6 months with addition of a margin.

As at 31 December 2019 Schibsted has the following interest rate swap agreements in NOK million:

	Amount	Pay	Receive
Interest rate swap	250	Nibor 6 months + margin	5.4%
Interest rate swap	150	Nibor 6 months + margin	Nibor 3 months + margin

The fair value of the interest rate swap agreements was NOK 7 million as at 31 December 2019 and NOK 24 million as at 31 December 2018. The interest rate swaps involving fixed rates are accounted for as hedges with a corresponding loss related to the hedged item.

Credit risk
Trade receivables are diversified through a high number of customers, customer categories and markets. Trade receivables consist of a combination of prepaid subscription or advertisements and sales invoiced after delivery of the product. For some receivables there is no or very little credit risk (prepaid subscription and payments made by credit card at purchase date) and for other receivables the credit risk is higher. Credit risk will also vary among countries in which Schibsted operates. To some extent credit insurance is also used. In total the credit risk is considered as low. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31 December 2019 is disclosed in note 25 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in note 20 Trade receivables.

Schibsted has a conservative placement policy. Excess liquidity is temporarily placed in the Group's cash pool, in the short-term money market as well as with other core relationship banks. Schibsted requires all relationship banks to have a certain rating.

Liquidity risk
At year-end the Group's portfolio of loans and loan facilities is well diversified both regarding maturity profile and lenders.

As at 31 December 2019 Schibsted has a long-term liquidity reserve of NOK 7,811 million and net interest-bearing debt is NOK 1,951 million. The liquidity reserve corresponds to 41% of the Group's turnover. At the end of 2018 Schibsted's long-term liquidity reserve was NOK 4,828 million, and net interest-bearing debt was NOK 2,383 million, where the liquidity reserve corresponded to 27% of the Group's turnover. For Schibsted excluding Adevinta the long-term liquidity reserve was NOK 6,117 million and the net interest-bearing debt was NOK 667 million end of 2019.

The above risk factors may be affected by the Corona pandemic. For further details, see note 33.

Note 24 - Interest-bearing borrowings

	Carrying amount		Fair value [1]			
Non-current interest-bearing liabilities	**2019**	**2018**	**2019**	**2018**	**Currency**	**Coupon**
Bonds						
ISIN NO0010637275 (2012-2019)	-	300	-	302	NOK	5.9%
ISIN NO0010667843 (2012-2022)	250	250	270	273	NOK	5.4%
ISIN NO0010667850 (2012-2022)	150	150	158	157	NOK	FRN: Nibor 3 months + 250 bps
ISIN NO0010710569 (2014-2021)	600	600	605	602	NOK	FRN: Nibor 3 months + 110 bps
ISIN NO0010786866 (2017-2024)	500	500	506	494	NOK	FRN: Nibor 3 months + 120 bps
ISIN NO0010797533 (2017- 2020)	1,000	1,000	1,003	1,003	NOK	FRN: Nibor 3 months + 100 bps
ISIN NO0010797541 (2017-2023)	600	600	613	602	NOK	FRN: Nibor 3 months + 145 bps
ISIN NO0010797558 (2017-2023)	300	300	301	297	NOK	2.825%
Total bonds	**3,400**	**3,700**	**3,455**	**3,730**		
- of this current interest-bearing liabilities	1,000	300	1,003	302		
Bank loans	2,302	417	2,302	417		
Other loans	26	20	26	20		
Total non-current interest-bearing liabilities	**4,729**	**3,837**	**4,781**	**3,866**		
Current interest-bearing liabilities						
Bonds, maturity <1 year	1,000	300	1,003	302		
Bank loans, overdrafts	74	87	74	87		
Other loans	15	2	15	2		
Total current interest-bearing liabilities	**1,089**	**389**	**1,092**	**391**		
Total interest-bearing liabilities	**5,817**	**4,227**	**5,872**	**4,257**		

[1] The fair value of exchange-traded bonds is quoted prices, whereas book values are assumed to represent fair value for other loans.
Schibsted has issued two bonds with fixed interest rates that are hedged with interest rate swap agreements implying floating interest rates in practice for these bonds.
The nominal interest rate is not an expression of the Group's actual interest cost, as various interest rate swaps have been entered into.

Contractual amount in NOK million of interest-bearing borrowings breaks down as follows by currency:

	Interest-bearing liabilities 2019	2018
NOK	3,411	3,718
EUR	2,409	515
Other	1	-
Total contractual amount	**5,821**	**4,233**

Credit facilities

Schibsted excluding Adevinta has a long-term revolving credit facility of EUR 300 million. The facility was not drawn at the end of 2019. Adevinta also has a long-term revolving facility of EUR 300 million. This facility was drawn by EUR 200 million as at 31 December 2019. For both facilities, the lenders consist of Nordic and international banks. The facilities have interest terms based on Euribor with the addition of a margin and a commitment fee to maintain the facility's availability. The facilities are entered into on a stand-alone basis for both Schibsted excluding Adevinta and Adevinta.

Maturity profile interest-bearing liabilities and unutilised credit facilities (contractual amounts):

	Interest-bearing liabilities		Unutilised credit facilities	
	2019	**2018**	**2019**	**2018**
Maturity <3 months	-	-	-	-
Maturity 3 months-1 year	1,091	392	-	-
Maturity 1-2 years	695	1,097	-	-
Maturity 2-5 years	3,997	2,130	3,946	2,984
Maturity >5 years	38	615	-	-
Total contractual amount	**5,821**	**4,233**	**3,946**	**2,984**

The Group also holds cash pools and bank accounts with short-term credit lines. Unutilised credit lines on these accounts are not included in the table.

Guarantees

The Group has provided guarantees of NOK 2 million. The Group has no mortgage debt.

Note 25 - Financial instruments by category

Principle

The Group initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets and financial liabilities (including financial assets designated at fair value through profit or loss or other comprehensive income) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

The Group classifies at initial recognition its financial instruments in one of the following categories: Financial assets or financial liabilities at fair value through profit or loss, Financial assets at amortised cost, Equity instruments designated at fair value through OCI and Financial liabilities at amortised cost. The classification depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets or financial liabilities at fair value through profit or loss are financial assets and liabilities held for trading and acquired or incurred primarily with a view of sale or repuchase in the near term. Financial derivatives are included in the balance sheet items Trade receivables and other current assets, Other non-current assets, Other current liabilities and Other non-current liabilities. These financial assets and liabilities are measured at fair value when recognised initially, and transaction costs are charged to expense as incurred. Subsequently, the instruments are measured at fair value, with changes in fair value, including interest income, recognised in profit or loss as financial income or financial expenses, unless they are designated and effective hedging instruments.

Financial assets at amortised cost are assets giving rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. The category is included in the balance sheet items Other non-current assets, Trade receiavbles and other current assets and Cash and cash equivalents. Financial assets at amortised cost are recognised initially at fair value plus directly attributable transaction costs. Subsequently, the assets are measured at amortised cost using the effective interest method, reduced by any impairment loss. Effective interest related to financial assets at amortised cost is recognised in profit or loss as Financial income.

The carrying amounts of trade and other current payables are assumed to be approximately the same as their fair values, due to their short-term nature. Short-term loans and receivables are for practical reasons not amortised.

The Group classifies its investments in equity instruments as Financial assets at fair value through profit or loss unless an irrevocable election is made at initial recognition to classify as Equity instruments designated at fair value through OCI (FVOCI). Currently all equity instruments are classified as FVOCI. When designated as FVOCI, gains or losses are not recycled to profit or loss. Dividends are recognised in financial income. Carrying amount of investment in equity instruments is included in the balance sheet item Other non- current assets. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial liabilities not included in any of the above categories are classified as financial liabilities at amortised cost. The category other financial liabilities is included in the balance sheet items Non-current interest-bearing borrowings, Non-current lease liabilities, Other non-current liabilities, Current interest-bearing borrowings, Current lease liabilities and Other current liabilities. After initial measurement, financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Effective interest is recognised in income as financial expenses. Short-term financial liabilities are for practical reasons not amortised.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire and the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. Any rights and obligations created or retained in such a transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset and the net amount is presented in the Statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Schibsted has assessed at each balance sheet date the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of Expected Credit Loss (ECL) recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. The simplified approach using life- time ECL forms the basis for the assessment.

For Trade receivables and other current assets Schibsted has applied the practical expedient to the carrying amount through the use of an allowance account reflecting the lifetime expected credit losses. The loss is recognised as other operating expenses in the income statement. Impairment of all other financial assets are recognised as financial expenses.

Fair value of financial instruments is based on quoted prices at the balance sheet date in an active market if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. The fair value of listed securities is based on current bid prices. The fair value of unlisted securities is based on cash flows discounted using an applicable risk-free market interest rate and a risk premium specific to the unlisted securities. Fair value of forward contracts is estimated based on the difference between the spot forward price of the contracts and the closing rate at the date of the balance sheet. The forward rate addition and deduction is recognised as interest income or interest expense. Fair value of interest and currency swaps is estimated based on discounted cash flows, where future interest rates are derived from market-based future rates.

Financial assets and liabilities measured at fair value are classified according to valuation method:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Valuation based on inputs for the asset or liability that are unobservable market data.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Changes in fair value recognised in other comprehensive income is recognised in the line item Change in fair value of equity instruments. Changes in fair value recognised in profit or loss are presented in the line items Financial expenses, Financial income and Other income and expenses.

Hedges

On initial designation of a hedge, the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), including risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows for the respective hedged items during the period for which the hedge is designated.

In a fair value hedge, the gain or loss from remeasuring a derivative hedging instrument at fair value is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk is also recognised in profit or loss.

Gains or losses related to loans or currency derivatives in foreign currencies, designated as hedging instruments in a hedge of a net investment in a foreign operation, are recognised in other comprehensive income until disposal of the operation.

Significant judgement and estimation uncertainty

Certain financial instruments are measured at fair value. When no quoted market price is available, fair value is estimated using different valuation techniques.

Estimation uncertainty is significantly reduced due to settlement of non-controlling interest put option in January 2019, see note 32 for further information.

