Q4 2019

Interim Report

February 2020

Adevinta

Creating perfect matches on the
world’s most trusted marketplaces

Adevinta Highlights

Highlights of Q4 2019

- **Total revenues[1] up 16% to €200 million**

- **Revenue from verticals grew 20%**
  - France up 28% driven by Cars and R/E
  - Spain up 14%

- **Brazil local currency revenues up 23%**

- **Softness continues in Global Markets**
  - Solid growth in verticals
  - Weak performance in display advertising
  - Disappointing performance in Italy: action plan in progress

- **EBITDA[1] increased 16% to €52 million**
  - Sustained investment in product development
  - Set-up of corporate functions

- **Net cash flow from operating activities[1] improved by 2.8x** year-over-year

Rolv Erik Ryssdal, CEO

We completed the year with another good quarter. Following a very strong Q3, we continued to deliver strong growth in our core verticals despite a more challenging macro environment in some countries. Advertising trends improved, albeit at lower growth levels, in some regions as a result of successful initiatives implemented locally.

France and Spain continue to execute on their strategy, strengthening their market positions in the key verticals despite a somewhat softer macro picture. Brazil is still in an early phase but continues to deliver promisingly. The disappointment in Q4 was the global portfolio, negatively affecting our total growth rate. Italy has suffered from a negative development in the display advertising market, and the new management team has developed an action plan to reverse the trend.

Our sustained investment in product development allowed us to roll-out new features and services to our users and customers. Amongst them initial results for the transactional model are very encouraging and opens windows of opportunity for future growth.

We are also further reinforcing our positions in core verticals with external growth. Integration of L'Argus in France is ongoing and will progressively generate synergies.

I remain very excited by the significant opportunities ahead of us and I'm confident that we have the resources and teams to seize them and create value for our stakeholders.

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[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 was €4 million in Q4 2019 and €15 million for the full year 2019. Excluding the IFRS 16 effect EBITDA margin is 24 percent in Q4 2019 and the Yoy increase in EBITDA is 8 percent. Excluding the IFRS 16 effect cash flow from operating activities grew 2.4 times Yoy in Q4 2019.

Key financial numbers

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

	Fourth quarter			YTD	
yoy%	**2018**	**2019**	**(€ million)**	**2019**	**2018**
16%	**172.6**	**200.2**	**Operating revenues incl. JVs**	**739.5**	**644.0**
16%	**45.0**	**52.4**	**EBITDA incl. JVs**	**206.1**	**156.2**
	26%	26%	EBITDA margin incl. JVs	28%	24%
			Operating revenues - segments		
25%	81.5	101.5	France	357.4	306.6
13%	41.4	46.9	Spain	182.0	160.0
17%	19.8	23.2	Brazil	86.0	68.9
1%	31.5	31.6	Global Markets	124.2	118.3
			EBITDA - segments		
7%	46.5	49.7	France	191.3	169.3
39%	11.8	16.4	Spain	60.5	47.1
>100%	-5.1	4.8	Brazil	6.0	2.6
>100%	-4.7	0.8	Global Markets	10.1	(30.4)
			Cash flow		
>100%	9.6	26.5	Net cash flow from operating activities	134.1	73.9

Key consolidated financial figures

	Fourth quarter		**(€ million)**	YTD	
yoy%	**2018**	**2019**	**Consolidated financial figures**	**2019**	**2018**
16%	**158.5**	**184.3**	**Operating revenues - segments**	**680.3**	**594.6**
25%	81.5	101.5	France	357.4	306.6
13%	41.4	46.9	Spain	182.0	160.0
17%	19.8	23.2	Brazil	86.0	68.9
1%	31.5	31.6	Global Markets	124.2	118.3
-8%	3.7	3.4	Other and Headquarters	13.4	7.1
-15%	-19.4	-22.3	Eliminations	(82.7)	(66.2)
6%	**46.6**	**49.6**	**Gross operating profit (EBITDA) - segments**	**199.5**	**151.0**
7%	46.5	49.7	France	191.3	169.3
39%	11.8	16.4	Spain	60.5	47.1
>100%	-5.1	4.8	Brazil	6.0	2.6
>100%	-4.7	0.8	Global Markets	10.1	(30.4)
-143%	-7.2	-17.6	Other and Headquarters	(63.2)	(34.8)
-182%	5.4	-4.4	Eliminations	(5.2)	(2.7)
			Proportional ownership view		
16%	**172.6**	**200.2**	**Operating revenues incl. JVs**	**739.5**	**644.0**
16%	**45.0**	**52.4**	**EBITDA incl. JVs**	**206.1**	**156.2**
	26%	26%	EBITDA margin incl. JVs	28%	24%

Operational Development

Commentary and financial numbers in the Operational Development section of this report refers to proportionate numbers including JVs.

Adevinta Overview

yoy %	Fourth quarter 2018	2019	(€ million) ADEVINTA	YTD 2019	2018
16%	**158.5**	**184.3**	**Operating revenues**	**680.3**	**594.6**
12%	14.1	15.8	Proportional revenues from JVs	59.2	49.4
16%	**172.6**	**200.2**	**Operating revenues incl. JVs**	**739.5**	**644.0**
6%	**46.6**	**49.6**	**EBITDA**	**199.5**	**151.0**
-1%	54.5	53.7	- of which Developed phase	209.4	194.1
48%	(7.9)	(4.1)	- of which Investment phase	(9.8)	(43.1)
	29%	27%	EBITDA margin	29%	25%
>100%	(1.6)	2.8	Proportional EBITDA from JVs	6.5	5.1
16%	**45.0**	**52.4**	**EBITDA incl. JVs**	**206.1**	**156.2**
	26%	26%	EBITDA margin incl. JVs	28%	24%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Adevinta is €4.0 million in Q4 2019 for proportional ownership. Excluding the IFRS 16 effect EBITDA margin (proportional ownership) is 24% in Q4 2019 and the Yoy increase in EBITDA is 8 percent.

