Q1 2019

Interim Report

January - March 2019

Adevinta

Creating perfect matches on the world's most trusted marketplaces

Rolv Erik Ryssdal, CEO

"I am pleased to report a strong set of results for the first reporting period of Adevinta as a publicly-listed company.

After one day of trading Adevinta was valued at NOK 60 billion, making it the third largest new listing on Oslo Stock Exchange historically. We saw strong investor demand for our shares and had a positive start to trading.

Adevinta is positioned as one of the largest and fastest growing pure play online classifieds companies globally.

We continued to deliver on our strategy, producing strong revenue growth and improved operating margins. Q1 revenues grew 15 percent to EUR 174.4 million, on a proportionate basis. The rise reflects strong growth in verticals, up 19 percent, underlining the network effects of the businesses as local marketplaces increased their leadership positions. The total revenue growth was impacted by a weak display advertising market.

Proportionate EBITDA increased 63 percent to EUR 49.7 million, as margins saw big improvements, increasing to 29 percent. Our core businesses in France, Spain and Brazil all enjoyed successful growth periods.

In France, Leboncoin remains the key growth driver on the back of continued product development in cars and real estate. Display advertising was affected by a weak advertising market.

Spain reported a strong start to 2019. A softening in display advertising was more than compensated for by rapid revenue growth in cars and jobs. Verticals in Spain were up 21 percent and margins widened even as we made increased marketing investments. InfoJobs and Coches enjoyed very strong quarters.

In Brazil, our joint venture OLX Brazil performed well, with revenues gaining 39 percent and EBITDA more than doubling.

Global Markets, meanwhile, successfully implemented fast track growth, concentrating on its verticals while reducing investment phase losses. The sound development was driven by strategic initiatives to optimise portfolio performance and to accelerate the run to break-even in Shpock and Mexico. The segment produced a profit for the first time.

We are well positioned to maintain our leadership positions in key markets. Our 15-20 percent growth projections medium to long term remain on track. We will continue to take strategic actions to move our investment phase portfolio to profitability and improve margins, while still investing in our current and adjacent markets. Continued investment in the tech hubs will produce scalable components, introducing cross-platform innovations and new features to maintain our competitive strengths."

Adevinta – Highlights

Alternative performance measures (APM) used in this report are described and presented in the section Definitions and Reconciliations at the end of the report.

KEY FIGURES FOR ADEVINTA

yoy %	First quarter 2018	First quarter 2019	(EUR million) ADEVINTA	Ful Year 2018
			Combined financial figures	
14%	140.2	160.2	Operating revenues	594.6
61%	28.5	46.0	EBITDA [1]	151.0
	20%	29%	EBITDA margin [2]	25%
74%	(13.9)	(3.5)	EBITDA Investment phase	(43.1)
17%	42.4	49.6	EBITDA excl. Investment phase	194.1
	32%	32%	EBITDA margin excl. Investment phase	34%
69%	21.9	37.0	Operating profit (loss) - EBIT	68.4
>100 %	3.3	23.0	Profit (loss)	(7.0)
>100 %	0.01	0.03	Earnings per share (EUR)	(0.01)
>100 %	0.01	0.04	Earnings per share - adjusted (EUR)	0.08
>100 %	5.3	10.6	CAPEX	30.5
			Operating revenues - segments	
12%	73.0	81.7	France	306.6
16%	37.9	43.8	Spain	160.0
39%	14.7	20.5	Brazil	68.9
7%	27.8	29.9	Global Markets	118.3
>100 %	1.1	4.3	Other and headquarters	7.1
-39%	(14.4)	(20.0)	Eliminations	(66.2)
14%	**140.2**	**160.2**	**Group**	**594.6**
			EBITDA - segments	
11%	40.7	45.1	France	169.3
34%	9.5	12.6	Spain	47.1
>100 %	2.3	4.8	Brazil	2.6
>100 %	(12.5)	1.1	Global Markets	(30.4)
-43%	(9.0)	(12.8)	Other and headquarters	(34.8)
-102%	(2.4)	(4.8)	Eliminations	(2.7)
61%	**28.5**	**46.0**	**Group**	**151.0**
			Proportional ownership view	
15%	**151.0**	**174.4**	**Operating revenues incl. JVs**	**644.0**
63%	**30.5**	**49.7**	**EBITDA incl. JVs**	**156.2**
	20%	29%	EBITDA margin incl. JVs	24%

[1] For definition of EBITDA please see section Definitions and reconciliations. Adevinta implemented IFRS 16 from 1 January 2019. The effect of IFRS 16 implementation on Operating expenses and EBITDA for Adevinta is EUR 3.5 million in Q1 2019.
[2] Excluding the IFRS 16 effect EBITDA margin for combined financial figures is 27 percent in Q1 2019 and the YoY increase in EBITDA is 49 percent.

HIGHLIGHTS OF Q1 2019

- **IPO of Adevinta was formally announced, subsequently listing on the Oslo stock exchange on 10 April 2019**
- **Revenues grew to EUR 174 million, up 15 percent.**
  - Revenues increased 15 percent on a proportionate basis, including JVs.
  - Revenue from verticals grew 19 percent across all markets, while the growth in display. advertising revenues was lower than in previous quarters.
  - EBITDA margin on a proportionate basis rose 9%-points to 29 percent.
  - Slightly reduced EBITDA margin in France, but significant improvement in Spain and Brazil.
  - Investment phase losses continue to decline in Q1 to EUR (3.5) million (EUR (13.9) million in Q1 2018).
- **Operating profit improved to EUR 37.0 million, up 69 percent.**
- **Acquired the remaining 10 percent of the shares in Schibsted Classified Spain SL, increasing its ownership to 100 percent in January 2019.**

