Q2 2019

Interim Report

January - June 2019

Adevinta

Creating perfect matches on the world's most trusted marketplaces

Adevinta Highlights

Highlights of Q2 2019

- **Revenue[1] up 13% to €185 million**
- **Revenue[1] from verticals grew 16% across all markets**
  - France up 16%
  - Spain up 16%
  - OLX Brazil up 33% (local currency basis)
  - Continued softness in display advertising
- **EBITDA[1] improved to €50 million, up 20%**
  - Negatively affected by one-off ESOP charge of €5 million for Brazil
  - EBITDA margin on a proportionate basis rose 2%-points to 27%
- **Global Markets with another profitable quarter**
  - Margin expanded by 33%-points
  - Investment phase losses continue to decline in Q2 to €(1.7) million (€(10.9) million in Q2 2018)
- **Completed 2 acquisitions to strengthen France**
  - Locasun: B2C holiday rental and travel specialist with extensive rental portfolio
  - PayCar: P2P payments provider for used cars with advanced features and tech

Rolv Erik Ryssdal, CEO

"We have enjoyed a good quarter characterized by strong performances in core verticals across all our markets. We are progressing on a steady course to deliver on our strategy of strengthening our positions in the verticals. Softness in display advertising - a combination of global advertising industry factors and tougher economic conditions - has continued to negatively affect overall revenue growth. Initiatives taken in Q1 have had some positive impact.

"Adevinta has been established as a standalone company and has been well received by all stakeholders. We are continuously improving our focus on operations, while evaluating market growth and consolidation opportunities.

"Product and technology is a priority across the portfolio and we will continue to invest to improve our competitive strengths.

We are well positioned for expansion and to play a leading role in the marketplaces industry going forward."

Key financial 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.

	Second quarter		(€ million)	First half-year		Full Year
yoy%	**2018**	**2019**	**Proportional ownership view**	**2019**	**2018**	**2018**
13%	**163.8**	**184.6**	**Operating revenues incl. JVs**	**359.0**	**314.8**	**644.0**
20%	**41.6**	**49.9**	**EBITDA incl. JVs**	**99.6**	**72.1**	**156.2**
	25%	27%	EBITDA margin incl. JVs	28%	23%	24%
			Operating revenues - segments			
13%	78.5	88.5	France	170.2	151.5	306.6
14%	40.4	46.0	Spain	89.9	78.3	160.0
17%	17.4	20.3	Brazil	40.8	32.1	68.9
6%	30.1	31.9	Global Markets	61.7	58.0	118.3
			EBITDA - segments			
14%	42.2	48.2	France	93.3	82.9	169.3
19%	13.0	15.5	Spain	89.9	78.3	160.0
-501%	1.8	(7.0)	Brazil	(2.2)	4.0	2.6
>100 %	(6.7)	3.4	Global Markets	4.5	(19.3)	(30.4)
			Cash flow			
13%	17.6	19.8	Net cash flow from operating activities	70.8	42.8	73.9

[1] Proportionate basis incl JVs.
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 an additional €3.5 million in Q2 2019 and €7 million for first-half year 2019

Key consolidated financial figures

yoy%	Second quarter 2018	2019	(€ million) Consolidated financial figures	First half-year 2019	2018	Full Year 2018
12%	**151.4**	**170.3**	**Operating revenues - segments**	**330.6**	**291.7**	**594.6**
13%	78.5	88.5	France	170.2	151.5	306.6
14%	40.4	46.0	Spain	89.9	78.3	160.0
17%	17.4	20.3	Brazil	40.8	32.1	68.9
6%	30.1	31.9	Global Markets	61.7	58.0	118.3
59%	1.9	3.0	Other And Headquarters	7.2	2.9	7.1
(14%)	(16.8)	(19.3)	Eliminations	(39.2)	(31.2)	(66.2)
32%	**39.6**	**52.3**	**Gross operating profit (EBITDA) - segments**	**98.3**	**68.1**	**151.0**
14%	42.2	48.2	France	93.3	82.9	169.3
19%	13.0	15.5	Spain	28.1	22.4	47.1
(501%)	1.8	(7.0)	Brazil	(2.2)	4.0	2.6
>100 %	(6.7)	3.4	Global Markets	4.5	(19.3)	(30.4)
(79%)	(8.3)	(14.9)	Other And Headquarters	(27.7)	(17.3)	(34.8)
>100 %	(2.3)	7.1	Eliminations	2.3	(4.6)	(2.7)
			Proportional ownership view			
13%	**163.8**	**184.6**	**Operating revenues incl. JVs**	**359.0**	**314.8**	**644.0**
20%	**41.6**	**49.9**	**EBITDA incl. JVs**	**99.6**	**72.1**	**156.2**
	25%	27%	EBITDA margin incl. JVs	28%	23%	24%
			Operating revenues - segments			
13%	78.5	88.5	France	170.2	151.5	306.6
14%	40.4	46.0	Spain	89.9	78.3	160.0
17%	17.4	20.3	Brazil	40.8	32.1	68.9
6%	30.1	31.9	Global Markets	61.7	58.0	118.3
			EBITDA - segments			
14%	42.2	48.2	France	93.3	82.9	169.3
19%	13.0	15.5	Spain	89.9	78.3	47.1
(501%)	1.8	(7.0)	Brazil	(2.2)	4.0	2.6
>100 %	(6.7)	3.4	Global Markets	4.5	(19.3)	(30.4)
			Cash flow			
13%	17.6	19.8	Net cash flow from operating activities	70.8	42.8	73.9

Operational Development

In France, leboncoin remains the key growth driver on the back of continued product development. Display advertising growth has improved somewhat, however it remains softer with year-over-year growth of 1%.

Spain continues its positive development with solid growth in its verticals coupled with an upward trend in the development of its advertising revenues. Core classified revenue is up 16% and margins steady with a continued focus on product development.

In Brazil, our joint venture OLX Brazil performed well on the back of rapid growth in core classified revenue; however, advertising development has softened impacted by some headwinds in the macro environment. The appreciation of shares in the management incentive program has resulted in a high one-off accrual turning EBITDA negative, and masking its organic healthy development.

Global Markets continue to successfully implement its fast track growth to profitability, concentrating on its verticals. The sound development was driven by strategic initiatives to optimize portfolio performance and to accelerate the run to break-even in Shpock and Mexico and good quarter performance from across the portfolio. The segment improved EBITDA margin to 11%.