Revenues, including JVs, grew 16% in Q4 compared to Q4 2018 (or 11% excluding L'Argus). The revenue growth rate was driven by sustained performance in core markets in France, Spain and Brazil. Healthy growth in verticals revenue in most markets, leading to overall growth of 20%, while advertising revenue has been on a positive trend (up 3% in Q3 and up 5% in Q4) albeit at lower growth rates than previous years.

Gross operating profit (EBITDA) increased by 16% yoy - increasing 8% yoy when excluding IFRS16 effect due to both investments in product and tech and higher headquarter cost.

France

yoy %	Fourth quarter 2018	2019	(€ million) France	YTD 2019	2018
25%	81.5	101.5	Operating revenues	357.4	306.6
48%	35.0	51.8	Operating expenses	166.1	137.3
7%	46.5	49.7	EBITDA	191.3	169.3
	57%	49%	EBITDA margin	54%	55%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for France is €1.4 million in Q4 2019. Excluding the IFRS 16 effect EBITDA margin for France is 48 percent in Q4 2019 and the YoY increase in EBITDA is 4 %.

Revenues in France grew by 25% in the fourth quarter (or 13% excluding L'Argus), despite the challenging business environment implied by the strikes in Q4. Total revenues from verticals grew 28 % compared to last year (including contribution from L'Argus), driven by cars and real estate markets. The trend has been improving in display advertising with revenue growth of 11% (including contribution from L'Argus).

EBITDA margin has decreased 8pp (9pp excluding the effect of IFRS 16) due to the dilutive impact of acquisitions. Excluding acquisitions, core LeBonCoin margin remains high at 54% despite additional marketing costs moved from Q3 to Q4 and higher investment in product and tech (specifically in the transactional model ahead of revenue generation).

Traffic continued to develop positively in the quarter.

In Q4 we accelerated in innovation and product development, notably in three areas:

- Transactional model - deployment of transactions (consumer goods, holidays rental) and launch of delivery service for consumer goods categories.
- Search and Discovery - launch of new algorithm-based user experience upgrading search and discovery as well as increasing search criteria
- Verticalization - launch of new features per category for professionals which included new dashboard with advice to improve efficiency, pricing tool for car dealers as well as market data for real estate agents.

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 margins than LeBonCoin, affecting Adevinta France in totality.

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

Spain

	Fourth quarter		(€ million)	YTD	
yoy %	**2018**	**2019**	**Spain**	**2019**	**2018**
13%	41.4	46.9	Operating revenues	182.0	160.0
3%	29.6	30.5	Operating expenses	121.5	112.9
39%	11.8	16.4	EBITDA	60.5	47.1
	28%	35%	EBITDA margin	33%	29%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Spain is €0.7 million in Q4 2019. Excluding the IFRS 16 effect EBITDA margin for Spain is 33 % in Q4 2019 and the YoY increase in EBITDA is 33 %.

Revenues in Spain increased by 13 % in Q4 compared to Q4 2018. The development in verticals remained strong with a healthy 14 % growth compared to Q4 2018 in spite of slowdown in macroeconomic environment. Cars performance continued to be strong thanks to both customer acquisition and ARPU increase on the back of attractive new offerings roll-out. Real estate and jobs market were good but softening quarter on quarter as a consequence of contraction in the number of houses transactions and signed employment contracts.

Growth in display advertising accelerated to 16 % year-over-year (though representing a limited share of total revenues), benefiting from initiatives implemented throughout the year, and acceleration in traffic growth in Q4, particularly at Fotocasa and Coches.

The EBITDA margin improved by +6pp (or +5pp excluding IFRS 16 effect), driven by operational leverage and cost structure improvement.

In Q4, we continued to focus on product development:

- in motor we have improved transparency and built new products to make it easier to find relevant content and contact dealers
- in jobs we are improving the search experience with machine learning and deployed new products to increase engagement

Looking forward to next year we will continue to invest in product & tech to drive future growth. This will create value with alternative revenue streams in the long-run while absorbing part of the operational leverage in the short-term.

Brazil

	Fourth quarter		(€ million)	YTD	
yoy %	**2018**	**2019**	**Brazil**	**2019**	**2018**
17%	19.8	23.2	Operating revenues	86.0	68.9
-26%	24.9	18.5	Operating expenses	80.0	66.3
>100%	(5.1)	4.8	EBITDA	6.0	2.6
		21%	EBITDA margin	7%	4%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Brazil is €0.3 million in Q4 2019. Excluding the IFRS 16 effect EBITDA margin for Brazil is 20 % in Q4 2019

OLX.com.br in Brazil, which is a 50 % owned joint venture, delivered strong revenue growth in Q4 of 23 % in local currency, driven by cars and real estate verticals, as well as advertising, which has improved in the quarter.

Infojobs.com.br in Brazil increased its operational revenues by 14 % in local currency.

In Q4, cumulative EBITDA has improved by €10 million when compared to Q4 2018. This is the result of better operational leverage, marketing phasing and accrual of all ESOP charges in Q4 2018.

OLX Brazil continues to invest heavily in technology and product development, notably to improve safety and convenience for the users, and to develop transactional horizontal experience with wallet, escrow and financing.