Operational Development

Adevinta Overview

	First quarter		(EUR million)	Year
yoy %	**2018**	**2019**	**ADEVINTA**	**2018**
14%	**140,2**	**160,2**	**Operating revenues**	**594,6**
31%	10,8	14,1	Proportional revenues from JVs	49,4
15%	**151,0**	**174,4**	**Operating revenues incl. JVs**	**644,0**
61%	**28,5**	**46,0**	**EBITDA**	**151,0**
17%	42,4	49,6	- of which Developed phase	194,1
74%	(13,9)	(3,5)	- of which Investment phase	(43,1)
	20%	29%	EBITDA margin	25%
83%	2,0	3,7	Proportional EBITDA from JVs	5,1
63%	**30,5**	**49,7**	**EBITDA incl. JVs**	**156,2**
	20%	29%	EBITDA margin incl. JVs	24%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Adevinta is EUR 3.5 million in Q1 2019. Excluding the IFRS 16 effect EBITDA margin for combined financial figures is 27 percent in Q1 2019 and the YoY increase in EBITDA is 49 percent.

Commentary and financial numbers in this Operational development section covering the Adevinta Overview through to Global Markets, refers to proportionate numbers from JVs.

Revenues, including JVs, grew 15 percent in Q1 compared to Q1 2018. The revenue growth rate was driven by strong performance in core markets in France, Spain and Brazil. Healthy growth in verticals (cars, real estate and jobs) in most markets, leading to overall growth of 19 percent while experiencing softness in display advertising in most assets (overall 5 percent decline compared to Q1 2018).

Gross operating profit (EBITDA) increased by 63 percent - it increased by 49 percent when excluding IFRS16 effect.

FRANCE

	First quarter		(EUR million)	Year
yoy %	**2018**	**2019**	**France**	**2018**
12%	73.0	81.7	Operating revenues	306.6
13%	32.4	36.6	Operating expenses	137.3
11%	40.7	45.1	EBITDA	169.3
	56%	55%	EBITDA margin	55%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for France is EUR 1.0 million in Q1 2019. Excluding the IFRS 16 effect EBITDA margin for France is 54 percent in Q1 2019 and the YoY increase in EBITDA is 8 percent.

Revenues in France grew by 12 percent in the first quarter. Total revenues from verticals (cars, real estate and jobs) grew 18 percent compared to last year. A weak quarter for display advertising affected the total growth negatively. We have initiatives in place to mitigate.

Our strategy is to continue to deepen our vertical roots, in the French Market, both organically and through acquisitions. The acquired companies contribute to strengthen our market positions, however some of the acquired companies will naturally have lower topline growth and margins than LeBonCoin, affecting Adevinta France aggregate performance.

We will also continue to pursue adjacent growth opportunities in France based on our strong market positions.

SPAIN

	First quarter		(EUR million)	Year
yoy %	**2018**	**2019**	**Spain**	**2018**
16%	37.9	43.8	Operating revenues	160.0
10%	28.5	31.2	Operating expenses	112.9
34%	9.5	12.6	EBITDA	47.1
	25%	29%	EBITDA margin	29%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Spain is EUR 1.0 million in Q1 2019. Excluding the IFRS 16 effect EBITDA margin for Spain is 27 percent in Q1 2019 and the YoY increase in EBITDA is 24 percent.

Revenues in Spain increased by 16 percent in Q1. The development in the verticals (jobs, cars and real estate) continued to be strong with a 21 percent growth in Q1 compared to Q1 2018. The growth in display advertising revenue was lower than in previous quarters, decreasing 5 percent in Q1. The traffic development in the cars vertical continued to be strong.

The EBITDA margin improvement from last year is due to the revenue growth.

BRAZIL

	First quarter		(EUR million) OLX Brazil 100%	Year
yoy %	2018	2019	Brazil	2018
39%	14,7	20,5	Operating revenues	68,9
26%	12,5	15,7	Operating expenses	66,3
>100 %	2,3	4,8	EBITDA	2,6
	15%	24%	EBITDA margin	4%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Brazil is EUR 0.3 million in Q1 2019. Excluding the IFRS 16 effect EBITDA margin for Brazil is 22 percent in Q1 2019

OLX.com.br in Brazil, which is a 50 percent owned joint venture, increased its revenues in Q1 by 54 percent in local currency. The revenue growth was driven by cars and real estate, mainly through an increase in paying listers and monetization efforts.

Infojobs.com.br in Brazil increased its revenues by 9 percent in local currency.

EBITDA margin in Brazil improved from last year due to continued revenue growth.

GLOBAL MARKETS

	First quarter		(EUR million)	Year
yoy %	2018	2019	Global Markets	2018
7%	27.8	29.9	Operating revenues	118.3
-29%	40.4	28.8	Operating expenses	148.7
>100 %	(12.5)	1.1	EBITDA	(30.4)
	-45%	4%	EBITDA margin	-26%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Global Markets is EUR 0.8 million in Q1 2019. Excluding the IFRS 16 effect EBITDA margin is 1 percent in Q1 2019.

The Global Markets portfolio continued to develop well in Q1 and recorded its first profit. The revenue growth was 7 percent compared to Q1 2018. The development in the verticals continues to be strong with 16 percent growth compared to Q1 2018.

EBITDA amounted to EUR 1.1 million in Q1 compared to EUR (12.5) million in Q1 in the previous year. EBITDA margins were expanded across almost all assets in the portfolio. The negative EBITDA from Shpock was EUR (1.5) million in Q1, compared to EUR (9.8) million in Q1 2018.

Investment Phase Portfolio

The investment phase portfolio that sits predominantly in our Global Markets segment continued to develop well in Q1, moving towards profitability. The revenue growth in Q1 was 13 percent compared to Q1 2018.