Tough display advertising market conditions persisted in Q2. Advertising revenues have shown an 8% improvement over Q1 2019, as initiatives to increase revenue have taken hold. Furthermore, market dynamics, including first-price auction bidding and pre-GDPR impact, boosted yields in the first half of 2018.

Adevinta Overview

	Second quarter		(€ million)	First half-year		Full Year
yoy%	**2018**	**2019**	**Adevinta overview**	**2019**	**2018**	**2018**
12%	**151.4**	**170.3**	**Operating revenues**	**330.6**	**291.7**	**594.6**
15%	12.4	14.3	Proportional revenues from JVs	28.4	23.2	49.4
13%	**163.8**	**184.6**	**Operating revenues incl. JVs**	**359.0**	**314.8**	**644.0**
32%	**39.6**	**52.3**	**EBITDA**	**98.3**	**68.1**	**151.0**
7%	50.5	54.0	- of which Developed phase	103.5	92.8	194.1
85%	(10.9)	(1.7)	- of which Investment phase	(5.2)	(24.7)	(43.1)
	26%	31%	EBITDA margin	30%	23%	25%
(220%)	2.0	(2.4)	Proportional EBITDA from JVs	1.3	4.0	5.1
20%	**41.6**	**49.9**	**EBITDA incl. JVs**	**99.6**	**72.1**	**156.2**
	25%	27%	EBITDA margin incl. JVs	28%	23%	24%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Adevinta is €3.5 million in Q2 2019. Excluding the IFRS 16 effect EBITDA margin for proportional ownership view is 25% in Q2 2019 and the yoy increase in EBITDA is 12%.

Revenues, including JVs, grew 13% in Q2 compared to Q2 2018. The revenue growth rate was driven by good performance in core markets in France, Spain and Brazil. We saw healthy growth in core classified revenue in most markets, leading to overall growth of 16% (currency adjusted) with a recovery of advertising revenue growth (5% decline in Q1 to a positive 1% growth in Q2).

Gross operating profit (EBITDA) increased by 20% yoy - it increased by 12% yoy when excluding IFRS16 effect. EBITDA for Q2 2019 was negatively affected by an exceptional accrual for the employee share option program (ESOP) in Brazil amounting to €5 million. Normalized EBITDA is €55 million for Q2 2019, up 30%.

France

	Second quarter		(€ million)	First half-year		Full Year
yoy%	2018	2019	France	2019	2018	2018
13%	78.5	88.5	Operating revenues	170.2	151.5	306.6
11%	36.3	40.2	Operating expenses	76.9	68.7	137.3
14%	42.2	48.2	EBITDA	93.3	82.9	169.3
	54%	54%	EBITDA margin	55%	55%	55%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for France is €1.0 million in Q2 2019. Excluding the IFRS 16 effect EBITDA margin for France is 53% in Q2 2019 and the yoy increase in EBITDA is 12%.

Revenues in France grew by 13% in the second quarter. Revenues from verticals (cars, real estate and jobs) grew 16% compared to last year. We saw a muted recovery in display advertising revenue, yet growth at 1% for the quarter impacted total revenue growth. EBITDA margin was steady in Q2.

The results above are not affected by the recent two acquisition carried out (Locasun and PayCar) as explained in note 2.

Traffic continues to develop positively, having achieved 9% growth in visits year to date. In the quarter new product releases included: P2P payment deployment, P2P delivery, new search and ad posting and the seller/buying rater.

Our strategy is to deepen our vertical roots in the French market, both organically and through acquisitions. The acquisitions in France contribute to this strategy by strengthen our market positions, however as evidenced some of the acquired companies will naturally have lower topline growth and margins than leboncoin, affecting Adevinta France overall margin performance.

We will also continue to pursue adjacent growth opportunities in France as seen by the recent acquisition of Locasun and PayCar.

The acquisitions further strengthen and deepen verticals penetration in key growth segments for leboncoin. Locasun benefits from an extensive rental portfolio together with key technologies to assist professionals manage online transactions. PayCar is a start-up in peer-to-peer payments for second hand vehicles and will be integrated into leboncoin's platform, strengthening our leading position in used car verticals.

Spain

	Second quarter		(€ million)	First half-year		Full Year
yoy%	2018	2019	Spain	2019	2018	2018
14%	40.4	46.0	Operating revenues	89.9	78.3	160.0
11%	27.4	30.6	Operating expenses	61.7	55.9	112.9
19%	13.0	15.5	EBITDA	28.1	22.4	47.1
	32%	34%	EBITDA margin	31%	29%	29%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Spain is €0.8 million in Q2 2019. Excluding the IFRS 16 effect EBITDA margin for Spain is 32% in Q2 2019 and the YoY increase in EBITDA is 13%.

Revenues in Spain increased by 14% in Q2. The development in core classified revenue continued with 16% growth compared to Q2 2018 fueled by development in the verticals. The growth in display advertising revenue has shifted to a positive 3% compared to Q2 last year.

The traffic development in cars vertical continued to be strong with double digit growth; similarly, we saw an increase in new candidates in Infojobs. Product improvements this quarter progressed well with successful implementation of price transparency in cars, and good development in user retention and engagement in real estate.

The EBITDA margin is in line with Q2 2018, in spite of increased investment in product development and marketing.

Brazil

yoy%	Second quarter 2018	2019	(€ million) OLX Brazil 100% Brazil	First half-year 2019	2018	Full Year 2018
17%	17.4	20.3	Operating revenues	40.8	32.1	68.9
75%	15.6	27.3	Operating expenses	43.0	28.1	66.3
(501%)	1.8	(7.0)	EBITDA	(2.2)	4.0	2.6
	10%	(35%)	EBITDA margin	(5%)	13%	4%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Brazil is €0.3 million in Q2 2019. Excluding the IFRS 16 effect EBITDA margin for Brazil is -36% in Q2 2019

OLX Brazil, which is a 50%-owned joint venture, increased its revenues in Q2 by 20% in local currency. The revenue growth has declined (versus growth shown in previous quarter) as a result of display advertising revenue down 7% yoy (affected by macro headwinds). Barring the impact of the adjustment above, revenue growth this quarter would have increased 25% in local currency. Cars and real estate verticals continue to grow strongly; as a result, the core classifieds business posted good progress growing at 33% against Q2 2018.

OLX Brazil shows strong, healthy development in terms of core metrics; for instance, the aggregate number of listers grew by almost 6% compared to Q2 2018, mostly driven by the enhanced repeat behavior of existing listers. It is worth mentioning that the financing marketplace has been further expanded beyond cars to real estate and also to the insurance market in the end of Q2 and that is expected to have a positive impact for the second half of 2019.