Carrying amount of financial assets and liabilities divided into categories:

31 December 2019	Note	Financial assets and liabilities at fair value through profit (loss)[1]	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial liabilities at amortised cost	Total
Other non-current assets	19	5	67	154	-	225
Trade receivables and other current assets	19, 20	25	2,391	3	-	2,419
Cash and cash equivalents		-	3,866	-	-	3,866
Total assets		**30**	**6,324**	**157**	**-**	**6,510**
Non-current interest-bearing borrowings	24	-	-	-	4,729	4,729
Other non-current liabilities	22	195	-	-	137	332
Current interest-bearing borrowings	24	-	-	-	1,089	1,089
Lease liabilities	31	-			2,544	2,544
Other current liabilities	22	49	-	-	2,727	2,776
Total liabilities		**244**	**-**	**-**	**11,226**	**11,470**

1) Including financial derivatives qualified for hedge accounting

31 December 2018	Note	Financial assets and liabilities at fair value through profit (loss)[1]	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial liabilities at amortised cost	Total
Other non-current assets	19	8	46	55	-	109
Trade receivables and other current assets	19, 20	40	2,638	-	-	2,678
Cash and cash equivalents		-	1,844	-	-	1,844
Total assets		**48**	**4,528**	**55**	**-**	**4,631**
Non-current interest-bearing borrowings	24	-	-	-	3,837	3,837
Other non-current liabilities	22	70	-	-	143	214
Current interest-bearing borrowings	24	-	-	-	389	389
Other current liabilities	22	71	-	-	2,685	2,756
Total liabilities		**141**	**-**	**-**	**7,054**	**7,196**

1) Including financial derivatives qualified for hedge accounting

The fair value of the Group's financial derivatives:

	Assets		Liabilities	
	2019	2018	2019	2018
Forward contracts	15	17	6	52
Interest rate and cross currency swaps	10	24	63	89
Warrants	5	8	-	-
Total	**30**	**48**	**70**	**141**

The Group's financial assets and liabilities measured at fair value, analysed by valuation method:

31 December 2019	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	157	157
Financial assets at fair value through profit or loss	-	30	-	30
Financial liabilities at fair value through profit or loss	-	244	173	417
Non-controlling interests'put options recognised in equity (note 21)	-	-	61	61

31 December 2018	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	55	55
Financial assets at fair value through profit or loss	-	48	-	48
Financial liabilities at fair value through profit or loss	-	141	-	141
Non-controlling interests'put options recognised in equity (note 21)	-	-	1,039	1,039

Changes in level 3 instruments:

	2019	2018
As at 1 January	(984)	(908)
Additions	(45)	48
Disposals	(27)	(9)
Settlements	975	103
Changes in fair value recognised in equity	(8)	(198)
Changes in fair value recognised in other comprehensive income	14	(12)
Changes in fair value recognised in profit or loss	(3)	(9)
As at 31 December	**(78)**	**(984)**

Note 26 - Number of shares

Principle

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Consideration paid or received is recognised directly in equity.

The transaction costs of issuing or acquiring own equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.

The development in share capital and other paid-in equity is set out in the Consolidated statement of changes in equity.

The development in the number of issued and outstanding shares:

	Number of A-shares			Number of B-shares			Total number of shares		
	Shares outstanding	Treasury shares	Issued	Shares outstanding	Treasury shares	Issued	Shares outstanding	Treasury shares	Issued
As at 31 December 2017	107,743,146	260,469	108,003,615	130,463,179	221,194	130,684,373	238,206,325	481,663	238,687,988
Increase in treasury shares	-	-	-	(105,000)	105,000	-	(105,000)	105,000	-
Decrease in treasury shares	4,242	(4,242)	-	223,550	(223,550)	-	227,792	(227,792)	-
As at 31 December 2018	**107,747,388**	**256,227**	**108,003,615**	**130,581,729**	**102,644**	**130,684,373**	**238,329,117**	**358,871**	**238,687,988**
Increase in treasury shares	(2,957,040)	2,957,040	-	(1,358,673)	1,358,673	-	(4,315,713)	4,315,713	-
Decrease in treasury shares	-	-	-	159,141	(159,141)	-	159,141	(159,141)	-
As at 31 December 2019	**104,790,348**	**3,213,267**	**108,003,615**	**129,382,197**	**1,302,176**	**130,684,373**	**234,172,545**	**4,515,443**	**238,687,988**

The share capital of Schibsted ASA is NOK 119,343,994 split on 108,003,615 A-shares with a nominal value of NOK 0.50 and 130,684,373 B-shares with a nominal value of NOK 0.50. The B-shares are carrying equal rights as A-shares in all respects except that the A-shares have 10 votes per share while the B-shares have one vote per share.

No shareholder may own more than 30% of the shares or vote for more than 30% of the total number of votes which may be cast under the Company's Articles of Association.

The Annual Shareholder's Meeting has given the Board authorisation to acquire up to 10% of the company's shares as treasury shares. The authorisation was renewed at the Annual Shareholder's Meeting on 3 May 2019 for a period until the Annual Shareholder's Meeting in 2020. In July 2019, the Board resolved to initiate a buyback of up to 2% of the outstanding shares. The purpose of the buybacks was to adjust capital structure, increase the number of treasury shares available for use in connection with settlement in share based long-term incentive schemes and the employee share saving plan, as well as settlement in acquisitions. At the Annual Shareholder's Meeting on 6 May 2020 the Board will propose a resolution to extend the authorisation for the Board to acquire and dispose of up to 10% of the share capital in Schibsted ASA according to the Norwegian Public Limited Liability Companies Act under the conditions evident from the notice of the Annual Shareholder's Meeting.

In 2019, Schibsted acquired 2,957,040 treasury A-shares and 1,358,673 treasury B-shares at a total purchase price of NOK 1,087 million.

Schibsted has in 2019 transferred a total of 54,783 treasury B-shares to key managers in connection with share-based payment plans. Fair value of treasury shares transferred was NOK 19 million.

In 2019, 104,358 treasury B-shares were sold in connection with an employee share saving plan. Total consideration was NOK 18 million.

Note 27 - Non-controlling interests

		2019				2018			
	Location	**Non-controlling interest (%)**	**Profit (loss) attributable to NCI**	**Accumulated NCI**	**Dividends paid to NCI**	**Non-controlling interest (%)**	**Profit (loss) attributable to NCI**	**Accumulated NCI**	**Dividends paid to NCI**
Adevinta group	Oslo, Norway	40.72%	179	6,260	36	n/a	3	139	32
Finn.no group	Oslo, Norway	9.99%	67	53	55	9.99%	63	59	43
Aftonbladet Hierta group	Stockholm, Sweden	9.00%	-	31	13	9.00%	7	45	13
Other		-	1	40	2	-	(6)	19	4
Total		**-**	**247**	**6,383**	**106**	**-**	**68**	**262**	**92**

Comparable figures for 2018 for Adevinta group consist of non-controlling interests in companies that are now part of Adevinta group, the major ones being Distilled SCH group, SCM Spain S.L and Finderly GmbH.

In connection with the listing of Adevinta ASA on the Oslo Stock Exchange in April 2019, Schibsted reduced its ownership share in Adevinta from 100% to 59.25% through a demerger and a sale of shares. In a demerger of Schibsted ASA, ownership of 35% of Adevinta was distributed to the shareholders of Schibsted. In a private placement, Schibsted sold shares representing 5.75% of the capital of Adevinta ASA. The ownership increased to 59.28% in November, when Adevinta’s A-shares and B-shares were combined.

The ownership share in Adevinta Spain S.L (previously SCM Spain S.L) was increased from 90% to 100% in January 2019.

When put options are granted by Schibsted to holders of non-controlling interests, the related accumulated non-controlling interest is derecognised.

Summarised financial information for subsidiaries with material non-controlling interests:

	Adevinta group		Finn.no group	
	2019*	**2018**	**2019**	**2018**
Cash and cash equivalents	708		727	755
Other current assets	1,652		227	276
Non-current assets excluding goodwill	8,603		398	95
Goodwill	9,921		488	488
Total assets	**20,884**		**1,839**	**1,613**
Current liabilities	2,259		1,009	1,049
Non-current liabilities	3,448		300	18
Total liabilities	**5,707**		**1,309**	**1,067**
Operating revenues	5,118		2,100	2,029
Gross operating profit (loss)	1,491		997	880
Profit (loss)	416		581	564
Comprehensive income	273		582	564
Net cash flow from operating activities	810		754	715
Net cash flow from investing activities	(1,199)		(24)	(56)
Net cash flow from financing activities	573		(757)	(496)
Net increase (decrease) in cash and cash equivalents	**184**		**(28)**	**163**

* Income statement and cash flow figures presented for Adevinta group are for the period 10 April to 31 December.

Note 28 - Supplemental information to the consolidated statement of cash flows

The following amounts of interest paid, and interest and dividend received are classified as cash flow from operating activities:

	2019	2018
Interest paid	(164)	(78)
Interest received	49	25
Dividends received	41	40

Aggregate cash flows arising from obtaining control of subsidiaries and businesses:

	2019	2018
Cash in acquired companies	164	56
Acquisition cost other current assets	114	10
Acquisition cost non-current assets	1,377	99
Aggregate acquisition cost assets	**1,654**	**165**
Equity and liabilities assumed	(371)	(72)
Contingent consideration paid	-	1
Contingent consideration deferred	(169)	-
Deferred consideration	(67)	-
Gross purchase price	**1,047**	**94**
Cash in acquired companies	(164)	(56)
Acquisition of subsidiaries, net of cash acquired	**884**	**38**

Aggregate cash flows arising from losing control of subsidiaries and businesses:

	2019	2018
Cash in sold companies	2	-
Carrying amount other current assets	1	3
Aggregate carrying amount assets	**3**	**3**
Equity and liabilities transferred	(2)	(2)
Gain (loss)	(1)	5
Gross sales price	**1**	**6**
Fair value of retained equity interest	-	(5)
Cash in sold companies	(2)	-
Proceeds from sale of subsidiaries, net of cash sold	**(1)**	**1**

Change in ownership interests in subsidiaries consists of:

	2019	2018
Decrease in ownership interest	3,022	13
Increase in ownership interest - from settlement of put options	(975)	(108)
Increase in ownership interest - from other transactions	(82)	(1)
Change in ownership interests in subsidiaries	**1,964**	**(97)**