We remain positive about the potential within the verticals. In cars we will reinforce our leadership position by increased penetration and a superior customer experience. In real estate we expect the economic tailwinds to accelerate the shift to digital which, as a percentage of the total commission pool, is still very low when compared to other countries.

Global Markets

	Fourth quarter		(€ million)	YTD	
yoy %	**2018**	**2019**	**Global Markets**	**2019**	**2018**
1%	31.5	31.6	Operating revenues	124.2	118.3
-15%	36.2	30.9	Operating expenses	114.0	148.7
>100 %	(4.7)	0.8	EBITDA	10.1	(30.4)
	-15%	2%	EBITDA margin	8%	-26%

The effect of IFRS 16 implementation on Operating expenses and EBITDA for Global Markets is €0.9 million in Q4 2019. Excluding the IFRS 16 effect EBITDA margin is (0) % in Q4 2019.

The Global Markets portfolio generated revenue growth of 1% compared to Q4 2018. Core classified revenue continued its positive development, growing 11% compared to Q4 2018, driven by good performance in cars, while performance in display advertising was weak, notably in Italy.

EBITDA improved by €5.5 million year-on-year, to reach €0.8 million in Q4 (or €(0.1) million excluding IFRS 16 impact) benefiting from operational leverage, particularly in Ireland and Hungary, and cost structure improvements. This was partially offset by a €(1.5) million one-off related to aged receivables in Morocco.

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

Sustained underperformance in Italy led to a shift in strategy with ongoing implementation of a new action plan to reverse the trend. While we are pleased with our development in cars despite the macro slowdown, we have taken steps to mitigate the decline in display advertising, yet these measures will take several quarters before having noticeable impact.

In Willhaben, we have improved search filtering and launched behavior-based recommendations and are now preparing for the launch of transactional functionality in consumer goods.

In Ireland we have expanded the car financing functionality to dealer base and are gaining share in cars content while expanding ARPU.

In Hungary we have expanded our transactional footprint in Consumer Goods by adding new categories and shipping partners.

Investment phase portfolio

The investment phase portfolio sits predominantly in our Global Markets segment. In this portfolio we continue to look at different models to develop these early stage assets, as demonstrated by the change in strategy at Shpock and in Mexico which does impact financial performance periodically.

The EBITDA of operations in Investment phase amounted to €(4.1) million in Q4 compared to €(7.9) million Q4 2018 primarily driven by the strategy adjustment which includes reduced marketing in Shpock and Mexico accelerating the path towards break-even, coupled with several assets approaching or at break-even in 2019. Investment in the transactional shift in Shpock continued through Q4 and the initial signs are encouraging.

Outlook

Adevinta sees continued revenue growth potential in all its segments on the back of the strong brand positions and traffic leadership in its markets and verticals. Inherent operational leverage remains strong in some geographies while we will continue to invest in product & tech and further deploy the transactional model to tap into new revenue streams and create value over time. The medium- to long-term target for annual revenue growth remains unchanged at 15-20% (on a proportionate basis including JVs and including bolt on acquisitions). Shorter-term, some uncertainty remains about macro environment and volatility in display advertising performance. In France and Spain, we have seen a lower number of transactions in the housing market in Q4. We remain optimistic about expanding our market positions through the launch of new products and services and price adjustments.

The longer-term EBITDA margin is targeted to grow to above 40 %. When evaluating new business opportunities, we are prioritizing total profit growth and looking at opportunities from a Net Present Value perspective. The transactional model is a prime example of an exciting new business opportunity, but with lower margins than traditional verticals.

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 their verticals. We're aiming for an improved performance in Global Markets than in 2019 and we'll continue to actively develop our portfolio. Adevinta has been able to reduce investment phase losses. Next year, the level of the investment phase losses will, among other things, depend on the pace of monetization growth and the competitive situation in each market. As we seek to validate the different strategic models in the portfolio, we may reverse deferrals of expenditure, such as in marketing, or increase investment in product and tech and these may cause Investment phase portfolio financial results to fluctuate between quarters.

Adevinta intends to continue devoting resources to develop scalable components, leveraging its international footprint, creating value through central product and technology development aligned closely with local on-the-ground technical expertise.

During 2019, the negative EBITDA of the HQ/Other segment rose as a result of investments in scalable tech and data and the setup of corporate and functional teams as a result of the demerger. As we now have most of the corporate organization in place, the full quarter contribution to costs should be slightly above the Q4 2019 level going forward.

The French Digital Services Tax Legislation (DST) was enacted in July 2019. No guidelines have been published on the scoping of DST. Our view at this juncture is that, more likely than not, DST does not apply to Adevinta Group, hence no provision has been made in respect of DST. Please refer to note 7 to the condensed consolidated financial statements for further information.

Group Overview

Profit and Loss

Operating profit

Revenue increased by 16% in Q4 2019, compared to Q4 2018. Revenues in FY 2019 amounted to €680.3 million compared to €594.6 million in 2018. The 14% increase was driven by sustained performance in core markets in France, Spain and Brazil. Healthy growth in core classified revenue in most markets, while advertising revenue has been on a soft positive trend.

Operating expenses increased by 20% in Q4 2019 driven by (i) further investment in product and tech to support current product enhancement as well as development of transactional model (ahead of revenue generation), (ii) setting up corporate structures, (iii) phasing of marketing spending and (iv) non-recurring costs in Global Markets. Gross operating profit (EBITDA) increased by 6%. Excluding the application of IFRS 16, operating expenses increased by 24% and EBITDA decreased by 2%. For FY 2019, the gross operating profit (EBITDA) amounted to €199.5 million, compared to €151.0 million in FY 2018, equivalent to growth of 32%. Excluding the application of IFRS 16, operating expenses increased by 12% and EBITDA increased by 23%.