Infojobs Brazil increased its revenues by 8% in local currency.

In Q2, operational leverage has developed positively. However, the reported EBITDA has been affected by a one-off accrual of the management long-term incentive in OLX Brazil (which is based on the appreciation of the shares that are part of the incentive plan) and indirect tax reclassification, totaling €6 million. For comparison purposes, this quarter operational EBITDA margin would have seen an improvement of 8 percentage points versus Q2 2018 (an EBITDA margin of 23%).

Global Markets

yoy%	Second quarter 2018	2019	(€ million) Global Markets	First half-year 2019	2018	Full Year 2018
6%	30.1	31.9	Operating revenues	61.7	58.0	118,3
(23%)	36.8	28.5	Operating expenses	57.3	77.2	148.7
>100 %	(6.7)	3.4	EBITDA	4.5	(19.3)	(30.4)
	(22%)	11%	EBITDA margin	7%	(33%)	(26%)

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Global Markets is €0.8 million in Q2 2019. Excluding the IFRS 16 effect EBITDA margin is 8% in Q2 2019.

The Global Markets portfolio continued to develop well in Q2 expanding EBITDA margin to 11% over Q1 2019. The revenue growth was 6%, compared to Q2 2018. The development in core classified revenue continues with its good development growing 12% compared to Q2 2018.

The strategy to develop on the verticalization path across the whole portfolio continues, and we saw good progress in improving the technical infrastructure and data platform.

EBITDA amounted to a positive €3.4 million in Q2 compared to negative €(6.7) million in Q2 in 2018. EBITDA margins were expanded across most assets in the portfolio.

Investment phase portfolio

The investment phase portfolio that sits predominantly in our Global Markets segment continued to develop well in Q2, moving towards profitability. The revenue growth in Q2 was 8% compared to Q2 2018.

The EBITDA of operations in Investment phase amounted to €(1.7) million in Q2 compared to €(10.9) million Q2 2018 primarily driven by the strategy adjustment in Shpock and Mexico accelerating their paths towards break-even, coupled with several other assets approaching or at break-even in 2019.

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 unchanged at 15-20%, on a proportionate basis, driven by increased monetization (particularly within verticals), and helped by a return growth for display advertising. Nevertheless, advertising performance remains weaker than expected and will continue to affect top-line revenue growth.

Adevinta endeavors to maintain and extend its favorable competitive positions in several markets while also capturing further core and adjacent growth opportunities. The company will be an active player in industry consolidation with a view to strengthening its core segments and optimizing the overall mix and focus of its marketplaces portfolio. 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 on track for a reduction in investment phase losses to an EBITDA of €(10-20) million in FY 2019 (compared to €(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.

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 as a result of investments in scalable tech and data and the setup of corporate and functional teams as a result of the demerger, in line with previous guidance.

The uncertainty around the impact of the Digital Service Tax (DST) in France persists as a result of the lack of clarity in the law. At this stage it is not possible to do a reliable estimate of the impact due to the complexity of applying the wording of the bill on the group businesses. We await further guidance and clarification from the French tax authorities once it becomes law. If applicable, it will have an impact on EBITDA.

Group Overview

Profit and Loss

Operating profit

Revenue increased by 13% in Q2 2019, compared to Q2 2018. Operating expenses increased by 6% in Q2 and gross operating profit (EBITDA) increased by 32%. Excluding the application of IFRS 16, operating expenses increased by 9% and EBITDA increased by 23%.

Share of profit (loss) of joint ventures and associates decreased from €2.6 million to €(3.8) million, impacted by Brazil, where a one-off accrual related to the management long-term incentive plan reduced earnings and the sale of operations in Thailand that was included in Q2 2018 results. Other income and expenses in Q2 2019 was €(5.8) million (€(0.2) million in Q2 2018). Other income and expenses are disclosed in note 4.

Operating profit in Q2 2019 amounted to €32.3 million (€26.9 million in Q2 2018). Please also refer to note 3 to the condensed consolidated financial statements.

Net Profit and Earnings Per Share

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

The underlying tax rate has slightly decreased from 33.9% in Q2 2018 to 31.4% in Q2 2019. The reported tax rate is 42% in Q2 2019, compared to 78% in Q2 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 Q2 2019 is €0.03 compared to €0.01 in Q2 2018. Adjusted earnings per share in Q2 2019 is €0.03 compared to €0.02 in Q2 2018.

Cash flow and capital factors

Cash Flow

Net cash flow from operating activities was €70.8 million for the first half-year 2019, compared to €42.8 million in the first half-year 2018. The increase is primarily related to the increase in operating profit.

Net cash outflow from investing activities was €40.4 million for the first half-year 2019, compared to €11.4 million in the first half-year 2018. The increase is mainly due to increased capital expenditure and the acquisition of subsidiaries. Net cash outflow from financing activities was €(20.8) million for the first half-year 2019, compared to €(30.7) million in first half-year 2018. The decrease is primarily related to the Demerger from Schibsted.

Equity and debt

The carrying amount of the Group's assets decreased by €118.7 million to €2,034.8 million during the first half-year of 2019 and the Group's net interest-bearing debt decreased by €69.6 million to €86.9 million (see specification in Definitions and reconciliations below). The Group's equity ratio is 75% at the end of Q2 2019, compared to 62% at the end of 2018.

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. The demerger was completed on 9 April 2019 during which net assets transferred from Schibsted ASA to Adevinta ASA amounted to €145.2 million (€144.4 million including transaction costs amounting €0.8 million) and net interest-bearing debt decreased by €40.1 million.

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

IFRS 16

As disclosed in note 1 to the condensed consolidated 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 Q2 2019 by €3.5 million and increased EBITDA by €3.5 million compared to what would have been reported under the formerly applicable accounting standard. The positive effect on EBITDA is offset by €3.2 million of increased depreciation and €0.4 million of net financial items resulting in no material impact on net profit. On the opening balance sheet the application of IFRS 16 has increased assets by €55.9 million, increased liabilities by €56.6 million and reduced equity by €0.7 million. Comparable figures for 2018 are not restated applying IFRS 16. See further comments in Note 1 below.

Digital tax in France

As mentioned in listing Prospectus published 1 April 2019 a digital service tax (DST) has been proposed by the French government. Both chambers of the French Parliament have now debated the proposal. The bill was adopted by the National Assembly on 4 July 2019 and by the Senate on 11 July 2019. The bill is now awaiting approval of the French President which should happen within 15 days from the approval of the Senate.