Changes in liabilities arising from financing activities:

	Interest-bearing borrowings	Financial derivatives	Put obligations	Lease liabilities
As at 1 January 2019	4,227	89	1,039	-
Change in accounting policies	-	-	-	2,094
Cash flow from financing activities				
- New interest-bearing loans and borrowings	1,951	-	-	-
- Repayment of interest-bearing loans and borrowings	(396)	(9)	-	-
- Payment of principal portion of lease liabilities	-	-	-	(438)
- Change in ownership interests in subsidiaries	-	-	(975)	-
Additions	-	-	8	913
Business combinations and loss of control	14	-	-	23
Reclassified as held for sale	-	-	-	(33)
Foreign exchange differences	19	(17)	(20)	(10)
Changes in fair value	-	-	8	-
Other	3	-	1	(5)
As at 31 December 2019	**5,817**	**63**	**61**	**2,544**

	Interest-bearing borrowings	Financial derivatives	Put obligations
As at 1 January 2018	4,240	75	924
Cash flow from financing activities			
- New interest-bearing loans and borrowings	(19)	29	-
- Change in ownership interests in subsidiaries	-	-	(102)
Business combinations and loss of control	2	-	-
Foreign exchange differences	6	(15)	10
Changes in fair value	-	-	198
Other	(2)	-	9
As at 31 December 2018	**4,227**	**89**	**1,039**

Note 29 - Transactions with related parties

Schibsted ASA has direct and indirect control of around 230 entities in various parts of the world, including entities in Adevinta Group. Directly-owned subsidiaries are presented in Note 7 to Schibsted ASA's financial statements.

Schibsted has ownership interests in joint ventures and associates. For loans to joint ventures and associates see note 19 Other non-current and current assets. For loans from joint ventures and associates, see note 22 Other non-current and current liabilities.

Schibsted has in 2019 entered into an agreement with Polaris Media to sell the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. The transaction was closed in January 2020. Schibsted has a 29% ownership in Polaris Media, which is accounted for as an associated company using the equity method. For further information see note 32 Assets held for sale .

For remuneration to management, see note 9 Personnel expenses and remuneration.

Note 30 - Auditors' remuneration

Details on fees to the Group's auditors for the fiscal year 2019 (excl. VAT):

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted Group					
EY	17	7	8	2	34
Other auditors	2	-	1	1	4
Total	**19**	**7**	**9**	**3**	**38**
Schibsted ASA					
EY	2	5	3	2	12

Details on fees to the Group's auditors for the fiscal year 2018 (excl. VAT):

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted Group					
EY	15	1	6	8	30
Other auditors	1	-	-	-	1
Total	**16**	**1**	**6**	**8**	**31**
Schibsted ASA					
EY	1	-	4	2	7

Note 31 - Leases

Principle

Schibsted assesses at contract inception whether a contract is, or contains, a lease. For short-term leases and leases of low-value assets, lease payments are recognised on a straight-line basis or other systematic basis over the lease term. All other leases are accounted for under a single on-balance sheet model implying recognition of lease liabilities and right-of-use assets as further described below. The Group separates non-lease components from lease components and accounts for each component separately.

At the commencement date of a lease, a lease liability is recognised for the net present value of remaining lease payments to be made over the lease term. The present value is calculated using the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. The lease term is the non-cancellable period of the lease together with periods covered by an option to extend being reasonably certain to be exercised by the Group and periods covered by an option to terminate being not reasonably certain to be exercised by the Group. Lease payments include penalties for terminating leases if the lease term reflects the exercise of such an option.

At the commencement date of a lease, a right-of-use asset, representing the right to use the underlying asset during the lease term, is recognised at cost. The cost of the right-of-use asset includes the amount of the lease liability recognised, any initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received.

Lease liabilities are subsequently increased by interest expenses and reduced by lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term or a change in the future lease payments.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Schibsted mainly has lease contracts for office buildings and vehicles used in its operations. For most leases of office equipment, like personal computers, photocopiers and coffee machines Schibsted has applied the recognition exemption for leases of low-value assets (below NOK 50 000).

Leases of office buildings generally have lease terms between 3 and 15 years, while motor vehicles generally have lease terms between 3 and 5 years.

Significant judgement and estimation uncertainty

The group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Schibsted cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. IBR is estimated using observable inputs, such as market interest rates, when available. It is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating.

Effects of implementing new accounting standard on leases

Schibsted has implemented IFRS 16 Leases with effect from 1 January 2019. IFRS 16 replaces IAS 17 Leases and related interpretations and sets out the principles for recognition, measurement, presentation and disclosure of leases. See principle section above for a summary of the new accounting policies.

Under IAS 17, lease payments for operating leases were recognised on a straight-line or other systematic basis over the lease term. Implementation of IFRS 16 caused the lease expense to change from being linear over the lease term to being declining over the lease term. The lease expense changed classification from operating expenses to a combination of depreciation and interest expenses.

IFRS 16 Leases was implemented retrospectively by using the modified retrospective approach with the accumulated effect of implementation charged against equity at 1 January 2019. Comparable figures for previous periods were not restated.

At the date of initial application, the right-of-use assets of significant office leases were measured as if IFRS 16 had been applied since the commencement date of the related lease. For other leases, the right-of-use asset was measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments at 31 December 2018. Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application. Certain leases with a remaining lease term of less than 12 months at the date of initial application were accounted for similarly as short-term leases.

The Group has, as an alternative to performing an impairment review at the date of initial application, used the practical expedient of IFRS 16 to adjust the carrying amount of right-of-use assets by any provisions for onerous lease contracts recognised under IAS 37 at 31 December 2018.

The lease liability related to leases in force at the date of initial application was measured applying the incremental borrowing rate as of that date. The weighted average incremental borrowing rate was 3.5% at the implementation date.

Below is presented the effects on the condensed consolidated income statement, statement of financial position and statement of cash flows of applying IFRS 16 Leases compared to the amounts that would have been reported applying the former accounting policies applied until 31 December 2018:

Income statement	2019
Other operating expenses	479
Gross operating profit (loss)	479
Depreciation and amortisation	(407)
Other income and expenses	(5)
Operating profit (loss)	67
Net financial items	(76)
Profit (loss) before taxes	**(10)**
Taxes	2
Profit (loss)	**(7)**
Earnings per share in NOK - basic	(0.02)
Earnings per share in NOK - diluted	(0.02)

Statement of financial position	31 December 2019	1 January 2019
Right-of-use assets	2,317	1,826
Investments in joint ventures and associates	(4)	(5)
Deferred tax assets	32	31
Trade receivables and other current assets	(29)	(10)
Reclassified as held for sale	18	-
Total assets	**2,334**	**1,843**
Equity attributable to owners of the parent	(131)	(131)
Non-controlling interests	(8)	(2)
Deferred tax liabilities	(7)	(6)
Non-current lease liabilities	2,192	1,690
Other non-current liabilities	(26)	(32)
Current lease liabilities	352	403
Other current liabilities	(57)	(80)
Reclassified as held for sale	17	-
Total equity and liabilities	**2,334**	**1,843**

Statement of cash flows	2019
Net cash flow from operating activities	438
Net cash flow from financing activities	(438)

The following table provides a reconciliation from operating lease commitments as of 31 December 2018 under IAS 17 and lease liabilities recognised in the statement of financial position as of 1 January 2019:

Future minimum payments under non-cancellable operational leases as at 31 December 2018 (IAS 17)	**2,740**
Effect from discounting of operating lease commitments	(208)
Commitments relating to short-term leases	(5)
Commitments relating to leases of low-value assets	(2)
Lease payments relating to option periods not included in operating lease commitments as at 31 December 2018	134
Leases not yet commenced	(564)
Lease liabilities as at 1 January 2019	**2,094**

Effects of leases on the consolidated statements

The Group's leases are primarily related to office buildings. Leases of a printing plant, cars and forklifts are also recognised, while leases of office equipment, like personal computers, photocopiers and coffee machines to a large degree are considered of low value and not included. Variable lease payments are insignificant.

The most significant leases are:

Address	User of the office building	End of lease term
Akersgata 55, Oslo	Norwegian group companies (Aftenposten, VG, headquarter functions)	2030
Västra Järnvägsgatan 21, Stockholm	Swedish group companies (Blocket, Aftonbladet, Svenska Dagbladet, Lendo)	2023
Grensen 5-7, Oslo	Finn.no	2030
Sandakerveien 121, Oslo	Schibsted Trykk Oslo	2025
Ciudad de Granada 150, Barcelona	Adevinta Spain	2028
85 Rue de Faubourg Saint Martin, Paris	Adevinta France	2026

Income statement

The following amounts relating to leases are recognised in profit or loss:

	2019
Expense related to short-term leases	(9)
Expense related to leases of low value assets	(1)
Gross operating profit (loss)	**(10)**
Depreciation of right-of-use asset	(407)
Operating profit (loss)	**(417)**
Interest expense on lease liabilities	(77)
Profit (loss) before taxes	**(494)**

Statement of financial position

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	Buildings and land	Equipment, furniture and similar assets	Total
As at 1 January 2019	1,798	29	1,826
Additions	908	4	913
Acquired through business combinations	22	1	23
Partial or full termination	(6)	(1)	(6)
Reclassified as held for sale	(18)	-	(18)
Depreciation	(391)	(17)	(407)
Foreign exchange differences	(13)	-	(13)
As at 31 December 2019	**2,301**	**16**	**2,317**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 1 January 2019	**2,094**
Additions	913
Acquired through business combinations	23
Partial or full termination	(6)
Reclassified as held for sale	(33)
Lease payments	(515)
Accretion of interest	77
Foreign exchange differences	(10)
As at 31 December 2019	**2,544**
Of which current	352
Of which non-current	2,192

The addition in 2019 is mainly related to extension of the contracts for Akersgata 55 and Grensen 5-7.