Share of profit (loss) of joint ventures and associates increased from €3.0 million in Q4 2018 to €4.3 million in Q4 2019 mainly explained by improved results in Brazil, which were partially offset by lower results in Austria. Other income and expenses in Q4 2019 was €(3.9) million (€(6.2) million in Q4 2018).

Impairment loss was €(24.3) million in Q4 2019 (€(47.7) million in Q4 2018), mainly related to write-down of goodwill related to Mexico. Other income and expenses and impairment loss are disclosed in note 4.

Operating profit (loss) in Q4 2019 amounted to €12.5 million (€(12.0) million in Q4 2018). Operating profit in 2019 amounted to €122.8million (€68.4 million in 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 decreased from 33.5% in 2018 to 28.2% in 2019, mainly due to the application of previous year's tax losses related to some subsidiaries in France. Excluding the effect of such tax loss compensation, the underlying tax rate for 2019 would have been 32.7%. The reported tax rate is 63.5% in Q4 2019, compared to (102.2)% in Q4 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 Q4 2019 is €0.00 compared to €(0.04) in Q4 2018. Adjusted earnings per share in Q4 2019 is €0.04 compared to €0.03 in Q4 2018.

Cash flow and capital factors

Equity and debt

The carrying amount of the Group's assets decreased by €33.7 million to €2,119.8 million during 2019 and the Group's net interest-bearing debt decreased by €26.3 million to €130.2 million (see specification in Definitions and reconciliations below). The Group's equity ratio is 73% at the end of 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 (€144.6 million including transaction costs net of tax effect amounting €0.6 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 of 12 April 2019 and on the same day all outstanding interest-bearing debt from Schibsted was repaid (totalling €151 million). This facility has additionally been drawn by €50 million during Q4 2019.

Cash flow

Net cash flow from operating activities was €134.1 million for year 2019, compared to €73.9 million in 2018. The increase is primarily related to the increase in operating profit and implementation of IFRS 16.

Net cash outflow from investing activities was €(137.0) million for the year 2019, compared to €(33.8) million in 2018. The increase is mainly due to the acquisition of subsidiaries and increased capital expenditure. Net cash inflow from financing activities was €19.2 million for the year 2019, compared to €(22.9) million in 2018. The increase is primarily related to the demerger from Schibsted and partially offset by the drawdown of the Revolving Credit facility by €200 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 Q4 2019 by €3.9 million and increased EBITDA by €3.9 million compared to what would have been reported under the formerly applicable accounting standard. The positive effect on EBITDA is offset by €3.6 million of increased depreciation, €0.4 million of reduced other income and €0.5 million of increased financial expenses resulting in €0.5 million negative 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

The French Digital Services Tax legislation (DST) was signed by the French President on 24 July and published in the French official gazette on 25 July 2019 and hence the DST legislation is enacted.

The French tax authorities have not yet published administrative guidelines regarding the scope of the DST law. Due to the complexity of the law and the absence of guidelines, which define the scope of the taxable services, the assessment of whether DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. However, management currently assesses that it’s more likely than not that DST is not applicable to Adevinta Group and hence no provision has been recognized for DST as per 31 December 2019. Please refer to note 7 to the condensed consolidated financial statements for further information.

In addition, during Q4 2019, other countries have approved their own DST legislations.

- For Italy, the DST will levy a 3% tax over certain digital services and will be effective from January 2020 for Groups with worldwide revenue above €750 million and Italian revenues above €5.5 million, with payment expected to take place in 2021. Management is analyzing the potential impact on Adevinta of the DST bill approved in Italy.
- In Austria, the DST will levy a 5% tax on domestic online advertising services and will be effective from 1 January 2020 for Groups with worldwide revenues of at least €750 million and Austrian digital advertising revenue of at least €25 million. Management has assessed that the DST bill approved in Austria would not be applicable to Adevinta.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

Fourth quarter 2018	Fourth quarter 2019	€ million	Year 2019	Year 2018
158.5	**184.3**	**Operating revenues**	**680.3**	**594.6**
(51.2)	(66.0)	Personnel expenses	(234.8)	(201.3)
(60.7)	(68.8)	Other operating expenses	(246.0)	(242.3)
46.6	**49.6**	**Gross operating profit (loss)**	**199.5**	**151.0**
(7.7)	(13.2)	Depreciation and amortisation	(45.3)	(26.5)
3.0	4.3	Share of profit (loss) of joint ventures and associates	5.9	6.8
(47.7)	(24.3)	Impairment loss	(24.6)	(56.6)
(6.2)	(3.9)	Other income and expenses	(12.8)	(6.3)
(12.0)	**12.5**	**Operating profit (loss)**	**122.8**	**68.4**
(2.5)	(2.4)	Net financial items	(6.1)	(14.1)
(14.5)	**10.1**	**Profit (loss) before taxes**	**116.7**	**54.3**
(14.8)	(6.4)	Taxes	(49.6)	(61.3)
(29.2)	**3.7**	**Profit (loss)**	**67.1**	**(7.0)**
		Profit (loss) attributable to:		
0.3	1.1	Non-controlling interests	3.1	0.4
(29.5)	2.6	Owners of the parent	64.0	(7.4)
		Earnings per share in €:		
(0.04)	0.00	Basic	0.09	(0.01)
(0.04)	0.00	Diluted	0.09	(0.01)