The EBITDA of operations in Investment phase amounted to EUR (3.5) million in Q1 compared to (13.9) million Q1 2018 primarily driven by the strategy adjustment in Shpock and Mexico accelerating the path towards break-even, coupled with several assets approaching or at break-even in 2019.

Group Overview

Profit and Loss

OPERATING PROFIT

Reported Revenue (equity basis) increased by 14 percent in Q1 2019 when compared to Q1 2018. Operating expenses increased by 2 percent in Q1 and Gross Operating Profit (EBITDA) increased by 61 percent. Excluding the application of IFRS 16, operating expenses have increased by 5 percent and EBITDA has increased by 49 percent.

Share of profit (loss) of joint ventures and associates increased from EUR 0.4 Million to EUR 4.2 Million, related to improved results mainly in Brazil, Indonesia and Austria. Other income and expenses in Q1 2019 was EUR (1.7) Million (EUR (0.6) Million in 1Q 2018). Other income and expenses are disclosed in note 4.

Operating profit in Q1 2019 amounted to EUR 37 Million (EUR 21.9 Million in Q1 2018). Please also refer to note 3 to the condensed combined financial statements.

NET PROFIT AND EARNINGS PER SHARE

Net financial items are disclosed in note 5 to the condensed combined financial statements.

The underlying effective tax rate is stable at 32.5 percent. The reported tax rate is 38 percent in 1Q 2019, compared to 82 percent in 1Q 2018. Generally, Adevinta reports a tax rate exceeding the nominal tax rate primarily as an effect of losses for which no deferred tax asset is recognized. That effect has been declining during 2018 and 2019 due to a reduction in such losses.

Basic earnings per share in Q1 is EUR 0.03 compared to EUR 0.01 in Q1 2018. Adjusted earnings per share in Q1 is EUR 0.04 compared to EUR 0.01 in Q1 2018.

Cash Flow and Capital Factors

CASH FLOW

Net cash flow from operating activities was EUR 51 million for the quarter ending 31 March 2019, compared to EUR 25.1 million in Q1 2018. The increase is primarily related to the increase in operating profit and decrease of working capital partly offset by increased tax payments.

Net cash outflow from investing activities was EUR 15.9 million for the quarter ending 31 March 2019, compared to EUR 5.2 million in Q1 2018. The increase is mainly due to increased capital expenditure and increase in other investments. Net cash outflow from financing activities was EUR 37.3 million for the quarter ending 31 March 2019, compared to EUR 26.6 million in 2018. The increase is primarily related to the purchase of remaining shares from Spain´s minority interest partly offset by increased financing from Schibsted.

EQUITY AND DEBT

The carrying amount of the Group's assets decreased by EUR 32.8 million to EUR 2,120.7 million during Q1 2019 and the Group's net interest-bearing debt increased by EUR 65.6 million to EUR 222.1 million (see specification in Definitions and Reconciliations below). The Group's equity ratio is 64 percent at the end of 1Q 2019, compared to 62 percent at the end of 2018.

EVENTS AFTER THE BALANCE SHEET DATE

Adevinta ASA was listed on the Oslo Stock Exchange on 10 April 2019. The spin-off of the Adevinta business from Schibsted was completed on 9 April and carried out as described in the listing prospectus, published 1 April 2019 in connection with the IPO. See further comments in Note 7 below.

IFRS 16

As disclosed in Note 1 to the condensed combined financial statements, Adevinta has implemented the accounting standard IFRS 16 Leases from 1 January 2019. The application of the new accounting standard has reduced operating expenses in Q1 2019 by EUR 3.5 million and increased EBITDA by EUR 3.5 million compared to what would have been reported under the formerly applicable accounting standard. The positive effect on EBITDA is offset by EUR 3.3 million of increased depreciation and EUR 0.4 million of net financial items resulting in no material impact on net profit. On the balance sheet the application of IFRS 16 has increased assets by EUR 55.9 million, increased liabilities by EUR 56.6 million and reduced equity by EUR 0.7 million. Comparable figures for 2018 are not restated applying IFRS 16. See further comments in Note 1 below.

Outlook

Adevinta sees continued revenue growth potential and inherent operational leverage in all its segments on the back of the strong brand positions and traffic leadership in its markets and verticals. The medium- to long-term target for annual revenue growth remains at 15-20 percent, driven by increased monetization (particularly within verticals) and structural growth in online markets.

Adevinta endeavors to maintain and extend its favorable competitive positions in several markets while also capturing further core and adjacent growth opportunities. Adevinta will continue to benefit from organic online classifieds market growth particularly focused on extracting the untapped potential that lies in its strong verticals. At the same time, Adevinta is focused on driving initiatives to increase market share 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. In addition to this, Adevinta is targeting a reduction in investment phase losses to an EBITDA of EUR (10-20) million in FY 2019 (compared to EUR (43.1) million in FY 2018). The reduction in investment phase losses are driven by strategy adjustments in both Shpock and Mexico accelerating a path towards break-even, as well as other assets approaching break-even in 2019. The exact level of the investment phase losses will, among other things, depend on the pace of monetization growth and the competitive situation in each market.

We have continued to see a weak advertising market in Q1, and we expect that development to continue in Q2. In order to mitigate the negative effects we are developing new advertising formats, resolving technical issues with our partners and strengthening our sales forces.

Adevinta intends to continue devoting resources to develop scalable components, leveraging its international footprint, creating value through central product and technology development.

During 2019, the negative EBITDA of the HQ/Other segment is expected to rise, in line with guidance provided in the prospectus, due to the setup of functional teams because of the demerger.