The main features of the DST bill are a single rate of 3% to be levied on gross revenue derived from two types of activities if deemed to made or supplied in France:

1. The supply, by electronic means, of a digital interface that allows users to contact and interact with other users, in particular in view of delivering of goods or services directly between those users.
2. Services provided to advertisers or their agents enabling them to purchase advertising space located on a digital interface accessible by electronic means in order to display targeted advertisements to users located in France, based on data provided by such users.

Taxpayers of DST are defined as companies (wherever their location) for which the annual revenue received in consideration for taxable services cumulatively exceeds both of the following thresholds in the previous tax year:

- €750 million of worldwide revenue; and,
- €25 million of revenue generated in France.

According to the bill DST will be effective as from 1 January 2019. For 2019, DST is only applicable if both thresholds above were exceeded for 2018. The DST amount payable is deductible for corporate income tax purposes. As of 30 June 2019, the French President had not yet approved the DST bill.

No provision is recognized for DST as per 30 June 2019 as the bill was not enacted at the end of the reporting period. Management is analyzing the impact of the DST bill on Adevinta. If applicable, the DST will impact Adevinta's EBITDA. However, at this stage it is not possible to do a reliable estimate of the impact due to the complexity of applying the wording of the bill on the Schibsted and Adevinta group businesses. The main uncertainties relate to whether the services which Schibsted and Adevinta group provide to its users in France and other countries are to be considered within the scope of DST and if so, what will be the tax amount payable, because at this stage no guidelines on DST have been issued by the French tax authorities. Management expects some guidelines on DST will be issued by the French tax authorities based on which management can prepare a reliable estimate of its impact on Adevinta and publicly announce this impact.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

Second quarter			First half-year		Full year
2019	**2019**	(€ million)	**2019**	**2018**	**2018**
151.4	**170.3**	**Operating revenues**	**330.6**	**291.7**	**594.6**
(50.1)	(55.1)	Personnel expenses	(110.7)	(100.6)	(201.3)
(61.7)	(62.9)	Other operating expenses	(121.6)	(123.0)	(242.3)
39.6	**52.3**	**Gross operating profit (loss)**	**98.3**	**68.1**	**151.0**
(6.2)	(10.4)	Depreciation and amortisation	(21.7)	(12.4)	(26.5)
2.6	(3.8)	Share of profit (loss) of joint ventures and associates	0.5	3.0	6.8
(8.9)	0.0	Impairment loss	(0.3)	(9.0)	(56.6)
(0.2)	(5.8)	Other income and expenses	(7.5)	(0.8)	(6.3)
26.9	**32.3**	**Operating profit (loss)**	**69.3**	**48.8**	**68.4**
(5.1)	(0.9)	Net financial items	(1.0)	(9.0)	(14.1)
21.9	**31.4**	**Profit (loss) before taxes**	**68.2**	**39.8**	**54.3**
(17.2)	(13.2)	Taxes	(27.0)	(31.8)	(61.3)
4.7	**18.2**	**Profit (loss)**	**41.2**	**8.0**	**(7.0)**
		Profit (loss) attributable to:			
(0.1)	0.6	Non-controlling interests	1.1	(0.5)	0.4
4.8	17.6	Owners of the parent	40.1	8.5	(7.4)
		Earnings per share in €:			
0.01	0.03	Basic	0.06	0.01	(0.01)
0.01	0.03	Diluted	0.06	0.01	(0.01)

Condensed consolidated statement of comprehensive income

Second quarter 2019	Second quarter 2019	(€ million)	First half-year 2019	First half-year 2018	Full year 2018
4.7	**18.2**	**Profit (loss)**	**41.2**	**8.0**	**(7.0)**
(0.1)	0.0	Remeasurements of defined benefit pension liabilities	0.0	(0.3)	(0.5)
0.0	0.0	Income tax relating to remeasurements of defined benefit pension liabilities	0.0	0.1	0.1
(0.1)	**0.0**	**Items not to be reclassified subsequently to profit or loss**	**0.0**	**(0.2)**	**(0.4)**
(36.2)	1.2	Exchange differences on translating foreign operations	10.9	(48.2)	(49.1)
(36.2)	**1.2**	**Items to be reclassified subsequently to profit or loss**	**10.9**	**(48.2)**	**(49.1)**
(36.3)	**1.2**	**Other comprehensive income**	**10.9**	**(48.4)**	**(49.5)**
(31.6)	**19.4**	**Comprehensive income**	**52.1**	**(40.5)**	**(56.5)**
		Comprehensive income attributable to:			
(0.2)	0.6	Non-controlling interests	1.1	(0.6)	0.3
(31.5)	18.8	Owners of the parent	50.9	(39.9)	(56.8)

Condensed consolidated statement of financial position

€ million	30-Jun 2019	31-Dec 2018
Intangible assets	1,326.7	1,301.0
Property, plant and equipment and right-of-use assets	87.7	19.8
Investments in joint ventures and associates	389.8	375.3
Other non-current assets	12.1	13.2
Non-current assets	**1,816.4**	**1,709.2**
Trade receivables and other current assets	153.5	389.2
Cash and cash equivalents	64.9	55.1
Current assets	**218.4**	**444.3**
Total assets	**2,034.8**	**2,153.5**
Equity attributable to owners of the parent	1,513.8	1,317.8
Non-controlling interests	15.4	13.9
Equity	**1,529.2**	**1,331.7**
Non-current interest-bearing borrowings	151.3	448.5
Other non-current liabilities	143.3	76.5
Non-current liabilities	**294.6**	**525.0**
Current interest-bearing borrowings	0.4	0.0
Other current liabilities	210.5	296.8
Current liabilities	**210.9**	**296.8**
Total equity and liabilities	**2,034.8**	**2,153.5**