Condensed consolidated statement of comprehensive income

Fourth quarter			Year	
2018	**2019**	**€ million**	**2019**	**2018**
(29.2)	**3.7**	**Profit (loss)**	**67.1**	**(7.0)**
(0.1)	0.3	Remeasurements of defined benefit pension liabilities	0.3	(0.5)
0.0	(0.1)	Income tax relating to remeasurements of defined benefit pension liabilities	(0.1)	0.1
(0.1)	**0.2**	**Items not to be reclassified subsequently to profit or loss**	**0.2**	**(0.4)**
8.6	(0.7)	Exchange differences on translating foreign operations	(5.3)	(49.1)
8.6	**(0.7)**	**Items to be reclassified subsequently to profit or loss**	**(5.3)**	**(49.1)**
8.5	**(0.5)**	**Other comprehensive income**	**(5.1)**	**(49.5)**
(20.8)	**3.2**	**Comprehensive income**	**62.0**	**(56.5)**
		Comprehensive income attributable to:		
0.3	1.1	Non-controlling interests	3.0	3.0
(21.0)	2.1	Owners of the parent	59.0	(56.8)

Condensed consolidated statement of financial position

€ million	31 December 2019	31 December 2018
Intangible assets	1,394.8	1,301.0
Property, plant and equipment and right-of-use assets	85.9	19.8
Investments in joint ventures and associates	381.1	375.3
Other non-current assets	16.4	13.2
Non-current assets	**1,878.1**	**1,709.2**
Trade receivables and other current assets	169.9	389.2
Cash and cash equivalents	71.8	55.1
Current assets	**241.7**	**444.3**
Total assets	**2,119.8**	**2,153.5**
Equity attributable to owners of the parent	1,524.4	1,317.8
Non-controlling interests	14.4	13.9
Equity	**1,538.8**	**1,331.7**
Non-current interest-bearing borrowings	201.7	448.5
Other non-current liabilities	147.9	76.5
Non-current liabilities	**349.5**	**525.0**
Current interest-bearing borrowings	0.3	0.0
Other current liabilities	231.2	296.8
Current liabilities	**231.5**	**296.8**
Total equity and liabilities	**2,119.8**	**2,153.5**

Condensed consolidated statement of cash flow

Fourth quarter 2018	Fourth quarter 2019	€ million	31 December 2019 2019	31 December 2019 2018
(14.5)	10.1	Profit (loss) before taxes	116.7	54.3
55.4	37.5	Depreciation, amortisation and impairment losses	69.9	83.1
(3.0)	(4.3)	Share of loss (profit) of joint ventures and associates, net of dividends received	(5.9)	(6.8)
(0.0)	(0.2)	Dividends received from joint ventures and associates	1.1	1.5
(12.4)	(23.5)	Taxes paid	(63.6)	(53.7)
0.0	0.0	Sales losses (gains) non-current assets and other non-cash losses (gains)	(0.3)	(1.3)
(15.9)	6.9	Change in working capital and provisions	16.3	(3.2)
9.6	**26.5**	**Net cash flow from operating activities**	**134.1**	**73.9**
(11.5)	(15.0)	Development and purchase of intangible assets and property, plant and equipment	(48.5)	(30.7)
(1.6)	(67.8)	Acquisition of subsidiaries, net of cash acquired	(78.8)	(3.1)
(0.1)	(0.0)	Proceeds from sale of intangible assets and property, plant and equipment	(0.0)	0.4
0.0	0.0	Proceeds from sale of subsidiaries, net of cash sold	0.0	0.1
(1.6)	(2.0)	Net sale of (investment in) other shares	(10.7)	(3.3)
0.7	(0.1)	Net change in other investments	0.9	2.8
(14.0)	**(84.9)**	**Net cash flow from investing activities**	**(137.0)**	**(33.8)**
(4.4)	**(58.4)**	**Net cash flow before financing activities**	**(2.9)**	**40.1**
(0.0)	50.2	Net change in interest-bearing loans and borrowings	198.8	0.4
(11.0)	0.0	Change in ownership interests in subsidiaries	(100.2)	(11.0)
0.0	0.1	Capital increase	7.9	0.0
0.0	0.0	Net sale (purchase) of treasury shares	0.0	0.0
0.0	(3.7)	IFRS 16 lease payments	(12.8)	0.0
0.0	0.0	Dividends paid to owners of the parent	0.0	0.0
(1.3)	(3.6)	Dividends paid to non-controlling interests	(3.6)	(3.4)
21.7	0.0	Net financing from (to) Schibsted ASA	(70.9)	(8.9)
9.4	**42.9**	**Net cash flow from financing activities**	**19.2**	**(22.9)**
(0.3)	0.3	Effects of exchange rate changes on cash and cash equivalents	0.3	0.4
4.7	**(15.2)**	**Net increase (decrease) in cash and cash equivalents**	**16.6**	**17.7**
50.4	86.9	Cash and cash equivalents as at 1 January	55.1	37.4
55.1	**71.8**	**Cash and cash equivalents as at 31 December**	**71.8**	**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	59.0	3.0	62.0
Transactions with the owners	148.4	(2.6)	145.8
Capital increase	*144.7*	*0.0*	*144.7*
Share-based payment	*2.0*	*0.0*	*2.0*
Dividends paid to non-controlling interests	*0.0*	*(3.6)*	*(3.6)*
Business combinations	*0.0*	*0.2*	*0.2*
Changes in ownership of subsidiaries that do not result in a loss of control	*(1.9)*	*0.8*	*(1.1)*
Group contributions and dividends	*3.6*	*0.0*	*3.6*
Equity as at 31 December 2019	**1,524.4**	**14.4**	**1,538.8**

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. This majority interest has increased to 59.28% as part of the combination of shares process described in note 6.