The table below summarises the maturity profile of lease liabilities based on contractual undiscounted payments:

<3 months	80
3 months to 1 year	347
1 to 2 years	453
2 to 5 years	1,068
>5 years	931
Total	**2,879**

Statement of cash flows

The following amounts related to leases are recognized in the statement of cash flows:

	2019
Net cash flow from operating activities	(87)
Net cash flow from financing activities	(438)
Total	**(525)**

The principal portion of lease payments are classified as cash flow from financing activities. The interest portion of lease payments are classified as cash flow from operating activities together with lease payments related to short-term and low-value leases.

Future cash outflows in which Schibsted is potentially exposed to that are not reflected in the lease liability

The group has entered into lease contracts that have not yet commenced as at 31 December 2019. The future lease payments for the non-cancellable lease periods are:

Within one year	8
Between one and five years	252
More than five years	243
Total	**503**

Set out below are the potential future lease payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Between one and five years	More than five years	Total
Extension options expected not to be exercised	26	2,236	2,262
Termination options expected to be exercised	122	215	337
Total	**148**	**2,451**	**2,599**

The Group has certain contracts with infinitely recurring renewal periods that are not included in the table. Yearly payments for these contracts after end of lease term (2024) are NOK 69 million.

Expenses related to short-term leases are expected to remain insignificant in 2020.

Note 32 - Held for sale

Principle

An asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use.

A disposal group includes assets to be disposed of, by sale or otherwise, together in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

A asset or a disposal group classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Assets and liabilities held for sale

In September 2019, Schibsted entered into an agreement with Polaris Media to sell the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. The transaction was closed in January 2020. Assets and liabilities related to these operations are presented separately in the Statement of financial position in the line items Assets held for sale and Liabilities held for sale. Schibsted has a 29% ownership in Polaris Media, which is accounted for as an associated company using the equity method.

The following assets and liabilities were reclassified as held for sale as at 31 December 2019:

	2019
Assets	
Intangible assets	99
Property, plant and equipment	8
Right-of-use assets	18
Deferred tax assets	14
Trade and other current receivables	16
Other current assets	2
Assets held for sale	**157**
Liabilities	
Deferred tax liabilities	18
Pension liabilities	26
Other non-current liabilities	1
Income tax payable	1
Lease liabilities	33
Other current liabilities	59
Liabilities held for sale	**138**
Net assets directly associated with disposal group	**19**

Note 33 - Events after the balance sheet date

Sale of newspaper operations in Agder

In January 2020 Schibsted finalised the sale of the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. Assets and liabilities related to these operations are presented separately in the Statement of financial position in the line items Assets held for sale and Liabilities held for sale as of 31 December 2019 (see note 32). Schibsted has a 29% ownership in Polaris Media, which is accounted for as an associated company using the equity method.

Refinancing of the Revolving Credit Facility in Adevinta

On 25 February 2020, Adevinta completed the refinancing of its existing EUR 300 million bank facility with EUR 600 million multi-currency Term Loan and Revolving Credit Facilities. The Facilities include an accordion increase option, which provides flexibility for the parties to agree an increased size by an additional EUR 120 million during the term of the Facilities. The Revolving Credit Facility has a tenor of five years with two one-year extension options, whilst the Term Loan component has a tenor of three years. The multi-currency Term Loan will be converted to EUR through a cross-currency swap.

OLX Brazil acquires Grupo ZAP

On 3 March 2020 Adevinta announced that OLX Brazil, the 50/50 joint venture between Adevinta ASA and Prosus NV has entered into an agreement to acquire 100% of the shares of Grupo ZAP for a total cash amount of approximately BRL 2.9 billion. The investment will be equally financed by OLX Brazil's two existing shareholders, with Adevinta financing its share through existing bank facilities. The transaction is subject to approval by Brazil's Antitrust Agency (CADE) and other customary closing conditions. Closing is expected in the second half of 2020.

The Corona pandemic

Over the first days and weeks of March 2020, it became increasingly apparent that the coronavirus was not only causing a global medical crisis, but also a financial one.

It is still too early to say how severe the coronavirus pandemic will affect Schibsted and our business, but there is no doubt that it will negatively impact our results for 2020.

Most exposed to the effects of the coronavirus pandemic and the macro slowdown are the travel and job vertical in Nordic Marketplaces and advertising revenues for Schibsted in general. The latter is particularly important for News Media but affects all of our businesses. The severe measures taken by governments to reduce the spread of the coronavirus will, though primarily shorter term, also affect volumes negatively in parts of Schibsted normally more resilient to an economic downturn. This also applies for the real estate and car verticals within Nordic Marketplaces. In addition, the print newspaper business experiences severe negative volume effects.

Schibsted had at year-end a low net interest-bearing debt and a well-diversified portfolio of loans and loan facilities regarding maturity profile and lenders. Measures implemented, including reductions in costs and dividends, will reduce any negative effects on financial flexibility and covenants. Schibsted still considers liquidity and refinancing risk to be low.

Depending on the duration of the Corona pandemic, and to what extent the business is affected in the medium to longer term, it may have an impact on assumptions applied for calculating the recoverable amount for fixed and intangible assets, including goodwill.

Management is following the development closely and is preparing and implementing measures to hamper the slowdown and to adjust to the development going forward.

Definitions and reconciliations

The 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 2019, and effected APMs are restated retrospectively to give comparable information. See note 6 Operating Segments for more information.

Alternative Performance Measures

Measure	Description	Reason for including
EBITDA	EBITDA is earnings before depreciation and amortisation, 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	2019	2018
Gross operating profit (loss)	3,906	3,268
= EBITDA	3,906	3,268

Measure	Description	Reason for including
EBITDA excl. IFRS 16	EBITDA is earnings before depreciation and amortisation, other income and expenses, impairment, joint ventures and associates, interests, taxes, and excluding effects from implementation of IFRS 16. This measure equals gross operating profit (loss) adjusted for IFRS 16 effects. IFRS 16 effects (see note 31) consist mainly of office rent which is reducing the current year's APM in order for comparable treatment to prior year.	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 and effects from recently implemented standards. Management believes the measure enables an evaluation of operating performance.
EBITDA margin excl. IFRS 16	Gross operating profit (loss) excl. IFRS 16 / Operating revenues. IFRS 16 effects consist mainly of office rent costs which reduce current year's measure in order for comparability to prior period.	Shows the operations' performance regardless of capital structure, tax situation and effects from IFRS 16 implementation as a ratio to operating revenue.

Reconciliation of EBITDA excl. IFRS 16	2019	2018
Gross operating profit (loss)	3,906	3,268
IFRS 16 effects	(479)	-
= Gross operating profit (loss) excl. IFRS 16	3,427	3,268
= EBITDA excl. IFRS 16	3,427	3,268

Measure	Description	Reason for including
Underlying tax rate	Underlying tax rate is calculated as 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.	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	2019	2018
Profit (loss) before taxes	1,948	1,681
Share of profit (loss) of joint ventures and associates	(1)	(60)
Basis for changes in unrecognised deferred tax assets	457	1,035
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(6)	(13)
Impairment losses	247	731
Adjusted tax base	2,645	3,375
Taxes	752	965
Underlying tax rate	**28.4 %**	**28.6 %**

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.

Reconciliation of liquidity reserve	2019	2018
Cash and cash equivalents	3,866	1,844
+ Unutilised drawing rights	3,946	2,984
= Liquidity reserve	**7,811**	**4,828**

Measure	Description	Reason for including
Net interest-bearing debt	Net interest-bearing debt is defined as interest-bearing borrowings less cash and cash equivalents and cash pool holdings. Interest-bearing 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.

Reconciliation of net interest-bearing debt	2019	2018
Non-current interest-bearing borrowings	4,729	3,837
Current interest-bearing borrowings	1,089	389
Cash and cash equivalents	(3,866)	(1,844)
Net interest-bearing debt	1,951	2,383

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.

Reconciliation of earnings per share - adjusted	2019	2018
Profit (loss) attributable to owners of the parent	949	648
Other income and expenses	278	55
Impairment loss	283	747
Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	(183)	(8)
Profit (loss) attributable to owners of the parent - adjusted	1,327	1,442
Earnings per share – adjusted (NOK)	5.59	6.05
Diluted earnings per share – adjusted (NOK)	5.58	6.05

Measure	Description	Reason for including
Schibsted excl. Adevinta	Consolidated amounts of all Schibsted segments except Adevinta segment. See note 6 Operating segments.	Shows performance of the operations in main focus to Schibsted ASA management.

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 / Headquarters	Eliminations	Schibsted excl. Adevinta	Adevinta	Eliminations	Total
Revenues 2019	**3,062**	**7,465**	**1,054**	**2,165**	**797**	**(1,890)**	**12,653**	**6,664**	**(242)**	**19,075**
Currency effect	3	22	5	(4)	3			(178)		
Currency adjusted revenues	3,065	7,487	1,059	2,161	800			6,486		
Currency adjusted revenue growth	8%	(3%)	5%	10%	12%			15%		
Revenues 2018	**2,843**	**7,733**	**1,011**	**1,966**	**714**	**(1,756)**	**12,511**	**5,665**	**(117)**	**18,059**

Currency rates used when converting profit or loss	2019	2018
Swedish krona (SEK)	0.9306	0.9364
Euro (EUR)	9.8503	9.5995

Financial statements for parent company

Income statement for the year ended 31 December

(NOK million)	Note	2019	2018
Operating revenues	16	98	86
Personnel expenses	4	(134)	(127)
Depreciation and amortisation		(5)	(7)
Other operating expenses	3, 16, 17	(210)	(151)
Operating profit (loss)		**(251)**	**(199)**
Financial income	5	3,958	1,898
Financial expenses	5	(178)	(506)
Net financial items		**3,780**	**1,392**
Profit (loss) before taxes		**3,529**	**1,193**
Taxes	6	(124)	(174)
Profit (loss)		**3,405**	**1,019**

Statement of financial position as of 31 December

(NOK million)	Note	2019	2018
ASSETS			
Deferred tax assets	6	69	89
Intangible assets		17	19
Property, plant and equipment		4	4
Investments in subsidiaries	7	17,451	23,156
Investments in associates	7	128	128
Other non-current assets	8	1,745	6,096
Non-current assets		**19,414**	**29,492**
Current assets	8	921	988
Cash and cash equivalents	9	2,937	1,138
Current assets		**3,858**	**2,126**
Total assets		**23,272**	**31,618**
EQUITY AND LIABILITIES			
Share capital	10	119	119
Treasury stocks	10	(2)	-
Other paid-in capital	10	5,071	6,721
Retained earnings	10	7,474	9,943
Equity		**12,662**	**16,783**
Pension liabilities	12	251	269
Other non-current liabilities	13, 14	3,448	3,893
Non-current liabilities		**3,699**	**4,162**
Current liabilities	13, 14	**6,910**	**10,673**
Total equity and liabilities		**23,272**	**31,618**