Condensed consolidated statement of cash flow

Second quarter 2019	2019	€ million	First half-year 2019	2018	Full year 2018
21.9	31.4	Profit (loss) before taxes	68.2	39.8	54.3
15.1	10.4	Depreciation, amortisation and impairment losses	22.0	21.5	83.1
(2.6)	3.8	Share of loss (profit) of joint ventures and associates, net of dividends received	(0.5)	(3.0)	(6.8)
0.3	0.0	Dividends received from joint ventures and associates	0.0	0.3	1.5
(12.9)	(14.3)	Taxes paid	(26.7)	(25.1)	(53.7)
0.0	0.0	Sales losses (gains) non-current assets and other non-cash losses (gains)	0.0	(0.0)	(1.3)
(4.0)	(11.5)	Change in working capital and provisions	7.8	9.3	(3.2)
17.6	**19.8**	**Net cash flow from operating activities**	**70.8**	**42.8**	**73.9**
(6.6)	(13.2)	Development and purchase of intangible assets and property, plant and equipment	(22.8)	(11.9)	(30.7)
0.0	(10.3)	Acquisition of subsidiaries, net of cash acquired	(10.3)	0.0	(3.1)
0.5	(0.2)	Proceeds from sale of intangible assets and property, plant and equipment	0.0	0.6	0.4
0.0	0.0	Proceeds from sale of subsidiaries, net of cash sold	0.0	0.0	0.1
(0.9)	(0.8)	Net sale of (investment in) other shares	(7.0)	(0.9)	(3.3)
0.8	0.1	Net change in other investments	(0.2)	0.8	2.8
(6.2)	**(24.5)**	**Net cash flow from investing activities**	**(40.4)**	**(11.4)**	**(33.8)**
11.3	**(4.7)**	**Net cash flow before financing activities**	**30.5**	**31.4**	**40.1**
0.1	148.6	Net change in interest-bearing loans and borrowings	148.6	0.4	0.4
0.0	0.0	Change in ownership interests in subsidiaries	(100.1)	0.0	(11.0)
0.0	7.8	Capital increase	7.8	0.0	0.0
0.0	0.0	Net sale (purchase) of treasury shares	0.0	0.0	0.0
0.0	(3.2)	IFRS 16 lease payments	(6.2)	0.0	0.0
0.0	0.0	Dividends paid to owners of the parent	0.0	0.0	0.0
(1.5)	0.0	Dividends paid to non-controlling interests	0.0	(1.5)	(3.4)
(2.7)	(136.7)	Net financing from (to) Schibsted ASA	(70.9)	(29.5)	(8.9)
(4.1)	**16.5**	**Net cash flow from financing activities**	**(20.8)**	**(30.7)**	**(22.9)**
0.1	(0.0)	Effects of exchange rate changes on cash and cash equivalents	(0.0)	(0.0)	0.4
7.3	**11.8**	**Net increase (decrease) in cash and cash equivalents**	**9.7**	**0.7**	**17.7**
30.7	53.0	Cash and cash equivalents as at 1 January	55.1	37.4	37.4
38.1	**64.9**	**Cash and cash equivalents as at 30 June**	**64.9**	**38.1**	**55.1**

Condensed consolidated statement of changes in equity

€ million	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	0.0	0.5
Change in accounting principle IFRS 15	(3.8)	0.0	(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	*0.0*	*0.2*	*0.2*
Share-based payment	*(0.3)*	*0.0*	*(0.4)*
Dividends paid to non-controlling interests	*0.0*	*(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)*	*0.0*	*(0.1)*
Group contributions and dividends	*(38.7)*	*0.0*	*(38.7)*
Transactions with former Group entities, including effects of allocation	*199.6*	*0.0*	*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)	0.0	(0.7)
Equity as at 1 January 2019	**1,317.1**	**13.9**	**1,331.0**
Comprehensive income	50.9	1.1	52.1
Transactions with the owners	145.8	0.3	146.1
Capital increase	*144.4*	*0.0*	*144.44*
Share-based payment	*(0.9)*	*0.0*	*(0.9)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(1.4)*	*0.3*	*(1.0)*
Group contributions and dividends	*3.6*	*0.0*	*3.6*
Equity as at 30 June 2019	**1,513.8**	**15.4**	**1,529.2**

€ million	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	0.0	0.5
Change in accounting principle IFRS 15	(3.8)	0.0	(3.8)
Equity as at 1 January 2018	**1,236.9**	**15.3**	**1,252.3**
Comprehensive income	(39.9)	(0.6)	(40.5)
Transactions with the owners	12.7	(0.1)	12.6
Share-based payment	*0.8*	*0.0*	*0.8*
Dividends paid to non-controlling interests	*0.0*	*(1.5)*	*(1.5)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(1.4)*	*1.4*	*0.0*
Group contributions and dividends	*3.7*	*0.0*	*3.7*
Transactions with former Group entities, including effects of allocation	*9.6*	*0.0*	*9.6*
Equity as at 30 June 2018	**1,209.7**	**14.7**	**1,224.4**

Notes

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

The Adevinta Group was established 9 April 2019 following demergers of Schibsted Multimedia AS and Schibsted ASA and the consequential transfer of Schibsted's online classifieds operations outside the Nordics to Adevinta ASA. The company was listed on the Oslo Stock Exchange on 10 April 2019. Schibsted has retained a majority interest of 59.25% in Adevinta ASA.

Adevinta has up and until Q1 2019 presented combined financial statements. 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. Following the demergers described above, Adevinta ASA obtained control of the subsidiaries and ownership interests comprising the Adevinta Group and will with effect for Q2 2019 and future periods be required to report consolidated financial statements according to IFRS 10.

With effect from Q2 2019, Adevinta Group is reporting condensed consolidated interim financial statements. These statements are prepared on a historical cost basis except for certain financial assets measured at fair value. The transfer of the online classifieds operations to Adevinta ASA is accounted for as a business combination involving entities under common control applying the pooling of interest method. That method implies continuing historical financial information at carrying values as reported in the consolidated financial statements of the parent company Schibsted ASA as well as reflecting the result for the full current year and comparable information as if the relevant entities and businesses had been combined since the beginning of the earliest period presented (1 January 2018). The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies adopted in preparing the condensed consolidated financial statements are consistent to those followed in preparing the Adevinta combined financial statements included in the IPO prospectus, published on 1 April 2019. Exceptions include application of IFRS 10 and adoption of the new accounting standard IFRS 16 Leases, as disclosed below, as well as allocation of centrally developed intangible assets and related expenses as elaborated below. The listing prospectus is available at www.adevinta.com.

The condensed consolidated interim financial statements are unaudited. All amounts are in € 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 consolidated 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

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 Consolidated Income Statement and Consolidated 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% 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 Consolidated Income Statement and Consolidated Statement of Financial Position. As a consequence of the change in operating segments due to the spin-off of the business 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 recognized for the net present value of remaining lease payments and a right-of-use asset is recognized 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 Consolidated 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. The Group's leases are primarily related to office buildings.

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 recognized 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. The weighted average incremental borrowing rate was 2.67% at the implementation date.