Condensed Combined Financial Statements

CONDENSED COMBINED INCOME STATEMENT

	First quarter 2019	2018	Year 2018
Operating revenues	**160.2**	**140.2**	**594.6**
Personnel expenses	(55.5)	(50.5)	(201.3)
Other operating expenses	(58.7)	(61.2)	(242.3)
Gross operating profit (loss)	**46.0**	**28.5**	**151.0**
Depreciation and amortisation	(11.2)	(6.2)	(26.5)
Share of profit (loss) of joint ventures and associates	4.2	0.4	6.8
Impairment loss	(0.3)	(0.2)	(56.6)
Other income and expenses	(1.7)	(0.6)	(6.3)
Operating profit (loss)	**37.0**	**21.9**	**68.4**
Net financial items	(0.2)	(4.0)	(14.1)
Profit (loss) before taxes	**36.8**	**17.9**	**54.3**
Taxes	(13.8)	(14.7)	(61.3)
Profit (loss)	**23.0**	**3.3**	**(7.0)**
Profit (loss) attributable to:			
Non-controlling interests	0.5	(0.4)	0.4
Owners of the parent	22.5	3.6	(7.4)
Earnings per share in EUR:			
Basic	0.03	0.01	(0.01)
Diluted	0.03	0.01	(0.01)

CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME

	First Quarter 2019	2018	Year 2018
Profit (loss)	**23.0**	**3.3**	**(7.0)**
Remeasurements of defined benefit pension liabilities	-	(0.1)	(0.5)
Income tax relating to remeasurements of defined benefit pension liabilities	-	0.0	0.1
Items not to be reclassified subsequently to profit or loss	-	**(0.1)**	**(0.4)**
Exchange differences on translating foreign operations	9.7	(12.0)	(49.1)
Items to be reclassified subsequently to profit or loss	**9.7**	**(12.0)**	**(49.1)**
Other comprehensive income	**9.7**	**(12.1)**	**(49.5)**
Comprehensive income	**32.7**	**(8.8)**	**(56.5)**
Comprehensive income attributable to:			
Non-controlling interests	0.5	(0.4)	0.3
Owners of the parent	32.2	(8.4)	(56.8)

CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

	31 March 2019	2018	Year 2018
Intangible assets	1,308.5	1,354.1	1,301.0
Property, plant and equipment and right-of-use assets	82.9	18.3	19.8
Investments in joint ventures and associates	385.0	399.1	375.3
Other non-current assets	14.1	13.2	13.2
Non-current assets	**1,790.4**	**1,784.7**	**1,709.2**
Trade receivables and other current assets	277.2	317.9	389.2
Cash and cash equivalents	53.0	30.7	55.1
Current assets	**330.3**	**348.6**	**444.3**
Total assets	**2,120.7**	**2,133.3**	**2,153.5**
Equity attributable to owners of the parent	1,347.8	1,243.7	1,317.8
Non-controlling interests	14.8	15.6	13.9
Equity	**1,362.6**	**1,259.3**	**1,331.7**
Non-current interest-bearing borrowings	418.7	512.1	448.5
Other non-current liabilities	133.5	74.9	76.5
Non-current liabilities	**552.2**	**586.9**	**525.0**
Current interest-bearing borrowings	0.0	0.5	0.0
Other current liabilities	205.9	286.6	296.8
Current liabilities	**205.9**	**287.1**	**296.8**
Total equity and liabilities	**2,120.7**	**2,133.3**	**2,153.5**

CONDENSED COMBINED STATEMENT OF CASH FLOWS

	31 March 2019	2018	Year 2018
Profit (loss) before taxes	36.8	17.9	54.3
Depreciation, amortisation and impairment losses	11.6	6.4	83.1
Share of loss (profit) of joint ventures and associates, net of dividends received	(4.2)	(0.4)	(6.8)
Dividends received from joint ventures and associates	-	-	1.5
Taxes paid	(12.4)	(12.2)	(53.7)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(0.0)	(0.0)	(1.3)
Change in working capital and provisions	19.3	13.4	(3.2)
Net cash flow from operating activities	**51.0**	**25.1**	**73.9**
Development and purchase of intangible assets and property, plant and equipment	(9.6)	(5.3)	(30.7)
Acquistion of subsidiaries, net of cash acquired	-	-	(3.1)
Proceeds from sale of intangible assets and property, plant and equipment	0.2	0.0	0.4
Proceeds from sale of subsidiaries, net of cash sold	-	-	0.1
Net sale of (investment in) other shares	(6.1)	-	(3.3)
Net change in other investments	(0.3)	-	2.8
Net cash flow from investing activities	**(15.9)**	**(5.2)**	**(33.8)**
Net cash flow before financing activities	**35.2**	**19.9**	**40.1**
Net change in interest-bearing loans and borrowings	-	0.3	0.4
Change in ownership interests in subsidiaries	(100.1)	-	(11.0)
IFRS 16 lease payments	(2.9)	-	-
Dividends paid	(0.0)	-	(3.4)
Net financing from (to) Schibsted ASA	65.8	(26.8)	(8.9)
Net cash flow from financing activities	**(37.3)**	**(26.6)**	**(22.9)**
Effects of exchange rate changes on cash and cash equivalents	0.0	(0.1)	0.4
Net increase (decrease) in cash and cash equivalents	**(2.1)**	**(6.7)**	**17.7**
Cash and cash equivalents as at 1 January	55.1	37.4	37.4
Cash and cash equivalents as at 31 March	**53.0**	**30.7**	**55.1**

CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 31 December 2017	**1,240.2**	**15.3**	**1,255.5**
Change in accounting principle IFRS 2	0.5	-	0.5
Change in accounting principle IFRS 15	(3.8)	-	(3.8)
Equity as at 1 January 2018	**1,236.9**	**15.3**	**1,252.3**
Comprehensive income	(56.8)	0.3	(56.5)
Transactions with the owners	137.7	(1.7)	136.0
Capital increase	*-*	*0.2*	*0.2*
Share-based payment	*(0.3)*	*(0.0)*	*(0.4)*
Dividends paid to non-controlling interests	*-*	*(3.4)*	*(3.4)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(22.8)*	*1.5*	*(21.3)*
Share of transactions with the owners of joint ventures and associates	*(0.1)*	*-*	*(0.1)*
Group contributions and dividends	*(38.7)*	*-*	*(38.7)*
Transactions with former Group entities, including effects of allocation	*199.6*	*-*	*199.6*
Equity as at 31 December 2018	**1,317.8**	**13.9**	**1,331.7**
Change in accounting principle IFRS 16 (note 1)	(0.7)	-	(0.7)
Equity as at 1 January 2019	**1,317.1**	**13.9**	**1,331.0**
Comprehensive income	32.2	0.5	32.7
Transactions with the owners	(1.4)	0.3	(1.1)
Share-based payment	*(1.0)*	*-*	*(1.0)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0.4)*	*0.3*	*(0.1)*
Equity as at 31 March 2019	**1,347.8**	**14.8**	**1,362.6**

	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 31 December 2017	**1,240.2**	**15.3**	**1,255.5**
Change in accounting principle IFRS 2	0.5	-	0.5
Change in accounting principle IFRS 15	(3.8)	-	(3.8)
Equity as at 1 January 2018	**1,236.9**	**15.3**	**1,252.3**
Comprehensive income	(8.4)	(0.4)	(8.8)
Transactions with the owners	15.2	0.7	15.9
Share-based payment	*(0.4)*		*(0.4)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0.7)*	*0.7*	*-*
Transactions with former Group entities, including effects of allocation	*16.3*	*-*	*16.3*
Equity as at 31 March 2018	**1,243.7**	**15.6**	**1,259.3**

Notes

Note 1. Corporate Information, Basis of Preparation and Changes to Accounting Policies

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

Adevinta was listed on the Oslo Stock Exchange on 10 April 2019. Historically the business has been part of the Schibsted group. After the listing Schibsted has retained majority ownership in Adevinta.

Historical consolidated financial information for Adevinta is not available before 9 April 2019. Therefore, the presentation of the first quarterly results for Adevinta has been prepared as condensed combined interim financial statements. The condensed combined interim financial statements combine the historical results of operations and carrying amounts of assets and liabilities of the legal entities that constitute the Adevinta business. From the second quarter of 2019 Adevinta will report consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The accounting policies adopted in preparing the combined financial statements for the first quarter of 2019 are consistent with those followed in preparing the Adevinta combined financial statements included in the IPO prospectus, published on 1 April 2019. Exceptions include adoption of new standards and amendments to standards effective as of 1 January 2019 as disclosed below, as well as allocation of centrally developed intangible asset and related expenses as elaborated below. The listing prospectus is available at www.adevinta.com.

IFRS 10 requires a parent company to directly or indirectly control its subsidiaries at the balance sheet date in order to prepare consolidated financial statements. Adevinta ASA did not obtain such control until 9 April 2019. IFRS 10 has therefore not been applied for the condensed combined financial statements for the first quarter of 2019 but will become mandatory for the group's 2019 financial statements.

The condensed combined interim financial statements are unaudited. All amounts are in EUR million unless otherwise stated. Tables may not summarize due to rounding.

CENTRALLY DEVELOPED INTANGIBLE ASSETS AND RELATED EXPENSES

Schibsted has historically had a centralized approach to some of its product and technology development. However, from 1 January 2019 product and technology development in Adevinta has been separated from the rest of Schibsted's product and technology development. For this period the carrying amount of internally generated intangible assets used by all or some of the Adevinta entities are capitalized within entities included in the condensed combined interim financial statement. The corresponding operating expenses, capitalization, amortization and impairment are included in the respective entities. For the period before 1 January 2019 the carrying amount and corresponding operating expenses, capitalization, amortization and impairment in the interim financial statements have been allocated in line with the principles described in combined financial statements included in the listing prospectus.

OPERATING SEGMENTS

In preparation for and the subsequent spin-off of the business, management has assessed operating segments according to IFRS 8 Segments. Based on the internal reporting structure, Adevinta has identified France, Spain, Brazil and Global Markets as operating segments, which is in line with how the business will continue to be developed and managed by the chief operating decision maker. In the Combined Income Statement and Combined Statement of Financial Position of Adevinta, OLX Brazil is accounted for using the equity method of accounting. The segment figures for Brazil are presented on a 100 percent basis to reflect how the business and performance is monitored by management. Subsequent adjustments are included in Eliminations to get to the equity method of accounting in the Combined Income Statement and Combined Statement of Financial Position. As a consequence of the change in operating segments and certain cash-generating units to which goodwill has been allocated, goodwill is reallocated to the cash-generating units affected using a relative value approach. The reallocation of goodwill has not resulted in impairment losses.

IFRS 16 LEASES

Adevinta 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. Under IFRS 16, all leases, except for short-term leases and leases of low value assets, are accounted for under a single on-balance sheet model. At the commencement date of a lease, a lease liability is recognised for the net present value of remaining lease payments and a right-of-use asset is recognised for the right to use the underlying asset during the remaining lease term. The right-of-use asset is depreciated over the lease term. The lease liability is increased by interest expenses and reduced by lease payments. For short-term leases and leases of low value assets, lease payments are recognized on a straight-line or other systematic basis over the lease term. The Group separates non-lease components from lease components and accounts for each component separately.

Under IAS 17, lease payments for operating leases were recognized on a straight-line or other systematic basis over the lease term.

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 are not restated. In the condensed combined statement of financial position, the right-of use assets are reported in the line item Property, plant, equipment and right-of-use assets. Lease liabilities are reported in the line items Other non-current liabilities and Other current liabilities.