Statement of cash flows for the year ended 31 December

(NOK million)	Note	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		3,529	1,193
Taxes paid	6	(154)	(154)
Depreciation, amortisation and impairment losses		5	7
Group contributions included in financial income	5	(789)	(852)
Dividends without cash effect		(92)	-
Gain on sale of non-current assets		(2,134)	-
Change in non-current assets and liabilities	8	(25)	(86)
Net effect pension liability		(8)	(20)
Change in working capital and provisions	8	(99)	(445)
Net cash flow from operating activities		**232**	**(357)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant and equipment		(8)	(2)
Change in subsidiaries receivables and liabilities in cash pool (net)	8, 13	(1,535)	4,956
Group contributions (net)		798	818
Acquisitions of and capital increase in subsidiaries		(138)	(1,359)
Net payment of non-current loans to/from subsidiaries	8	7	(3,627)
Sale of shares and capital decrease in subsidiaries		3,040	-
Net cash flow from investing activities		**2,162**	**786**
Net cash flow before financing activities		**2,394**	**429**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings from group companies	13	650	-
Repayment of other interest-bearing loans and borrowings	13	(367)	(27)
Dividends paid	10	(477)	(417)
Net purchase (sale of treasury shares)	10	(1,045)	22
Cash and cash equivalents added as a part of the demerger*		645	-
Net cash flow from financing activities		**(594)**	**(422)**
Net increase (decrease) in cash and cash equivalents		**1,799**	**7**
Cash and cash equivalents as at 1 January		**1,138**	**1,131**
Cash and cash equivalents as at 31 December	9	**2,937**	**1,138**

* The cash and cash equivalents added as a part of the demerger includes the settlement of the claim against Adevinta ASA established through the demerger, less transaction cost recognised as a reduction of equity.

Note 1 - Company information

Schibsted ASA is the parent company of the Schibsted Group. The financial statements of the holding company cover the head office activities. Activities at head office include the Group´s executive management and the corporate and common functions within finance, HR, legal, M&A, communication, learning and development.

The financial statements for Schibsted ASA for the year 2019 were approved by the Board of Directors on 24 March 2020 and will be proposed to the General Meeting 6 May 2020.

Note 2 - Significant accounting policies

The financial statements for Schibsted ASA have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

All amounts are in NOK million unless otherwise stated.

Cash and cash equivalents
Schibsted ASA is the ultimate parent of Schibsted's multi-currency corporate cash pool system. Schibsted ASA's funds in the cash pool are classified as Cash and cash equivalents. The subsidiaries positions in the cash pool are recognised as receivables and liabilities in Schibsted ASA's balance sheet. Liabilities are classified in their entirety as current. The classification of receivables as current or non-current depends on agreement with each subsidiary.

Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

Revenue recognition
Revenues are recognised in the period when the services are rendered.

Classification
An asset or liability is classified as current when it is part of a normal operating cycle, held primarily for trading purposes, falls due within 12 months or when it consists of cash or cash equivalents on the statement of financial position date. Other items are classified as non-current.

Shares
Subsidiaries are all entities controlled, either directly or indirectly, by Schibsted ASA. For further information concerning evaluation whether Schibsted ASA controls an entity, please see note 2 in the consolidated financial statement.

Shares are classified as investment in subsidiaries from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

An associate is an entity that Schibsted ASA, directly or indirectly through subsidiaries, has significant influence over. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee.

Subsidiaries and associates are recognised according to the cost method and yearly tested for impairment.

Group contributions and dividends received are recognised as financial income, provided that it does not represent a repayment of capital invested. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

Property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant and equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Impairment losses are reversed if the basis for the impairment is no longer present.

Leases
Leases are classified as either finance leases or operating leases. Leases that transfers substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases. All of the company´s leases are considered to be operational. Lease payments related to operating leases are recognised as expenses over the lease term.

Foreign currency
Foreign currency transactions are translated into the functional currency on initial recognition by using the spot exchange rate at the date of the transaction. Foreign currency monetary items are translated with the closing rate at the balance sheet date. Foreign currency gains and losses are reported in the income statement in the lines Financial income and Financial expenses, respectively.

Trade receivables
Trade receivables are recognised at nominal value less provision for expected loss.

Treasury shares
Acquisition and proceeds from sale of treasury shares are accounted for as equity transactions.

Pension plans
Schibsted ASA has chosen, in accordance with NRS 6, to use measurement and presentation principles according to IAS 19R – Employee Benefits.

The accounting principles for pension are consistent with the accounting principles for the Group, as described in note 11 Pension plans in the consolidated financial statement.

Share-based payment
Schibsted ASA accounts for share-based payment in accordance with NRS 15A Share-Based Payment. NRS 15A requires share-based payments to be accounted for as required by IFRS 2 Share-based Payment. See note 10 Share-based Payment to the consolidated financial statements for additional information.

Taxes
Tax expense (tax income) comprises current tax payable and changes to deferred tax assets/liabilities. Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the financial statements and the tax basis of tax losses carried forward. Deferred tax assets are recognised only when it is probable that the asset will be utilized against future taxable profit. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Contingent liabilities
Contingent liabilities are recognised when it is more probable than not that future uncertain events will result in outflow of economic resources. The best estimate of the amount to be paid is included in other provisions in the balance sheet. Other obligations, for which no liability is recognised, are disclosed in notes to the financial statements.

Dividend
Dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability as at 31 December.

Statement of cash flows
The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and cash on hand.

Note 3 - Other operating expenses

	2019	2018
Rent and maintenance	7	6
Office and administrative expenses	25	22
Restructuring costs	43	(8)
Professional fees	106	101
Travel, meetings and marketing	29	29
Total operating expenses	**210**	**151**

Restructuring costs are mainly related to the reorganisation of Schibsted ASA.

Note 4 - Personnel expenses

	2019	2018
Salaries and wages	90	82
Social security costs	15	13
Net pension expense (note 12)	12	13
Other personnel expenses	10	10
Share-based payment	7	9
Total personnel expenses	**134**	**127**
Number of full time equivalents	74	64

Including trainees

Note 5 - Financial items

Financial income consists of:

	2019	2018
Interest income	42	23
Interest income cash pool	58	154
Group contributions received	789	852
Dividends from subsidiaries	809	436
Dividends from associates	26	22
Foreign exchange gain (agio)	98	411
Gains on sales of subsidiaries	2,134	-
Total	**3,958**	**1,898**

Financial expenses consist of:

	2019	2018
Interest expenses	72	76
Interest expenses cash pool	62	36
Interest expenses on pension plans (note 12)	6	5
Foreign exchange loss (disagio)	28	379
Other financial expenses	10	10
Total	**178**	**506**

Interest expenses relates to bonds and bank loans, as well as financial derivatives.

All material foreign exchange gains and losses relates to financial derivatives, loans and bank balances. See note 13 Non-current and current liabilities for further details. Foreign exchange gains must be seen in connection with foreign exchange losses.

Schibsted ASA undertake treasury operations to offset currency exposure for the Group as a result of foreign investments.

In connection with a reorganisation process of the group, Schibsted ASA sold shares representing 5.75% of the capital of Adevinta ASA. Net gain from the sale of shares amounted to NOK 2,134 million.

Schibsted ASA received a dividend of SEK 789 million from Schibsted Marketplaces Sweden AB.

The ownership of Lendo AS was moved from Finn.no AS to Schibsted ASA. The transaction was carried out as a dividend, using a book value of NOK 92 million.

Note 6 - Income taxes

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2019	2018
Profit (loss) before taxes	3,529	1,193
Dividends and tax-free group contributions received	(836)	(458)
Group contributions payable	(52)	(54)
Other permanent differences	4	2
Gain on sale of subsidiaries	(2,134)	-
Change in temporary differences*	(76)	10
Effect of unrecognised actuarial gain (loss) in the pension liability	9	(10)
Effect of demerger costs, recognised in equity (note 10)	(8)	
Taxable income	**437**	**682**
Tax rate	22%	23%

Taxes payable and taxes charged to expenses are calculated as:

	2019	2018
Calculated taxes payable	96	157
Change in net deferred tax asset	17	6
Tax related to change in tax rate on deferred tax	-	(4)
Tax related to demerger costs, recognised in equity (note 10)	2	-
Tax related to unrecognised actuarial gain (loss) in the pension liability	(2)	2
Tax related to Group contributions payable	11	13
Tax expense	**124**	**174**

Effective tax rate is a result of:

	2019	2018
Profit (loss) before taxes	3,529	1,193
Tax charged based on nominal rate	776	274
Tax effect permanent differences	(650)	(105)
Tax of demerger costs, recognised in Equity (note 10)	(2)	-
Tax related to change in tax rate from 23% to 22% (24% to 23%) on deferred tax	-	4
Taxes	**124**	**174**

Schibsted

The net deferred tax liability (asset) consists of the following:

	2019	2018
Temporary differences related to:		
Property, plant and equipment	(2)	(1)
Pension liabilities	(250)	(264)
Other current liabilities	(61)	(141)
Total basis for deferred tax liability (asset)	**(313)**	**(406)**
Tax rate	22%	22%
Net deferred tax liability (asset) with applicable year's tax rate	(69)	(93)
The effect on Net deferred tax liability (asset) related to change in tax rate from 24% to 23% (25% to 24%)	-	4
Net deferred tax liability (asset)	**(69)**	**(89)**

*The difference between net deferred tax assets and the change in net deferred tax assets presented in the tax expense relates to temporary differences acquired by Adevinta ASA as a part of the demerger, and an accrual of transaction cost related to the demerger.

Note 7 - Subsidiaries and associates

Schibsted ASA is the ultimate parent company in the Schibsted Group with operations worldwide. For more information about these operations, see note 6 Operating segments to the consolidated financial statements.