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 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 statements. 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 31 December 2019 from implementing IFRS 16 Leases:

Statement of financial position (€ million)	**31 December 2019**	**1 January 2019**
Property, plant and equipment and right-of-use assets	60.6	57.3
Investment in joint ventures and associates	(0.0)	0.0
Other non-current assets	0.2	0.0
Trade receivables and other current assets	(0.8)	(1.5)
Total assets	**60.0**	**55.9**
Equity attributable to owners of the parent	(1.5)	(0.7)
Increase (decrease) in Non-controlling interests	0.0	0.0
Other non-current liabilities	52.1	50.9
Other current liabilities	9.3	5.7
Total equity and liabilities	**60.0**	**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)	**Fourth quarter 2019**	**Full Year 2019**
Other operating expenses	3.9	14.4
Gross operating profit (loss)	3.9	14.4
Other income and expenses	(0.4)	(0.4)
Depreciation and amortisation	(3.6)	(13.2)
Share of profit (loss) of joint ventures and associates	(0.0)	(0.0)
Operating profit (loss)	(0.1)	0.7
Net financial items	(0.5)	(1.7)
Profit (loss) before taxes	(0.6)	(1.0)
Taxes	0.0	0.2
Profit (loss)	(0.5)	(0.8)
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)	**Fourth quarter 2019**	**Full Year 2019**
Net cash flow from operating activities	3.7	12.8
Net cash flow from financing activities	(3.7)	(12.8)

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

During Q2 2019 there has been certain modifications to the settlement of the rights under the Schibsted schemes and in addition Adevinta's Board of Directors have later decided that the awards which Adevinta employees have from the Schibsted employee share-saving program will be settled in cash. Existing performance awards in the LTI program have been pro-rated and measured just prior to the demerger date 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 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. The award will be paid out in Adevinta shares just after the second anniversary of the IPO on the condition of continuous employment up until that date. This award contains two elements. The first element is mainly a fixed number of shares corresponding to the maximum pay-out related to the existing LTI awards that would have vested after the IPO date and the Adevinta share price during the first 30 days after the IPO. The total grant value of this element is €3.1 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 Executive team. Under the PSP, the employees will be granted awards of Adevinta shares on an annual basis. These shares will be subject to a three-year vesting period (for the Adevinta Executive team the vesting is subject to an additional holding and employment period meaning that 50% of their awards vests after 3 years, 25% of their awards vests after 4 years and the remaining 25% of their awards vests after 5 years), 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 Executive team the maximum amount is in the range of 175% and 300% of his/her base salary). The number of shares the employee receives will depend on the Adevinta share price performance against a peer group (relative Total Shareholder Return (TSR)) over a three-year performance period. The payout mechanism related to the PSP is the following:

- For minimum payout, the Adevinta share must perform better than 50% of its peers ("median" relative TSR). If this is achieved, 25% of the shares granted to the employees under the PSP award will be transferred to the employee after the performance period. Total payout will in this case be €3.1 million based on the total initial 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 €12.5 million based on the total initial 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 initial PSP grant is estimated to be €8.8 million, which will be expensed over the vesting period. The YTD Q4 2019 effect of the PSP is a personnel cost of €2.5 million and a corresponding increase in equity of €2.2 million and increase in current liabilities of €0.3 million as per 31 December 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 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 have been included in this interim report. The YTD Q4 2019 effect of the ASPP is a personnel cost of €0.1 million and a corresponding increase in equity of €0.1 million.

Note 2. Changes in the Composition of the Group

Business combinations 2019

During 2019, Adevinta has invested €78.6 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 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 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.

On 4 October 2019, Adevinta completed the acquisition of Argus Group, the leading player in digital marketing services to the automotive industry in France, through the acquisition of 100% of the shares of the French parent company of the Argus Group "SNEEP". Adevinta will benefit from Argus Group expertise and penetration of the professional market for second-hand car trade, particularly thanks to the second-hand vehicle pricing tool which is the number one player in the French market. As a result of this acquisition Leboncoin will enhance its strong position in the French car market segment. The press release announcing the acquisition, published on 9 September 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.

	31 December

	2019
Consideration:	
Cash	90.1
Deferred consideration	6.7
Contingent consideration	4.4
Fair value of previously held equity interest	0.1
Total	**101.2**
Amounts for assets and liabilities recognised:	
Intangible assets	36.5
Other non-current assets	0.9
Current assets	23.5
Non-current liabilities	(13.6)
Current liabilities	(15.9)
Total identifiable net assets	**31.4**
Non-controlling interests	(0.2)
Goodwill	69.9
Total	**101.2**

The implied goodwill connected with Argus acquisition relates to synergies with Leboncoin, future customers, future technology and workforce. The synergies mainly relate to a bundled offer between Leboncoin and Argus, an increased utilization of the acquired technology, cross selling between customers of Leboncoin and Argus and cost savings when integrating the two businesses. In addition, the technology (valuation and solution) is continuously replaced and thus is the return on future technology and customers also part of goodwill.

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 Adevinta Spain, increasing the ownership to 100%.

In August 2019, OLX Brazil joint venture acquired a 100% ownership in Anapro (Facher Tecnologia Ltda.), a company based in Brazil focused in CRM and Sales management solutions for the real estate market. In the condensed consolidated financial statements, this investment has been accounted for using the equity method of accounting.

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, PayCar and L’Argus.

Spain comprises primarily InfoJobs, Coches, FotoCasa, Habitaclia, Milanuncios and Vibbo.