At the date of initial application, the right-of-use assets of significant office leases are measured as if IFRS 16 had been applied since the commencement date of the related lease. For other leases, the right-of-use asset is measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments at 31 December 2018. Initial direct costs are 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 are 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 is measured applying the incremental borrowing rate as of that date.

Below is presented the effects by line items of the condensed combined statement of financial position at 1 January 2019 from implementing IFRS 16 Leases:

Statement of financial position	**1 January 2019**
Property, plant and equipment and right-of-use assets	57.3
Trade receivables and other current assets	(1.5)
Total assets	**55.9**
Equity attributable to owners of the parent	(0.7)
Other non-current liabilities	57.6
Other current liabilities	(1.0)
Total equity and liabilities	**55.9**

Below is presented the effects on the condensed combined income statement of applying IFRS 16 compared to the amounts that would have been reported applying the former accounting policies applied until 31 December 2018:

Income statement	**First quarter 2019**
Other operating expenses	3.5
Gross operating profit (loss)	3.5
Depreciation and amortisation	(3.3)
Share of profit (loss) of joint ventures and associates	0.1
Operating profit (loss)	0.3
Net financial items	(0.4)
Profit (loss) before taxes	(0.1)
Taxes	0.0
Profit (loss)	(0.1)

Below is presented the effects on the condensed combined statement of cash flows of applying IFRS 16 compared to the amounts that would have been reported applying the former accounting policies applied until 31 December 2018:

Statement of cash flows	First quarter 2019
Net cash flow from operating activities	2.9
Net cash flow from financing activities	(2.9)

Note 2. Changes in the Composition of the Group

BUSINESS COMBINATIONS 2019

During 2019, Adevinta has not made any investment related to acquisition of businesses (business combinations).

OTHER CHANGES IN THE COMPOSITION OF THE GROUP 2019

Adevinta has in 2019 paid net EUR 100 million related to increases in ownership interests in subsidiaries. The amount invested is primarily related to the acquisition of the remaining 10% ownership in SCM Spain, increasing the ownership to 100%.

Note 3. Operating Segment Disclosures

In preparation for and the subsequent spin-off of the business management has assessed operating segments according to IFRS 8 Segments. Based on the internal reporting structure, Adevinta has identified France, Spain, Brazil and Global Markets as operating segments.

- France comprises primarily Leboncoin, MB Diffusion, Avendrealouer, Videdressing and Kudoz.
- Spain comprises primarily InfoJobs, Coches, FotoCasa, Habitaclia, Milanuncios and Vibbo.
- Brazil comprises OLX Brazil joint venture and Infojobs Brazil. In the Combined Income Statement and Combined Statement of Financial Position of Adevinta, OLX Brazil is accounted for using the equity method of accounting. The segment figures for Brazil are presented on a 100 percent basis to reflect how the business and performance is monitored by management. Subsequent adjustments are included in Eliminations to get to the equity method of accounting in the Combined Income Statement and Combined Statement of Financial Position.
- Global Markets comprises primarily Subito and Infojobs in Italy; Daft, Done Deal and Adverts in Ireland; Hasznaltauto and Jofogas in Hungary; Fincaraiz in Colombia; Yapo in Chile; Segundamano in Mexico; Kufar in Belarus; Tayara in Tunisia; Avito in Morocco; Corotos in Dominican Republic; and Shpock in Austria, Germany, United Kingdom and Italy. Willhaben in Austria is recognized via equity method.

Other/Headquarters comprises operations not included in the four reported operating segments, including Adevinta's headquarters and centralised functions such as centralised product and technology development.

Eliminations comprise reconciling items related to OLX Brazil and 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 a measure of operating segment profit (loss). For internal control and monitoring, operating profit (loss) is also used as a measure of operating segment profit (loss).

The operating segments corresponds to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO.

OPERATING REVENUES AND PROFIT (LOSS) BY OPERATING SEGMENTS:

First quarter 2019	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	81.7	43.8	20.5	29.8	3.3	(18.8)	160.2
Operating revenues from other segments	0.1	-	-	0.1	1.0	(1.2)	(0.0)
Operating revenues	**81.7**	**43.8**	**20.5**	**29.9**	**4.3**	**(20.0)**	**160.2**
Gross operating profit (loss) excl. Investment phase	45.1	12.6	4.8	4.6	(12.8)	(4.8)	49.6
Gross operating profit (loss) adj. IFRS 16	44.1	11.7	4.5	0.3	(13.6)	(4.6)	42.5
Gross operating profit (loss)	45.1	12.6	4.8	1.1	(12.8)	(4.8)	46.0
Operating profit (loss)	**41.9**	**10.1**	**4.0**	**0.9**	**(17.6)**	**(2.3)**	**37.0**
First quarter 2018							
Operating revenues from external customers	72.9	37.9	14.7	27.6	0.1	(13.1)	140.2
Operating revenues from other segments	0.1	-	-	0.2	1.0	(1.3)	(0.0)
Operating revenues	**73.0**	**37.9**	**14.7**	**27.8**	**1.1**	**(14.4)**	**140.2**
Gross operating profit (loss) excl. Investment phase	40.7	9.5	2.3	1.3	(9.0)	(2.4)	42.4
Gross operating profit (loss)	40.7	9.5	2.3	(12.5)	(9.0)	(2.4)	28.5
Operating profit (loss)	**38.8**	**7.4**	**1.8**	**(14.2)**	**(10.6)**	**(1.3)**	**21.9**
Year 2018							
Operating revenues from external customers	305.6	160.0	68.9	117.9	4.7	(62.6)	594.6
Operating revenues from other segments	1.0	-	-	0.4	2.3	(3.7)	(0.0)
Operating revenues	**306.6**	**160.0**	**68.9**	**118.3**	**7.1**	**(66.2)**	**594.5**
Gross operating profit (loss) excl. Investment phase	169.3	47.1	2.6	12.7	(34.8)	(2.7)	194.1
Gross operating profit (loss)	169.3	47.1	2.6	(30.4)	(34.8)	(2.7)	151.0
Operating profit (loss)	**162.2**	**38.7**	**0.4**	**(84.0)**	**(52.2)**	**3.3**	**68.4**

Gross operating profit (loss) ex. investment phase excludes operations in growth phase with large investments in market positions, immature monetisation rate and where sustainable profitability has not been reached. For Q1 2019, investment phase operations contributed Operating revenues of EUR 6.8 million and reduced Gross operating profit by EUR 3.5 million.