Shares in subsidiaries directly owned by Schibsted ASA:

	Ownership and voting share	Location	Carrying amount 2019	Carrying amount 2018
Schibsted Multimedia AS	0%	Oslo, Norway	-	15,273
Schibsted Products & Technology Switzerland AG	0%	Sachseln, Switzerland	-	2
Schibsted Tech Polska sp. z.o.o *	100%	Krakow, Poland	-	-
Schibsted ePayment AS	100%	Oslo, Norway	14	14
Schibsted Eiendom AS	100%	Oslo, Norway	120	105
Schibsted Media AS	100%	Oslo, Norway	3,227	3,203
Schibsted Marketplaces Sweden AB	100%	Stockholm, Sweden	2,468	2,468
Schibsted Enterprise Technology AB	100%	Stockholm, Sweden	2	2
Finn.no AS	90%	Oslo, Norway	1,454	1,454
Schibsted Vekst AS *	100%	Oslo, Norway	34	32
Adevinta ASA	59%	Oslo, Norway	9,301	1
Kapaza Belgium NV	100%	Brussel, Belgium	4	4
Schibsted Classified Media Suomi Oy	100%	Helsinki, Finland	598	598
SPT Nordics Ltd	100%	London, UK	56	-
Lendo AS	100%	Oslo, Norway	92	-
Nettbil AS	67%	Oslo, Norway	82	-
Total			**17,451**	**23,156**

* Direct ownership and voting shares in Schibsted Vekst and Schibsted Tech Polska are 10.00% and 1.00%, respectively. For these companies the table also includes shares in subsidiaries where Schibsted ASA has indirect control.

2019

1. In connection with the listing of Adevinta ASA on the Oslo Stock Exchange on 10 April 2019, Schibsted reduced its ownership interest in Adevinta from 100% to 59.25% through a demerger and a sale of shares. In a demerger of Schibsted ASA, ownership of 35% of Adevinta was distributed to the shareholders of Schibsted. In a private placement, Schibsted sold shares representing 5.75% of the capital of Adevinta ASA. Net proceeds from the sale of shares amounted to NOK 3,037 million. The shares in Schibsted Multimedia AS were transferred to Adevinta ASA as a part of the demerger. The ownership in Adevinta increased to 59.28% in November, when Adevinta's A-shares and B-shares were combined.
2. Group contributions payable (net) is capitalized as part of investments, with a total of NOK 52 million.
3. Lendo AS was moved from Finn.no AS to Schibsted ASA. See note 5 Financial items. The ownership of Schibsted Vekst AS was also moved from Finn.no AS to Schibsted Tilväxtmedier AB, increasing the indirect ownership to 100%.
4. Nettbil AS was bought from Aller Media in December 2019.
5. SPT Nordics Ltd. received new equity of NOK 56 million.
6. Schibsted Products & Technology Switzerland AG was liquidated at the end of 2019.

Shares in associates:

	Ownership and voting share	Location	Carrying amount 2019	Equity
Polaris Media ASA	28.97%	Trondheim, Norway	127	2,333
Svanedamsveien 10 AS	31.40%	Kristiansand, Norway	1	54
Total			**128**	

Ownership and voting share for Svanedamsveien 10 AS include shares own indirect by Schibsted ASA. Direct ownership and voting shares in Svanedamsveien 10 AS are 25 %.

Fair value of the shares in Polaris Media ASA is NOK 541 million as at 31 December 2019.

Note 8 - Non-current and current receivables

	Non-current		Current	
	2019	**2018**	**2019**	**2018**
Group companies' liabilities in cash pool	1,743	2,928	-	-
Other receivables from Group companies	-	3,164	848	932
Other receivables	2	4	59	39
Financial derivatives	-	-	15	17
Total	**1,745**	**6,096**	**921**	**988**

The non-current receivables from group companies in 2018 which consisted of loans to Schibsted Classified Media AS of NOK 2,487 million and Schibsted France SAS of NOK 676 million were moved to Adevinta ASA as a part of the demerger.

Note 9 - Cash and cash equivalents

	2019	**2018**
Net assets in cash pool	683	386
Net assets outside the cash pool	2,253	752
Total Cash and cash equivalents	**2,937**	**1,138**

Schibsted ASA has a multi-currency cash pool with Danske Bank, in which almost all the Schibsted excl. Adevinta subsidiaries are included. The cash pool has been established to optimize liquidity management for Schibsted.

The Group has an overdraft facility of NOK 400 million linked to the cash pool with Danske Bank. At year-end 2019 the facility was not drawn.

Excess liquidity is placed in our relationship banks, in the cash pool or in the short-term money market.

Payroll withholding tax is not restricted cash as Schibsted holds a tax guarantee for the purpose.

The cash pool in BNP Paribas was transferred to Adevinta ASA in relation with the demerger.

Note 10 - Equity

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
Equity as at 31 December 2018	**119**	**-**	**6,721**	**9,943**	**16,784**
Demerger	(29)	-	(1,625)	(4,835)	(6,488)
Capital increase	29	-	(29)	-	-
Change in treasury shares	-	(2)	4	(1,047)	(1,045)
Share-based payment	-	-	(1)	-	(1)
Unrecognised actuarial gain (loss) in pension plans	-	-	-	7	7
Profit (loss)	-	-	-	3,405	3,405
Equity as at 31 December 2019	**119**	**(2)**	**5,071**	**7,474**	**12,662**

Through the demerger with Adevinta ASA, the share capital of Schibsted ASA was decreased by NOK 29 million by reducing the nominal value of the shares with NOK 0.121 from NOK 0.50 to NOK 0.379. After completion of the demerger the share capital was increased by NOK 29 million by increasing the nominal value of the shares to NOK 0.50.

The share capital of Schibsted ASA is NOK 119,343,994 divided on 108,003,615 A-shares of NOK 0.50 par value and 130,684,373 B-shares of NOK 0.50 par value. Treasury shares as at 31 December 2019 comprise 1,302,176 A-shares and 3,213,267 B-shares. The par value of treasury shares is presented on a separate line within other paid-in capital with a negative amount. For more information on number of shares, see note 26 Number of shares to the consolidated financial statements.

Note 11 - Shareholder structure

The 20 largest shareholders as at 31 December 2019

	Number of A-shares	Number of B-shares	Toal number of shares	Ownership	Voting share
Blommenholm Industrier AS	28,541,262	30,621,205	59,162,467	24.8 %	26.4 %
Folketrygdfondet	8,476,190	10,473,569	18,949,759	7.9 %	7.8 %
State Street Bank And Trust Comp *	3,277,608	8,145,507	11,423,115	4.8 %	3.0 %
NWT Media AS	4,291,281	4,063,000	8,354,281	3.5 %	4.0 %
J.P. Morgan Bank Luxembourg S.A. *	2,341,041	4,810,902	7,151,943	3.0 %	2.2 %
Alecta Pensionsforsakring, Omsesid	-	5,193,000	5,193,000	2.2 %	0.0 %
Schibsted ASA	3,213,267	1,302,176	4,515,443	1.9 %	3.0 %
Morgan Stanley & Co. Int. Plc.*	666,661	3,760,878	4,427,539	1.9 %	0.6 %
The Bank of New York Mellon SA/NV *	2,279,508	2,093,573	4,373,081	1.8 %	2.1 %
Morgan Stanley & Co. Llc *	-	3,329,529	3,329,529	1.4 %	0.0 %
State Street Bank And Trust Comp *	1,743,451	1,478,047	3,221,498	1.3 %	1.6 %
JPMorgan Chase Bank, N.A., London *	1,591,094	1,356,808	2,947,902	1.2 %	1.5 %
Euroclear Bank S.A./N.V. *	1,480,107	1,401,469	2,881,576	1.2 %	1.4 %
The Northern Trust Comp, London Br *	1,548,464	1,185,545	2,734,009	1.1 %	1.4 %
Goldman Sachs International *	205,866	2,232,771	2,438,637	1.0 %	0.2 %
JPMorgan Chase Bank, N.A., London *	2,331,100	-	2,331,100	1.0 %	2.2 %
JPMORGAN Securities PLC *	357,433	1,962,735	2,320,168	1.0 %	0.3 %
Fdty Ivt Tr:Fdty Intrl Discvry Fd *	2,215,300	-	2,215,300	0.9 %	2.1 %
JPMorgan Chase Bank, N.A., London *	1,172,679	1,009,349	2,182,028	0.9 %	1.1 %
JPMorgan Chase Bank, N.A., London *	2,064,000	112,722	2,176,722	0.9 %	1.9 %
Total 20 largest shareholders	**67,796,312**	**84,532,785**	**152,329,097**	**63.8 %**	**62.8 %**

*) Nominee accounts.

The list of shareholders is based on the public VPS list. For further information regarding the underlying ownership, see the chapter Shareholder information in Schibsted's annual report.

Number of shares owned by the Board of Directors and the Group Management:

	Number of A-shares	Number of B-shares	Total number of shares
Ole Jacob Sunde (Chairman of the Board)	40,000	100,000	140,000
Birger Steen (Member of the Board)	520	-	520
Marianne Budnik (Member of the Board)	-	-	-
Christian Ringnes (Member of the Board)	40,000	40,000	80,000
Philippe Vimard (Member of the Board)	-	-	-
Eugénie Van Wiechen (Member of the Board)	-	-	-
Finn Våga (Member of the Board)	96	96	192
Anna Mossberg (Member of the Board)	-	-	-
Ingunn Saltbones (Employee representative)	416	907	1,323
Torbjörn Ek (Employee representative)	133	700	833
Kristin Skogen Lund	-	168	168
Christian Printzell Halvorsen	-	-	-
Ragnar Kårhus	-	-	-
Mette Krogsrud	63	63	126
Sven Størmer Thaulow	-	-	-
Siv Juvik Tveitnes	507	3,978	4,485
Raoul Grünthal	17,484	27,557	45,041
Total Board of Directors and Group Management	**99,219**	**173,469**	**272,688**

The total number of issued shares in Schibsted ASA is 108,003,615 A-shares and 130,684,373 B-shares as at 31 December 2018. The number of shareholders as at 31 December 2019 is 5,032. Foreign ownership is 54,4% (56.2% in 2018). See note 26 to the consolidated financial statement for more information regarding number of shares.