Below are presented the effects by line items of the condensed consolidated statement of financial position at 1 January 2019 and 30 June 2019 from implementing IFRS 16 Leases:

Statement of financial position (€ million)	**30-Jun 2019**	**01-Jan 2019**
Property, plant and equipment and right-of-use assets	63.8	57.3
Investment in joint ventures and associates	0.1	0.0
Trade receivables and other current assets	(0.7)	(1.5)
Total assets	**63.2**	**55.9**
Equity attributable to owners of the parent	(1.0)	(0.7)
Increase (decrease) in Non-controlling interests	0.0	0.0
Other non-current liabilities	56.4	57.6
Other current liabilities	7.8	(1.0)
Total equity and liabilities	**63.2**	**55.9**

Below are presented the effects on the condensed consolidated 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 (€ million)	**Second quarter** **2019**	**First half-year** **2019**
Other operating expenses	3.5	7.0
Gross operating profit (loss)	3.5	7.0
Other income and expenses	(0.1)	(0.1)
Depreciation and amortisation	(3.2)	(6.5)
Share of profit (loss) of joint ventures and associates	0.1	0.1
Operating profit (loss)	0.2	0.6
Net financial items	(0.4)	(0.8)
Profit (loss) before taxes	(0.2)	(0.3)
Taxes	0.0	0.0
Profit (loss)	(0.2)	(0.3)
Earnings per share in € - basic	0.0	(0.0)
Earnings per share in € - diluted	0.0	(0.0)

Below are presented the effects on the condensed consolidated 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 (€ million)	**Second quarter** **2019**	**First half-year** **2019**
Net cash flow from operating activities	3.3	6.2
Net cash flow from financing activities	(3.3)	(6.2)

IFRS 2 Share-based payments

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

As per section 12.4.3.1 and note 10 in the Combined Financial Statements for 2018 in the Prospectus published 1 April 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 with the result of maximum pay-out to the employees amounting to €1.6 million which will be settled in a fixed number of Adevinta B-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 and expected pay-out is €0.5 million and €0.7 million respectively.

In June 2019 (with effect as from 10 April 2019) the Company granted to some senior employees a so-called Transition award (mentioned in section 12.4.3.2 in the Prospectus published 1 April 2019). The award contains two main elements and will be paid out in Adevinta B-shares just after the second anniversary of the IPO on the condition of continuous employment up until that date. 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 B-share price during the first 30 days after the IPO. The total grant value of this element is €3.2 million. 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 total grant value of this element is €0.5 million.

The accounting effects of the modifications of the Schibsted Schemes and the grant of the Transition award are included in this interim report in accordance with IFRS 2 based on a total incremental value of €1.6 million and an estimated fair value of new grants of €1.4 million which will both be expensed over the remaining vesting period in addition to the original grant value of the Schibsted schemes.

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 Excecutive team (mentioned in section 12.4.3.2 in the Prospectus published 1 April 2019). Under the PSP, the employees will be granted awards of Adevinta B-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), at the end of which they will be transferred to the employee. 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 Excutive 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. Total payout will in this case be €3.1 million based on the total grant.
- 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. Total payout will in this case be €12.4 million based on the total grant.
- 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 (Europe's 600 largest listed companies who are between half and double the size of Adevinta (as measured by market capitalization at date of grant).

The accounting effects of the PSP are included in this interim report in accordance with IFRS 2. The total fair value of the PSP grant is estimated to be €8.5 million, which will be expensed over the vesting period. The YTD Q2 2019 effect of the PSP is a personnel cost of €0.7 million and a corresponding increase in equity of €0.6 million and increase in current liabilities of €0.1 million as per 30 June 2019.

The Adevinta Share Purchase Plan ("ASPP")

As from 14 May 2019 Adevinta employees have the possibility to participate in the Adevinta Share Purchase Plan (or ASPP). As a participant of the ASPP, Adevinta employees have the opportunity to purchase Adevinta B-shares through contributions from their salary ("Purchased Shares") and receive a Company matching award of free shares in proportion to their Purchased Shares ("Matching Share Award"), subject to the employee remaining an Adevinta employee and not selling the Purchased Shares for a period of two years. The maximum contribution an employee may make each year will be €7,500 or an amount equal to 5% of their gross salary (if lower).

For the enrolment in the ASPP until mid-September 2019 the employees' Matching Share Award will comprise two shares for every Purchased Share. Thereafter, the Matching Share Award will comprise one share for every Purchased Share.

The accounting effects of the ASSP have been assessed in accordance with IFRS 2 and are considered immaterial for the Q2 2019 reporting.

Note 2. Changes in the Composition of the Group

Business combinations 2019

During 2019, Adevinta has invested €10.3 million related to acquisition of businesses (business combinations). This amount comprises consideration transferred reduced by cash and cash equivalents of the acquiree.

In June 2019, Adevinta has completed a bolt-on acquisition of Locasun, a holiday rental and travel specialist marketplace operating across Europe (mainly in France (38%), Spain (18%) and Italy (15%)), through the acquisition of 100% of the shares of Locasun SARL and 100% of the shares of Locasun Spain SLU. In addition, Adevinta has obtained control of PayCar; a startup specializing in P2P payments for second-hand vehicle purchases operating mainly in France; after acquiring 68.8% of the shares of PayCar SAS. The press release published on 6 June 2019 is available at www.adevinta.com

The table below summarizes the consideration transferred and the preliminary amounts recognized for assets acquired and liabilities assumed after the business combinations. There might be changes to the preliminary amounts including the amount allocated to goodwill.

(€ million)	30-Jun 2019
Consideration:	
Cash	13.0
Contingent consideration	4.4
Fair value of previously held equity interest	0.1
Total	**17.4**
Amounts for assets and liabilities recognized:	
Intangible assets	0.1
Other non-current assets	0.1
Current assets	9.8
Non-current liabilities	(2.2)
Current liabilities	(6.3)
Total identifiable net assets	**1.5**
Non-controlling interests	
Goodwill	15.9
Total	**17.4**

Other changes in the composition of the Group 2019

Adevinta has in 2019 paid net €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

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 (including Kudoz, which was integrated in May 2019), MB Diffusion, Avendrealouer, Videdressing, Locasun and PayCar.
- Spain comprises primarily InfoJobs, Coches, FotoCasa, Habitaclia, Milanuncios and Vibbo.
- Brazil comprises OLX Brazil joint venture and Infojobs Brazil. In the Consolidated Income Statement and Consolidated 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% 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 Consolidated Income Statement and Consolidated 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 centralized functions such as centralized 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