OPERATING REVENUES BY CATEGORY:

	First quarter 2019	2018	Year 2018
Advertising revenues	30.4	32.2	134.6
Classifieds revenues	125.0	106.9	450.8
Other operating revenues	4.9	1.1	9.1
Operating revenues	**160.2**	**140.2**	**594.5**

Note 4. Other Income and Expenses

	First quarter 2019	2018	Year 2018
Restructuring costs	(0.7)	(0.6)	(7.0)
Gain (loss) on sale of subsidiaries, joint ventures and associates	-	-	1.3
Gain (loss) on sale of intangible assets, property, plant and equipment and investment property	-	0.0	(0.0)
Gain (loss) on amendment of pension plans	-	0.0	0.0
Acquisition-related costs	-	-	(0.2)
IPO-related costs	(1.1)	-	-
Other	0.1	0.0	(0.4)
Total other income and expenses	**(1.7)**	**(0.6)**	**(6.3)**

IPO-related costs are mainly expenses related to preparing the Adevinta Group for being listed on the Oslo Stock Exchange.

Note 5. Net Financial Items

	First quarter 2019	2018	Year 2018
Net interest income (expenses)	(2.9)	(3.4)	(12.0)
Net foreign exchange gain (loss)	2.9	(0.6)	(1.9)
Net other financial income (expenses)	(0.1)	0.0	(0.2)
Net financial items	**(0.2)**	**(4.0)**	**(14.1)**

Note 6. Earnings Per Share

Earnings per share and diluted earnings per share are presented for ordinary shares. Earnings per share is calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding, adjusted for all dilutive potential shares. Adjusted earnings per share is calculated as profit (loss) attributable to owners of the parent adjusted for items reported in the income statement as Other income and expenses and Impairment loss, adjusted for taxes and non-controlling interests.

As described in the demerger plan and information brochure of 24 January 2019, the separation of the Adevinta Business from Schibsted is effected through two demergers: 1) the demerger of Schibsted and transfer of the remaining 35 percent of the Adevinta Business to Adevinta against transfer of consideration shares to the shareholders of Schibsted; and 2) the demerger of Schibsted Multimedia AS and transfer of 65 percent of the Adevinta Business to Adevinta against transfer of consideration shares to Schibsted (the "SMM Demerger"). Consequently, after completion of the two demergers, Adevinta's share capital is divided into 681,147,889 Shares, divided by 307,849,680 A-Shares and 373,298,209 B-Shares. For reporting and comparability purposes, they have been used as the weighted average number of shares outstanding. The number of shares included in the calculation is the same as the number for earnings per share and diluted earnings per share, as described above.

	First quarter 2019	2018	Year 2018
Weighted average number of shares outstanding	681,147,889	681,147,889	681,147,889
Effects of dilution	-	-	-
Weighted average number of shares outstanding - diluted	**681,147,889**	**681,147,889**	**681,147,889**
Profit (loss) attributable to owners of the parent	22.5	3.6	(7.4)
Earnings per share (EUR)	0.03	0.01	(0.01)
Diluted earnings per share (EUR)	0.03	0.01	(0.01)
Calculation of adjusted earnings per share			
Profit (loss) attributable to owners of the parent	22.5	3.6	(7.4)
Other income and expenses	1.7	0.6	6.3
Impairment loss	0.3	0.2	56.6
Taxes and non-controlling effect of Other income and expenses and Impairment loss	0.0	(0.2)	(1.0)
Profit (loss) attributable to owners of the parent - adjusted	**24.5**	**4.2**	**54.6**
Earnings per share – adjusted (EUR)	0.04	0.01	0.08
Diluted earnings per share – adjusted (EUR)	0.04	0.01	0.08

Note 7. Events After the Balance Sheet Date

DEMERGER AND IPO

Adevinta ASA was listed on the Oslo Stock Exchange on 10 April 2019. The spin-off of the Adevinta business from Schibsted was carried out as described in the listing prospectus, published on 1 April 2019 in connection with the IPO.

The demerger was completed on 9 April 2019 during which net assets transferred from Schibsted ASA to Adevinta ASA amount to EUR 144.8 million. The equity effect of the demerger, if applied to the condensed combined interim financial statements, would have increased equity from EUR 1,361.6 million to EUR 1,506.4 million. Similarly, net interest-bearing debt would decrease by EUR 140.2 million. Above effects will be included in the Q2 Report of Adevinta ASA.

Adevinta has entered into a non-current Revolving Credit Facility of EUR 300 million. The new facility was drawn by EUR 150 million as at 12 April and on the same day all outstanding interest-bearing debt from Schibsted was repaid (totalling EUR 151 million).

IFRS 2 SHARE-BASED PAYMENT

In Note 10 in the Adevinta combined financial statements included in the listing prospectus, published on 1 April 2019 it was mentioned that existing awards under the Long-Term Incentive Plan will be measured as of the date of the listing, and settled with shares in Schibsted based on this measurement. After publishing the prospectus the Board of Adevinta has decided that these awards will be settled with shares in Adevinta instead of shares in Schibsted.

There have been no other material events subsequent to the reporting period that might have a significant effect on the condensed combined interim financial statements for Q1 2019.