Brazil comprises OLX Brazil joint venture (including Anapro) 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

Fourth quarter 2019 € million	**France**	**Spain**	**Brazil**	**Global Markets**	**Other / Headquarters**	**Eliminations**	**Total**
Operating revenues from external customers	101.3	46.9	23.2	31.6	2.7	(21.4)	184.3
Operating revenues from other segments	0.2	0.0	0.0	0.1	0.6	(0.9)	(0.0)
Operating revenues	**101.5**	**46.9**	**23.2**	**31.6**	**3.4**	**(22.3)**	**184.3**
Gross operating profit (loss) excl. Investment phase	49.7	16.4	4.8	4.8	(17.6)	(4.4)	53.7
Gross operating profit (loss) excl. IFRS 16	48.4	15.6	4.5	(0.1)	(18.5)	(4.2)	45.7
Gross operating profit (loss)	49.7	16.4	4.8	0.8	(17.6)	(4.4)	49.6
Operating profit (loss)	**43.7**	**13.2**	**2.9**	**(24.4)**	**(24.5)**	**1.6**	**12.5**

Full year 2019 € million	**France**	**Spain**	**Brazil**	**Global Markets**	**Other / Headquarters**	**Eliminations**	**Total**
Operating revenues from external customers	356.9	182.0	86.0	123.8	10.6	(79.0)	680.3
Operating revenues from other segments	0.6	0.0	0.0	0.3	2.8	(3.7)	0.0
Operating revenues	**357.4**	**182.0**	**86.0**	**124.2**	**13.4**	**(82.7)**	**680.3**
Gross operating profit (loss) excl. Investment phase	191.3	60.5	6.0	20.0	(63.2)	(5.2)	209.4
Gross operating profit (loss) excl. IFRS 16	186.9	57.4	4.8	6.8	(66.5)	(4.3)	185.2
Gross operating profit (loss)	191.3	60.5	6.0	10.1	(63.2)	(5.2)	199.5
Operating profit (loss)	**175.1**	**48.7**	**1.6**	**(18.8)**	**(85.4)**	**1.6**	**122.8**

Fourth quarter 2018 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	80.8	41.4	19.8	31.3	3.5	(18.2)	158.5
Operating revenues from other segments	0.7	-	-	0.2	0.2	(1.2)	(0.0)
Operating revenues	**81.5**	**41.4**	**19.8**	**31.5**	**3.7**	**(19.4)**	**158.5**
Gross operating profit (loss) excl. Investment phase	46.5	11.8	(5.1)	3.2	(7.2)	5.4	54.5
Gross operating profit (loss)	46.5	11.8	(5.1)	(4.7)	(7.2)	5.4	46.6
Operating profit (loss)	**43.9**	**9.2**	**(5.8)**	**(56.2)**	**(11.8)**	**8.7**	**(12.0)**

Full year 2018 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
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:

Fourth quarter			Full year	
2018	2019	€ million	2019	2018
37.6	38.9	Advertising revenues	135.0	134.6
115.8	140.1	Classifieds revenues	527.4	450.8
5.0	5.4	Other operating revenues	17.9	9.1
158.5	**184.3**	**Operating revenues**	**680.3**	**594.5**

Note 4. Other Income and Expenses and Impairment Loss

Fourth quarter 2018	Fourth quarter 2019	€ million	Full year 2019	Full year 2018
(6.0)	(2.9)	Restructuring costs	(6.8)	(7.0)
(0.0)	0.0	Gain (loss) on sale of subsidiaries, joint ventures and associates	0.4	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	Gain (loss) on amendment of pension plans	0.0	0.0
(0.2)	(0.3)	Acquisition-related costs	(1.0)	(0.2)
0.0	(0.7)	IPO-related costs	(5.6)	0.0
(0.0)	0.0	Other	0.2	(0.4)
(6.2)	**(3.9)**	**Total other income and expenses**	**(12.8)**	**(6.3)**

Restructuring costs of €(6.8) million consist primarily of costs from restructuring processes in Other/Headquarters, Spain and Global Markets.

IPO-related costs of €(5.6) million consist mainly of expenses related to Adevinta's listing process.

Impairment loss of €(24.6) million in 2019 includes impairment of goodwill related to Mexico of €(22.6) million and impairment of internally generated intangible assets of in total €(2.0) million. In 2018 impairment loss of €(56.6) million included impairment of goodwill related to Yapo in Chile of €(47.9) and impairment of internally generated intangible assets of in total €(8.7) million

Note 5. Net Financial Items

Fourth quarter 2018	Fourth quarter 2019	€ million	Full year 2019	Full year 2018
(1.8)	(1.2)	Net interest income (expenses)	(6.0)	(12.0)
(0.6)	(0.6)	Net foreign exchange gain (loss)	1.4	(1.9)
(0.1)	(0.6)	Net other financial income (expenses)	(1.4)	(0.2)
(2.5)	**(2.4)**	**Net financial items**	**(6.1)**	**(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 was effected through two demergers: 1) the demerger of Schibsted and transfer of 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 was 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.

On 24 October 2019 an Extraordinary General meeting of Adevinta ASA was held and approved the Board's proposal to collapse the Company's A shares and B shares and combine them into one single, joint share class. Each holder of A shares in the Company as of 24 October 2019, as registered in the Norwegian Central Securities Depository on 28 October 2019 (the "Record Date"), has been granted one subscription right for every A share held in the Company on the Record Date. After final allocation of the new shares in the rights issue has been completed on 14 November 2019, a total of 3,749,575 new shares have been allocated to subscribers. The remaining 51,038 shares that were not allocated, were subscribed by the underwriter Skandinaviska Enksilda Banken AB (publ) Oslo branch, who sold the subscribed amount of new shares in the market and distributed the net proceeds from such sale to holders of subscription rights held upon expiry of the subscription period (subject to that the net proceeds for the respective holder of subscription rights exceeded 50 NOK). On 21 November 2019 Adevinta has registered a capital increase through the issuance of 3,800,613 new shares, amounting to €0.1 million. Following the registration of the share capital increase in Norwegian Register of Business Enterprises, Adevinta's share capital is divided into 684,948,502 ordinary shares.