The Chairman of the Board, Ole Jacob Sunde is also member of the Board in Blommenholm Industrier.

Note 12 - Pension plans

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjeneste-pensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2019 the pension plans covered 15 working members and 24 retirees (total 37 as at 31 December 2018). Note 11 Pension Plans to the consolidated financial statements contains further description of the pension plans and the principal assumptions applied.

Amounts recognised in profit or loss:

	2019	2018
Current service cost	7	9
Net interest on the net defined benefit liability	6	5
Net pension expense - defined benefit plans	**13**	**14**
Pension expense defined contribution plans	4	3
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	1	1
Net pension expense	**18**	**18**
Of which included in Profit or loss - Personnel expenses	12	13
Of which included in Profit or loss - Financial expenses	6	5

Amounts recognised in the balance sheet:

	2019	2018
Present value of funded defined benefit liabilities	28	27
Fair value of plan assets	(22)	(20)
Present value (net of plan assets) of funded defined benefit liabilities	**6**	**7**
Present value of unfunded defined benefit liabilities	245	262
Net pension liabilities	**251**	**269**
Social security tax included in present value of defined benefit liabilities	31	33

Changes in pension liabilities:

	2019	2018
As at 1 January	**269**	**279**
Net pension expense	13	14
Contributions / benefits paid	(20)	(34)
Impact of acquisition/disposals	(1)	-
Unrecognised actuarial gain (loss) recognised in equity (incl. tax)	(9)	10
As at 31 December	**251**	**269**

New measurement of defined benefit obligation includes:	**2019**	**2018**
Actuarial gains and losses arising from changes in financial assumptions	(6)	2
Other effects of remeasurement (experience deviation)	(3)	8
Remeasurement of defined benefit liabilities	**(9)**	**10**

Note 13 - Non-current and current liabilities

	Non-current		Current	
	2019	2018	2019	2018
Liabilities to credit institutions (note 14)	341	421	76	90
Bond issues (note 14)	2,400	3,400	1,000	300
Financial derivatives	45	70	25	71
Dividends accrued	-	-	-	477
Group companies' receivables in cash pool	-	-	5,582	9,426
Other liabilities to group companies	661	-	70	68
Taxes payable			96	154
Other liabilities	2	2	62	87
Total	**3,448**	**3,893**	**6,910**	**10,673**

The non-current liabilities to group companies consist of a loan from Svenska Dagbladet Holding AB.

Note 14 - Financial risk management and interest-bearing borrowings

Financial risk management

Funding and control of refinancing risk is handled by Group treasury in Schibsted ASA. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks.

For management of interest rate risk and currency risk, see note 23 Financial Risk Management to the consolidated financial statements.

Interest-bearing borrowings, composition and maturity profile:

	Non-current		Current	
	2019	**2018**	**2019**	**2018**
Bonds issued	2,400	3,400	1,000	300
Bank loans	341	421	76	90
Total carrying amounts	2,741	3,821	1,076	390
of which maturity beyond 5 years	**38**	**615**		

For more details on bond issues, bank loans and credit facilities, see note 24 Interest-bearing borrowings to the consolidated financial statements.

Note 15 - Guarantees

	2019	**2018**
Guarantees on behalf of Group companies	338	331
Other guarantees	-	1
Total	**338**	**332**

A guarantee of up to NOK 287 million to Danske Bank is included in Guarantees on behalf of Group companies. This amount primarily relates to guarantees for tax withholdings. Also included in Guarantees on behalf of Group companies are unsecured pension liabilities of NOK 44 million related to key management personnel.

Schibsted ASA has issued parent company guarantee as security for payment of office rent in some subsidiaries.

Note 16 - Transactions with related parties

Schibsted ASA has business agreements with companies in the Group. The pricing of all transactions with Group companies are based on arm's length principle.

Schibsted ASA charge their subsidiaries for their share of costs related to Group services (management fee). In addition, revenues consist of consultant fees, income from lease of office premises as well as fees for subsidiaries' participation in programmes for management and organisational development. All Schibsted ASA´s operating revenues are from Group Companies.

	2019	**2018**
Sale of services to Group companies	98	86
Purchase of goods and services from Group companies	68	70

Remuneration to management

See note 9 Personnel expenses and note 10 Share-based payment to the consolidated financial statements for information concerning remuneration to management and share-based payment.

Note 17 - Lease agreements

Schibsted ASA has lease obligations related to off-balance sheet operating assets.

Rental expenses were NOK 19 million in 2019 and NOK 19 million in 2018. The most significant leases relate to lease of office premises and software/IT-services.

Declaration by the Board of Directors and CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2019 have been prepared in accordance with applicable accounting standards and give a true and fair view of assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole and that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Oslo, 24 March 2020

Schibsted ASA's Board of Directors

Ole Jacob Sunde Chairman of the Board	Marianne Budnik Board member	Torbjörn Ek Board member	Anna Mossberg Board member	Christian Ringnes Board member	Ingunn Saltbones Board member
Birger Steen Board member	Philippe Vimard Board member	Finn E. Våga Board member	Eugénie van Wiechen Board member	Kristin Skogen Lund CEO	

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Schibsted ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Schibsted ASA comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2019, the income statement and statement of cash flows the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2019, the income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

The Group is active in establishing positions at an early point in time in online classifieds marketplaces through business combinations. Investments that currently recognize low or negative profitability are dependent on future growth in profitability to recover goodwill. Estimates related to future profitability and cash flows and the determination of discount rates to calculate present values are based on management`s expectations on market developments, the competitive situation, technological development, the ability to realize synergies, interest rate levels and other relevant factors. The use of different assumptions could produce significantly different value in use estimates. Since goodwill related to cash generating units with low or negative profitability is material and subject to estimation uncertainty, impairment assessment of goodwill was a key audit matter.

We assessed the design effectiveness of internal controls related to the impairment assessment process. Our procedures included assessing the identification of cash generating units and testing of assumptions used in the value in use model, including estimates related to forecasted future cash flows and the estimated WACC. As part of our procedures we discussed the forecasted sales, the current market situation and expectations about future growth with management. We also tested supporting documentation related to budgets and sales forecasts and the mathematical accuracy of the value in use calculation and assessed sensitivity analysis of the critical assumptions prepared by management. We used a valuation specialist to assist us in evaluating the discount rate applied.

The estimation uncertainty related to impairment assessment is disclosed in note 3 and note 16 to the annual report.

Revenue recognition and cut-off

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. A good or service is considered transferred when the customer obtains control. Schibsted has products and services with various contractual terms and different pricing elements in contracts with customers throughout the Group. Some revenue is recognized over a period whilst others at a certain point in time. Several IT-systems provide input to the revenue recognition processes and there have been significant changes to these processes in recent years. Due to the complexity of the revenue models and the supporting IT-systems, there is a risk of revenue not being recognized in the correct period. Hence, cut-off of revenue was a key audit matter.

We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. Further, we considered the Group's assessment and the impact of the new revenue recognition standard, IFRS 15 Revenue from contract with customers, including the appropriateness of the Group's accounting policies. We have on a sample basis compared sales transactions, recognized before and after the balance sheet date to customer contracts and performance obligations and assessed whether the implied revenue recognition criteria is in compliance with the group accounting policies as disclosed in note 7 to the annual report.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 30 March 2020
ERNST & YOUNG AS

Kjetil Rimstad
State Authorised Public Accountant (Norway)

Share information

Schibsted is listed on the Oslo Stock Exchange, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a sound financial position and be ensured through long-term growth in the share price and a dividend. The company's share price should reflect the company's long-term value creation.

The strategy and vision adopted by Schibsted's Board of Directors implies that the Group's operations must adapt and develop rapidly. Schibsted's capital structure must be sufficiently robust to take advantage of value-enhancing opportunities in the context of the competitive dynamic as well as fluctuations in general and economic conditions. The share is split into an A-share with 10 voting rights and a B-share with 1 voting right. These two share classes enhance Schibsted's long-term financial flexibility by enabling the company more freely to access the equity market.

Shareholders

	31 December 2019	31 December 2018
Number of registered shareholders	5,032	5,195
Share of non-Norwegian shareholders	54%	57%
Average daily trading volume (SCHA/SCHB)	274k / 179k	250k / 129k
Average daily trading value (SCHA/SCHB)	NOK 67 m / NOK 40 m	NOK 66 m / NOK 32 m
Turnover velocity (SCHA/SCHB)	57% / 30%	57% / 25%
Turnover velocity Oslo Stock Exchange	41%	48%

	31 December 2019	31 December 2018
Norway	45.6%	43.8%
USA	20.8%	25.1%
UK	13.1%	10.3%
Sweden	3.2%	4.7%
Luxembourg	5.2%	3.1%

The trading data in the table above are based on data from the Oslo Stock Exchange. In 2019, around 70 percent of trading of the A-shares took place in marketplaces other than the Oslo Stock Exchange. In 2018, this was around 65 percent. For the B-share, around 64 percent of the trading took place on alternative platforms in 2019, compared to 56 percent in 2018 (source: Fidessa Fragulator).

Schibsted conducts a quarterly analysis of shareholders registered at nominee accounts. A list of Schibsted's shareholders including those registered at nominee accounts is presented below. The list is updated as of 16 January 2020.