Second quarter 2019 € million	**France**	**Spain**	**Brazil**	**Global Markets**	**Other / Headquarters**	**Eliminations**	**Total**
Operating revenues from external customers	88.3	46.0	20.3	31.8	2.5	(18.6)	170.3
Operating revenues from other segments	0.1	0.0	0.0	0.1	0.5	(0.7)	0.0
Operating revenues	**88.5**	**46.0**	**20.3**	**31.9**	**3.0**	**(19.3)**	**170.3**
Gross operating profit (loss) excl. Investment phase	48.2	15.5	(7.0)	5.1	(14.9)	7.1	54.0
Gross operating profit (loss) excl. IFRS 16	47.2	14.7	(7.3)	2.6	(15.7)	7.4	48.8
Gross operating profit (loss)	48.2	15.5	(7.0)	3.4	(14.9)	7.1	52.3
Operating profit (loss)	**44.7**	**11.8**	**(7.8)**	**1.3**	**(21.2)**	**3.5**	**32.3**

First half-year 2019 € million							
Operating revenues from external customers	170.0	89.9	40.8	61.6	5.7	(37.4)	330.6
Operating revenues from other segments	0.2	0.0	0.0	0.2	1.5	(1.8)	0.0
Operating revenues	**170.2**	**89.9**	**40.8**	**61.7**	**7.2**	**(39.2)**	**330.6**
Gross operating profit (loss) excl. Investment phase	93.3	28.1	(2.2)	9.7	(27.7)	2.3	103.5
Gross operating profit (loss) excl. IFRS 16	91.3	26.4	(2.8)	2.9	(29.3)	2.8	91.3
Gross operating profit (loss)	93.3	28.1	(2.2)	4.5	(27.7)	2.3	98.3
Operating profit (loss)	**86.5**	**21.9**	**(3.8)**	**2.2**	**(38.7)**	**1.2**	**69.3**

Second quarter 2018 € million							
Operating revenues from external customers	78.4	40.4	17.4	30.1	0.9	(15.8)	151.4
Operating revenues from other segments	0.1	0.0	0.0	0.0	0.9	(1.0)	0.0
Operating revenues	**78.5**	**40.4**	**17.4**	**30.1**	**1.9**	**(16.8)**	**151.4**
Gross operating profit (loss) excl. Investment phase	42.2	13.0	1.8	4.2	(8.3)	(2.3)	50.5
Gross operating profit (loss)	42.2	13.0	1.8	(6.7)	(8.3)	(2.3)	39.6
Operating profit (loss)	**40.4**	**11.1**	**1.3**	**(5.9)**	**(18.4)**	**(1.6)**	**26.9**

First half-year 2018 € million							
Operating revenues from external customers	151.4	78.3	32.1	57.7	1.0	(28.9)	291.7
Operating revenues from other segments	0.2	0.0	0.0	0.2	1.9	(2.3)	0.0
Operating revenues	**151.5**	**78.3**	**32.1**	**58.0**	**2.9**	**(31.2)**	**291.7**
Gross operating profit (loss) excl. Investment phase	82.9	22.4	4.0	5.5	(17.3)	(4.6)	92.8
Gross operating profit (loss)	82.9	22.4	4.0	(19.3)	(17.3)	(4.6)	68.1
Operating profit (loss)	**79.2**	**18.5**	**3.1**	**(20.1)**	**(29.0)**	**(2.9)**	**48.8**

Full year 2018 € million							
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**

Operating revenues by category:

Second quarter			**First half-year**		**Full year**
2019	**2019**	**€ million**	**2019**	**2018**	**2018**
34.4	34.7	Advertising revenues	65.1	66.6	134.6
115.3	132.2	Classifieds revenues	257.2	222.3	450.8
1.7	3.5	Other operating revenues	8.3	2.8	9.1
151.4	**170.3**	**Operating revenues**	**330.6**	**291.7**	**594.5**

Note 4. Other Income and Expenses

Second quarter 2018	2019	€ million	First half-year 2019	2018	Full year 2018
(0.2)	(2.7)	Restructuring costs	(3.4)	(0.8)	(7.0)
0.0	0.0	Gain (loss) on sale of subsidiaries, joint ventures and associates	0.0	0.0	1.3
0.0	(0.0)	Gain (loss) on sale of intangible assets, property, plant and equipment and investment property	(0.0)	0.0	(0.0)
0.0	0.0	Gain (loss) on amendment of pension plans	0.0	0.0	0.0
0.0	(0.3)	Acquisition-related costs	(0.3)	0.0	(0.2)
0.0	(2.9)	IPO-related costs	(4.0)	0.0	0.0
0.0	0.1	Other	0.1	0.0	(0.4)
(0.2)	**(5.8)**	**Total other income and expenses**	**(7.5)**	**(0.8)**	**(6.3)**

Restructuring costs of € (3.4) million consist primarily of costs from restructuring processes in Global Markets and Spain.
IPO-related costs of € (4.0) million consist mainly of expenses related to Adevinta's listing process

Note 5. Net Financial Items

Second quarter 2018	2019	€ million	First half-year 2019	2018	Full year 2018
(3.4)	(1.0)	Net interest income (expenses)	(3.9)	(6.7)	(12.0)
(1.6)	0.6	Net foreign exchange gain (loss)	3.4	(2.3)	(1.9)
(0.0)	(0.5)	Net other financial income (expenses)	(0.6)	(0.0)	(0.2)
(5.1)	**(0.9)**	**Net financial items**	**(1.0)**	**(9.0)**	**(14.1)**

Note 6. Earnings Per Share

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% 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% 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 comparative purposes, this number of shares has been used as the weighted average number of shares outstanding for 2018.

Second quarter			First half-year		Full year
2018	**2019**	**€ million**	**2019**	**2018**	**2018**
681,147,889	681,147,889	Weighted average number of shares outstanding	681,147,889	681,147,889	681,147,889
4.8	17.6	Profit (loss) attributable to owners of the parent	40.1	8.5	(7.4)
0.01	0.03	Earnings per share (€)	0.06	0.01	(0.01)
0.01	0.03	Diluted earnings per share (€)	0.06	0.01	(0.01)
		Calculation of adjusted earnings per share			
4.8	17.6	Profit (loss) attributable to owners of the parent	40.1	8.5	(7.4)
0.2	5.8	Other income and expenses	7.5	0.8	6.3
8.9	0.0	Impairment loss	0.3	9.0	56.6
(0.1)	(0.4)	Taxes and non-controlling effect of Other income and expenses and Impairment loss	(0.4)	(0.3)	(1.0)
13.8	**23.0**	**Profit (loss) attributable to owners of the parent - adjusted**	**47.5**	**18.0**	**54.6**
0.02	0.03	Earnings per share – adjusted (€)	0.07	0.03	0.08
0.02	0.03	Diluted earnings per share – adjusted (€)	0.07	0.03	0.08

Note 7. Events After the Balance Sheet Date

Digital Tax France

As mentioned in Group Overview section a digital service tax (DST) has been proposed by the French government. Both chambers of the French Parliament have now debated the proposal. The bill was adopted by the National Assembly on 4 July 2019 and by the Senate on 11 July 2019. The bill is now awaiting approval of the French President which should happen within 15 days from the approval of the Senate.