Fourth quarter			Full year	
2018	**2019**	**€ million**	**2019**	**2018**
681,147,889	682,800,329	Weighted average number of shares outstanding	679,698,236	681,147,889
(29.5)	2.6	Profit (loss) attributable to owners of the parent	64.0	(7.4)
(0.04)	0.00	Earnings per share (€)	0.09	(0.01)
(0.04)	0.00	Diluted earnings per share (€)	0.09	(0.01)
		Calculation of adjusted earnings per share		
(29.5)	2.6	Profit (loss) attributable to owners of the parent	64.0	(7.4)
6.2	3.9	Other income and expenses	12.8	6.3
47.7	24.3	Impairment loss	24.6	56.6
(0.6)	(0.4)	Taxes and non-controlling effect of Other income and expenses and Impairment loss	(1.0)	(1.0)
23.7	**30.1**	**Profit (loss) attributable to owners of the parent - adjusted**	**100.0**	**54.6**
0.03	0.04	Earnings per share – adjusted (€)	0.15	0.08
0.03	0.04	Diluted earnings per share – adjusted (€)	0.15	0.08

Note 7. Digital tax in France

The French Digital Services Tax legislation (DST) was signed by the French President on 24 July and published in the French official gazette on 25 July 2019 and hence the DST legislation is enacted.

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 be made or supplied in France:

- 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.
- 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.

As enacted, the DST retrospectively applies to digital services revenue as of 1 January 2019. For 2019, DST is only applicable if both thresholds above were exceeded for 2018. If applicable, the DST will negatively impact Adevinta Group's EBITDA. The DST amount payable is deductible for corporate income tax purposes.

The French tax authorities have not yet published administrative guidelines regarding the scope of the DST law. Due to the complexity of the law and the absence of guidelines, which define the scope of the taxable services, the assessment of whether DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. However, management currently assesses that it's more likely than not that DST is not applicable to Adevinta Group and hence no provision has been recognized for DST as per 31 December 2019.

The main uncertainties relate to whether the services which Schibsted Group (including Adevinta Group) provide to its users in France and other countries are to be considered within the scope of DST. The current interpretation, without clear guidelines, points to the non-inclusion of some of the said services which means the applicable worldwide revenues within the scope of DST should be below €750 million.

It is expected that should the guidelines and interactions with the French Tax Authorities conclude differently, the DST applicable to the Adevinta group should not exceed €9 million for 2019. Management will continue to work with the French tax authorities to obtain further clarification on this matter.

Note 8. Events After the Balance Sheet Date

None

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, immature monetization rate and sustainable profitability has not been reached.	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 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 represents 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. IFRS 16 leasing liabilities are not included in net interest bearing debt.	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, PayCar and L'Argus. • 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, Anapro • 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)

Fourth quarter		Reconciliation of Operating revenues and EBITDA excl. Investment phase and in accordance with financial statements (€ million)	Full year	
2018	**2019**		**2019**	**2018**
158.5	**184.3**	**Operating revenues**	**680.3**	**594.6**
7.7	7.2	Operating revenues Investment phase	28.5	27.1
150.7	177.1	Operating revenues excl. Investment phase	651.8	567.4
46.6	**49.6**	**Gross operating profit (loss)**	**199.5**	**151.0**
(7.9)	(4.1)	EBITDA Investment phase	(9.8)	(43.1)
54.5	53.7	EBITDA excl. Investment phase	209.4	194.1

Fourth quarter 2018	2019		Full year 2019	2018
(14.5)	10.1	Profit (loss) before taxes	116.7	54.3
(3.0)	(4.3)	Share of profit (loss) of joint ventures and associates	(5.9)	(6.8)
16.0	17.4	Other losses for which no deferred tax benefit is recognised	42.9	89.0
0.0	(0.0)	Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(0.4)	(1.3)
47.9	22.6	Impairment losses (Goodwill)	22.6	47.9
46.4	**45.8**	**Adjusted tax base**	**175.8**	**183.1**
14.8	6.4	Taxes	49.6	61.3
31.9%	14.0%	Underlying tax rate	28.2%	33.5%

Liquidity reserve	31 December 2019	31 December 2018
Cash and cash equivalents	71.8	55.1
Unutilised drawing rights on credit facilities	100.0	0.0
Liquidity reserve	**171.8**	**55.1**

Net interest-bearing debt	31 December 2019	31 December 2018
Non-current interest-bearing borrowings	201.7	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	**201.7**	**448.5**
Gross debit positions in Schibsted cash-pooling arrangement *	0.0	(236.8)
Current interest-bearing borrowings	0.3	0.0
Cash and cash equivalents	(71.8)	(55.1)
Net interest-bearing debt	**130.2**	**156.5**

IFRS 16 leasing liabilities are not included in net interest bearing debt.

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

Fourth quarter 2018	2019		Full year 2019	2018
1.1273	1.1632	Pound sterling (GBP)	1.1406	1.1303
0.2302	0.2193	Brazilian Real (BRL)	0.2268	0.2329

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Financial Calendar

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