RANK	NAME	A-SHARES	B-SHARES	TOTAL	% OF CAPITAL
1	Blommenholm Industrier AS	28,541,262	30,621,205	59,162,467	25.3%
2	Folketrygdfondet	8,476,190	10,473,569	18,949,759	8.1%
3	Baillie Gifford & Co.	7,944,436	4,620,887	12,565,323	5.4%
4	Fidelity Management & Research Company	8,202,299	4,062,242	12,264,541	5.2%
5	Nya Wermlands Tidningen	4,291,281	4,063,000	8,354,281	3.6%
6	The Vanguard Group, Inc.	3,229,541	2,811,894	6,041,435	2.6%
7	JPMorgan Chase Bank GTS CL A/C Escrow Account	2,259,602	3,455,610	5,715,212	2.4%
8	Luxor Capital Group, L.P.	0	5,621,805	5,621,805	2.4%
9	Alecta pensionsförsäkring, ömsesidigt	0	5,193,000	5,193,000	2.2%
10	Adelphi Capital LLP	2,205,460	2,809,202	5,014,662	2.1%
11	Goldman Sachs International	2,740,347	2,125,372	4,865,719	2.1%
12	Marathon Asset Management LLP	1,874,724	1,492,033	3,366,757	1.4%
13	KLP Forsikring	820,850	2,387,211	3,208,061	1.4%
14	Storebrand Kapitalforvaltning AS	1,465,954	1,677,905	3,143,859	1.3%
15	BlackRock Institutional Trust Company, N.A.	77,193	2,911,377	2,988,570	1.3%
16	Fidelity Institutional Asset Management	2,207,396	713,926	2,921,322	1.2%
17	DNB Asset Management AS	1,218,065	1,662,315	2,880,380	1.2%
18	Mitsubishi UFJ Trust and Banking Corporation	1,524,808	1,334,667	2,859,475	1.2%
19	FMR Investment Management (U.K.) Limited	2,339,000	146,708	2,485,708	1.1%
20	Pelham Capital Ltd	0	2,164,926	2,164,926	0.9%

The shareholder identification data are provided by Nasdaq OMX. The data are obtained through an analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Schibsted share register. Whilst every reasonable effort is made to verify all data, neither Nasdaq OMX nor Schibsted can guarantee the accuracy of the analysis.

For an overview of the 20 largest shareholders as of 31 December 2019 from the public VPS register, refer to the annual accounts for Schibsted ASA, note 11.

Dividend and buyback of shares

Distribution of dividend and opportunity to buyback shares are regarded as suitable ways to adapt the capital structure. The Group's dividend policy is to place emphasis on paying a stable to increasing dividend amount over time. In years when there is an economic slowdown, or for other reasons weaker cash flows in the company, the company may reduce or decide not to pay dividends.

The Board of Directors has decided to propose to the Annual General Meeting on 6 May 2020 not to pay dividend for 2019.

The Annual General Meeting decided on 3 May 2019 to give the Board of Directors authorization to buy back up to 10 percent of the Company's shares for a period from the date of this Annual General Meeting and until the Annual General Meeting of the Company in 2020.

Based on this authorization, the Board of Directors announced on 16 July 2019 a buyback program of up to 2 percent of outstanding Company shares which has been completed on 10 March 2020.

The buyback should be viewed in connection to Schibsted's dividend policy, investment opportunities, and long-term perspectives for its capital structure.

Shareholder structure

Blommenholm Industrier, which is controlled by the Tinius Trust, is Schibsted's largest shareholder, giving the Group long-term ownership stability. As a consequence, the number of A-shares issued will normally remain stable over time. B-shares may, together with debt, be used as a source of financing for growth in the form of acquisitions or organic investments.

Schibsted's shares are freely marketable. The wording of the company's Articles of Association reflects the Group's publishing responsibilities and role in society as a media company. Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights in Article 6 of the Articles of Association. No shareholder may own or exercise voting rights for more than 30 percent of the shares represented at the Annual General Meeting.

Any shareholder owning 25 percent or more of Schibsted's A-shares is entitled to appoint one director directly. Blommenholm Industrier, which owns 26.4 percent of the A-shares, is currently the only shareholder to hold this right. The Tinius Trust has a controlling interest in Blommenholm Industrier.

Return

The Schibsted shares are listed on the Oslo Stock Exchange with the ticker codes SCHA and SCHB. Both share classes are among the most traded in Norway. The A-shares were included in the OBX index throughout 2019. The OBX index comprises the 25 most liquid stocks on the Oslo Stock Exchange.

Schibsted is covered by sell-side analysts in Scandinavia and London. At year-end 2019, 14 sell-side institutions, five of them based outside Scandinavia, officially covered the Schibsted share.

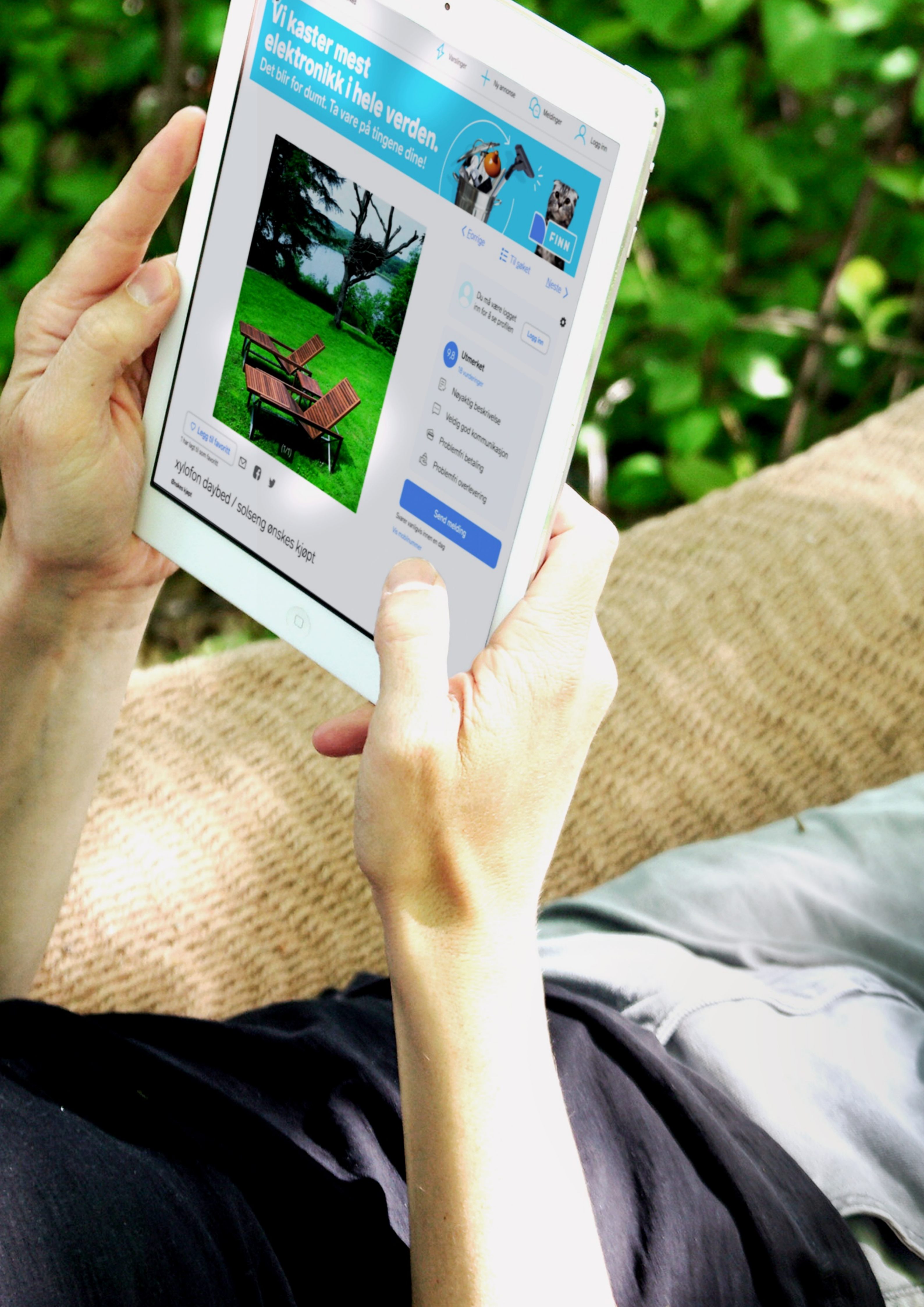
In 2019, the Schibsted A-share produced a total return for shareholders of 27.4 percent, including a dividend of NOK 2.00 per share (reinvested). The Schibsted B-share produced a total return for shareholders of 34.1 percent, including a dividend of NOK 2.00 per share (reinvested). By comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a return of 16.5 percent.

Share price development for Schibsted compared to various indices and peers can be accessed at www.schibsted.com/ir/ .

Adevinta demerger

Schibsted announced on 18 September 2018 the Board of Directors' resolution to initiate a process to reorganize the company into two growth-oriented companies. This process was finalized in April 2019 with the separate listing of Adevinta. The company is listed on the Oslo Stock Exchange. First day of trading was 10 April 2019, and after one day of trading Adevinta was valued at NOK 60 billion, making it the third largest new listing on the Oslo Stock Exchange historically. Schibsted will continue to comprise all activities in Norway, Sweden and Finland – including the marketplaces Finn, Blocket and Tori. Schibsted retains a 59.3 percent ownership in Adevinta after the listing. Schibsted intends to remain a significant long-term owner in Adevinta, and the size and time horizon of Schibsted's ownership will be tailored to support and develop shareholder value for both companies. Schibsted will seek to exercise its ownership through the shareholder meeting and representation on Adevinta's Board of Directors. Adevinta is one of the global leaders in online classifieds, fully equipped to achieve long-term growth with high profit margins.

For more information on Adevinta, visit www.adevinta.com .


Vi kaster mest elektronikk i hele verden.
Det blir for dumt. Ta vare på tingene dine!
Varslinger
Ny annonse
Meldinger
Logg inn
FINN
Forrige
Til søket
Neste
Du må være logget inn for å se profilen
Logg inn
9,8
Utmerket
Nøyaktig beskrivelse
Veldig god kommunikasjon
Problemfri betaling
Problemfri overlevering
Send melding
Legg til favoritt
(1/1)
xylofon daybed / solseng ønskes kjøpt

Members of the Board (2019-2020)

Ole Jacob Sunde
Born 1954
Chairman of the Board

Marianne Budnik
Born 1968
Board member

Torbjörn Ek
Born 1977
Board member

Anna Mossberg
Born 1972
Board member

Christian Ringnes
Born 1954
Board member

Ingunn Saltbones
Born 1971
Board member

Birger Steen
Born 1966
Board member

Philippe Vimard
Born 1974
Board member

Finn E. Våga
Born 1960
Board member

Eugénie van Wiechen
Born 1969
Board member

For biographies of the Board of Directors, visit www.schibsted.com/about/who-we-are/the-board/ .

*Brands that Schibsted owns or has invested in

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