Statement by the Board of Directors and CEO

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half-year of 2019 has been prepared in accordance with IAS 34 Interim Financial Statements, as endorsed by the EU, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the Group taken as a whole.

To the best of our knowledge we confirm that the interim management report includes a fair review of important events during the accounting period, and their impact on the financial statements for the first half-year, together with a description of the principal risks and uncertainties that the company is facing during the next accounting period and any major transactions with related parties.

Oslo, 14 July 2019
Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Kristin Skogen Lund

Terje Seljeseth

Sophie Javary

Peter Brooks-Johnson

Fernando Abril-Martorell
Hernández

Rolv Erik Ryssdal
CEO

Definitions and Reconciliations

The consolidated 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	EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortization. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA excl. Investment phase	EBITDA excl. Investment phase is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax, depreciation and amortization excl. Investment phase. This measure equals gross operating profit (loss) 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.	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities to convey information of segment profitability in developed phase operations. Management believes the measure enables an evaluation of operating performance.
EBITDA excl. IFRS 16	EBITDA excl. IFRS 16 is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax, depreciation and amortization and excl. IFRS 16. This measure equals gross operating profit (loss) adjusted for IFRS 16 effects (see note 1). Adjusting for IFRS 16 effects consists mainly of adding office rent to 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 to 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.
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.
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. Management believes the measure enables an evaluation of operating performance.
EBITDA margin excl. Investment phase	Gross operating profit (loss) excl. Investment phase / Operating revenues. The excluded operations are characterized by growth phase with large investments in market positions,	Shows the operations' performance regardless of capital structure, tax situation and effects from operations characterized by growth phase with large investments in market positions where profitability has not been reached as a

	immature monetization rate and sustainable profitability has not been reached.	ratio to operating revenue. 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 years 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. Management believes the measure enables an evaluation of operating performance.
EBITDA margin incl. JVs	Gross operating profit (loss) including the proportional ownership of Willhaben (Austria) and OLX (Brazil) / Operating revenues including the proportional ownership of Willhaben (Austria) and OLX (Brazil).	Shows the operations' performance including the proportional ownership of Willhaben (Austria) and OLX (Brazil) as a ratio to operating revenue including the proportional ownership of Willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.
Underlying tax rate	Underlying tax rate is defined as tax cost excluding effects that do not result in current tax payables.	Management believes that adjusted tax rate represent a more understandable measure of what is tax payable by the Group.
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and Unutilized drawing rights on credit facilities.	Management believes that liquidity reserve shows the total liquidity available for meeting current or future obligations.
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.
Earnings per share adjusted (EPS (adj.))	Earnings per share adjusted for other income and expenses, impairment loss, non-controlling interests related to other income and expenses and impairment loss and taxes.	The measure is used for comparing earnings to shareholders adjusted for income and expenses related transactions and events net of tax not considered by management to be part of operating activities. Management believes the measure enables an evaluation of value created to shareholder excluding effects of non-operating events and transactions.
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.

Developed Phase and Investment Phase

Developed Phase	
Consolidated Subsidiaries	Joint ventures and associates
• France: leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun and PayCar • 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 monetization 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)

Second quarter 2018	2019	Reconciliation of Operating revenues and EBITDA excl. Investment phase and in accordance with financial statements (€ million)	First half-year 2019	2018	Full year 2018
151.4	**170.3**	**Operating revenues**	**330.6**	**291.7**	**594.6**
6.9	7.4	Operating revenues Investment phase	14.2	12.8	27.1
144.5	162.9	Operating revenues excl. Investment phase	316.3	278.8	567.4
39.6	**52.3**	**Gross operating profit (loss)**	**98.3**	**68.1**	**151.0**
(10.9)	(1.7)	EBITDA Investment phase	(5.2)	(24.7)	(43.1)
50.5	54.0	EBITDA excl. Investment phase	103.5	92.8	194.1

Second quarter 2018	2019	Underlying tax rate (€ million)	First half-year 2019	2018	Full year 2018
21.9	31.4	Profit (loss) before taxes	68.2	39.8	54.3
(2.6)	3.8	Share of profit (loss) of joint ventures and associates	(0.5)	(3.0)	(6.8)
31.4	6.8	Other losses for which no deferred tax benefit is recognised	16.8	57.6	89.0
0.0	0.0	Gain on sale and remeasurement of subsidiaries, joint ventures and associates	0.0	0.0	(1.3)
0.0	0.0	Impairment losses	0.0	0.0	47.9
50.6	**42.0**	**Adjusted tax base**	**84.5**	**94.5**	**183.1**
17.2	13.2	Taxes	27.0	31.8	61.3
33.9%	31.4%	Underlying tax rate	32.0%	33.7%	33.5%

Liquidity reserve	30-Jun 2019	31-Dec 2018
Cash and cash equivalents	64.9	55.1
Unutilised drawing rights on credit facilities	150.0	0.0
Liquidity reserve	**214.9**	**55.1**

Net interest-bearing debt	30-Jun 2019	31-Dec 2018
Non-current interest-bearing borrowings	151.3	1.8
Non-current interest-bearing borrowings from Schibsted ASA	0.0	317.9
Gross credit positions in Schibsted cash-pooling arrangement	0.0	128.9
Non-current interest-bearing borrowings	**151.3**	**448.5**
Gross debit positions in Schibsted cash-pooling arrangement *	0.0	(236.8)
Current interest-bearing borrowings	0.4	0.0
Cash and cash equivalents	(64.9)	(55.1)
Net interest-bearing debt	**86.9**	**156.5**

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

Second quarter 2018	2019	Currency rates used when converting profit or loss	First half-year 2019	2018	Full year 2018
1.1414	1.1437	Pound sterling (GBP)	1.1452	1.1366	1.1303
0.2332	0.2272	Brazilian Real (BRL)	0.2305	0.2420	0.2329

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Financial Calendar

Q2 Report 2019	15 July 2019
Q3 Report 2019	24 October 2019

For information regarding conferences, roadshows and other investor questions, please visit www.adevinta.com/ir