Definitions and Reconciliations

The combined financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the company presents alternative performance measures (APM). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below:

Measure	Description	Reason for including
EBITDA (before other income and expenses, impairment, joint ventures and associates).	EBITDA (before other income and expenses, impairment, joint ventures and associates) equals gross operating profit (loss). Gross operating profit is operating profit excluding depreciation and amortisation, Share of profit (loss) of joint ventures and associates, Impairment loss and Other income and expenses.	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 (before other income and expenses, impairment, joint ventures and associates) ex. Investment phase.	EBITDA (before other income and expenses, impairment, joint ventures and associates) ex. Investment phase is the gross operating profit from developed operations. The excluded operations are characterized by growth phase with large investments in market positions, immature monetization rate and sustainable profitability has not been reached.	Conveys information of segment profitability in developed phase operations.
EBITDA (before other income and expenses, impairment, joint ventures and associates) adj. IFRS 16.	EBITDA (before other income and expenses, impairment, joint ventures and associates) adj. IFRS 16 equals gross operating profit (loss) adj. IFRS 16 effects (see Note 1). Gross operating profit is operating profit excluding depreciation and amortisation, Share of profit (loss) of joint ventures and associates, Impairment loss and Other income and expenses. IFRS 16 adjusted effects includes office rent costs for comparability to prior period.	Shows performance regardless of capital structure, tax situation, adjusted for income and expenses related transactions and events not considered by management to be part of operating activities and adjusted for IFRS 16 effects. Management believes the measure enables an evaluation of operating performance making it comparable to previous periods.
Operating revenues incl. JVs.	Operating revenues including the proportional ownership of Willhaben (Austria) and OLX (Brazil).	Shows performance including the proportional ownership of Willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.
EBITDA incl. JVs.	Gross operating profit including the proportional ownership of Willhaben (Austria) and OLX (Brazil).	Shows performance including the proportional ownership of Willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.

Net interest-bearing debt.	Net interest-bearing debt is defined as interest bearing liabilities less cash and cash equivalents and cash pool holdings.	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.

Developed Phase and Investment Phase

Developed Phase	
Consolidated Subsidiaries	Joint ventures and associates
• France: Leboncoin, MB Diffusion, Kudoz, Avendrealouer and Videdressing. • Spain: Coches, FotoCasa, Vibbo, Milanuncios, InfoJobs, Habitaclia. • Italy: Subito and InfoJobs. • Ireland: Daft, Done Deal and Adverts. • Hungary: Hasznaltauto and Jofogas. • Colombia: Fincaraiz. • Brazil: Infojobs.	• Austria: Willhaben. • Brazil: OLX. • France: Younited.

Investment Phase (The investment phase operations are characterized by growth phase markets that are not yet profitable. The growth phase markets have large investments in market positions and immature monetisation rates)	
Consolidated Subsidiaries	Joint ventures and associates
• Shpock in markets: Austria, Germany, United Kingdom and Italy. • Chile: Yapo. • Mexico: Segundamano. • Morocco: Avito. • Belarus: Kufar. • Dominican Republic: Corotos. • Tunisia: Tayara.	• Indonesia: OLX. • Thailand: Kaidee (until Q2 2018). • Portugal: Custo Justo (associate from Q3 2018).

Reconciliation of Operating revenues and EBITDA excl. Investment phase and in accordance with financial statements	First quarter 2019	2018	Year 2018
Operating revenues	**160.2**	**140.2**	**594.6**
Operating revenues Investment phase	6.8	6.0	27.1
Operating revenues excl. Investment phase	153.4	134.3	567.4
Gross operating profit (loss)	**46.0**	**28.5**	**151.0**
EBITDA Investment phase	(3.5)	(13.9)	(43.1)
EBITDA excl. Investment phase	49.6	42.4	194.1

Underlying tax rate	First Quarter 2019	2018	Year 2018
Profit (loss) before taxes	36.8	17.9	54.3
Share of profit (loss) of joint ventures and associates	(4.2)	(0.4)	(6.8)
Other losses for which no deferred tax benefit is recognised	10.0	26.3	89.0
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	-	-	(1.3)
Impairment losses	-	-	47.9
"Adjusted" tax base	**42.6**	**43.8**	**183.1**
Taxes	13.8	14.7	61.3
Adjusted effective tax rate	32.5%	33.5 %	33.5 %

Liquidity reserve	31 March 2019	2018	Year 2018
Cash and cash equivalents	53.0	30.7	55.1
Liquidity reserve	**53.0**	**30.7**	**55.1**

Net interest-bearing debt	31 March 2019	2018	Year 2018
Non-current interest-bearing borrowings	1.8	1.6	1.8
Non-current interest-bearing borrowings from Schibsted ASA	391.5	73.3	317.9
Gross credit positions in Schibsted cash-pooling arrangement	25.4	437.1	128.9
Non-current interest-bearing borrowings	**418.7**	**512.1**	**448.5**
Gross debit positions in Schibsted cash-pooling arrangement *	(143.6)	(181.2)	(236.8)
Current interest-bearing borrowings	0.0	0.5	0.0
Cash and cash equivalents	(53.0)	(30.7)	(55.1)
Net interest-bearing debt	**222.1**	**300.6**	**156.5**

**) Gross debit positions in Schibsted cash-pooling arrangement is included in Trade receivables and other current assets in the balance sheet.*

Currency rates used when converting profit or loss	First quarter 2019	2018	Year 2018
Pound sterling (GBP)	1.1467	1.1319	1.1303
Brazilian Real (BRL)	0.2339	0.2507	0.2329

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Financial Calendar

Q1 Report 2019	14 May 2019
Q2 Report 2019	15 July 2019
Q3 Report 2019	24 October 2019

For information regarding conferences, roadshows etc., please visit
www.adevinta.com/ir