



Corrective note to Annual Report 2022 and 2023

Corrective note to Schibsted ASA's annual financial reports for 2022 and 2023

Reference is made to the announcement from Financial Supervisory Authority of Norway (the FSA) regarding their review of certain topics related to the 2022 and 2023 annual financial statements of Schibsted ASA with conclusions published 27 November 2024. The FSA concluded that it had found errors in the accounting under the equity method in relation to the investment in the associate Adevinta ASA concerning two matters:

- As Adevinta consistently issued its interim financial statements later than Schibsted, Schibsted recognised its share of the associate's profit or loss with a three-month delay. In its Q4 2022 interim report and its 2022 annual financial statements, Schibsted thereby included share of profit (loss) from Adevinta up and until Q3 2022. As Adevinta issued its Q4 2022 interim report in the period between Schibsted issuing its Q4 2022 interim report and its 2022 annual financial statements, Schibsted did thereby not in its 2022 annual financial statements use the most recent available financial statements for the associate (IAS 28.33) or adjusted for any effects of significant transactions or events that occurred in the associate's available fourth quarter report for 2022 (ref. IAS 28.34).
- In its 2023 annual financial statements, Schibsted recognised a reversal of previously recognised impairment losses implying that the investment effectively was measured at its fair value based on the quoted share price. IAS 28.42 requires that any reversal of impairment loss shall be recognised in accordance with IAS 36 to the extent that the recoverable amount subsequently increases. The reversal of impairment loss recognised by Schibsted exceeded the increase in the recoverable amount.

The FSA ordered Schibsted ASA to correct the errors by publicly disclosing a corrective note by notifying the Oslo Stock Exchange.

This corrective note is an attachment to the previously issued annual financial reports for 2022 and 2023 and includes an account of the nature of the errors for the financial reports.

Schibsted has reassessed the figures in the financial statements using the understanding of IFRS following from the order as follows:

1. Schibsted recognised in its 2023 annual financial statements its share of impairment losses as reported by Adevinta in its Q4 2022 interim report. Those impairment losses amounted to EUR 1,722 million (EUR 1,662 million net of related taxes). Schibsted's share of those losses is now adjusted to be recognised in 2022 as an adjustment for a significant event. The adjustments to share of losses of Adevinta recognised, reduces the impairment losses related to the investment to be recognised or reversed.
2. Similarly, Schibsted recognised in its Q1 2024 interim report its share of impairment losses as reported by Adevinta in its Q4 2023 interim report. Those impairment losses amounted to EUR 147 million (EUR 108 million net of related taxes). Schibsted's share of those losses is adjusted to be recognised in 2023 as an adjustment for a significant transaction or event.
3. The recoverable amount (fair value based on current share price) increased by EUR 1,297 million from EUR 2,151 million (NOK 22,619 million) to EUR 3,448 million (NOK 38,756 million) during 2023. Reversal of impairment losses recognised in 2023 is adjusted to reflect the limitation set by the increase in recoverable amount of EUR 1,297 million (NOK 14,555 million)

Adevinta has EUR as its functional currency. Share of profit (loss) and other changes in the net assets of Adevinta are determined in EUR and translated to NOK at exchange rates applicable for each of those movements. The adjustments thereby also affect foreign exchange differences in other comprehensive income which are adjusted with NOK -57 million in 2022 and NOK 511 million in 2023.

The effect of the corrections on the consolidated financial statements for 2022 and 2023 are disclosed in the tables below.

Consolidated income statement 2022

(NOK million)	As reported annual financial statements 2022	(1) Share of impairment loss adjusted from 2023 to 2022	As adjusted
Operating revenues	15,272		15,272
Raw materials and finished goods	(549)		(549)
Personnel expenses	(5,929)		(5,929)
Other operating expenses	(6,387)		(6,387)
Gross operating profit (loss)	2,406		2,406
Depreciation and amortisation	(1,117)		(1,117)
Impairment loss	(31)		(31)
Other income	13		13
Other expenses	(173)		(173)
Operating profit (loss)	1,099		1,099
Share of profit (loss) of joint ventures and associates	(482)	(4,897)	(5,379)
Impairment loss on joint ventures and associates (recognised or reversed)	(22,823)	4,954	(17,869)
Gains (losses) on disposal of joint ventures and associates	675		675
Financial income	117		117
Financial expenses	(830)		(830)
Profit (loss) before taxes	(22,244)	57	(22,186)
Income taxes	(254)		(254)
Profit (loss) from continuing operations	(22,497)	57	(22,440)
Profit (loss) from discontinued operations	(24)		(24)
Profit (loss)	(22,521)	57	(22,464)
Earnings per share - Basic (NOK)	(96.53)		(96.29)
Earnings per share - Diluted (NOK)	(96.53)		(96.29)

Consolidated statement of comprehensive income 2022

(NOK million)	As reported annual financial statements 2022	Effect of corrections	As adjusted
Profit (loss)	(22,521)	57	(22,464)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension liabilities	(77)		(77)
Cash flow hedges	-		-
Change in fair value of equity instruments	16		16
Share of other comprehensive income of joint ventures and associates	50		50
Income tax related to items that will not be reclassified	17		17
Items that may be reclassified to profit or loss:			
Foreign exchange differences	1,391	(57)	1,334
Accumulated exchange differences reclassified to profit or loss on disposal of foreign operation	3		3
Cash flow hedges and hedges of net investments in foreign operations	(16)		(16)
Share of other comprehensive income of joint ventures and associates	604		604
Income tax relating to items that may be reclassified	(1)		(1)
Other comprehensive income	1,988	(57)	1,930
Total comprehensive income	(20,533)	0	(20,533)

The adjustments above have no effect for the consolidated statement of financial position as presented in Schibsted's annual report for 2022.

Consolidated income statement 2023

(NOK million)	As reported annual financial statements 2023	(1) Share of impairment loss adjusted from 2023 to 2022	(2) Share of impairment loss adjusted from 2024 to 2023	(3) Limitation reversal of impairme nt loss	As adjusted
Operating revenues	15,756				15,756
Raw materials and finished goods	(426)				(426)
Personnel expenses	(6,282)				(6,282)
Other operating expenses	(6,528)				(6,528)
Gross operating profit (loss)	2,519				2,519
Depreciation and amortisation	(1,239)				(1,239)
Impairment loss	(53)				(53)
Other income	128				128
Other expenses	(236)				(236)
Operating profit (loss)	1,119				1,119
Share of profit (loss) of joint ventures and associates	(6,328)	4,897	(358)		(1,789)
Impairment loss on joint ventures and associates (recognised or reversed)	21,694	(5,369)		(1,858)	14,467
Gains (losses) on disposal of joint ventures and associates	(28)				(28)
Financial income	1,705				1,705
Financial expenses	(997)				(997)
Profit (loss) before taxes	17,163	(472)	(358)	(1,858)	14,476
Income taxes	(257)				(257)
Profit (loss) from continuing operations	16,907	(472)	(358)	(1,858)	14,219
Profit (loss) from discontinued operations	(31)				(31)
Profit (loss)	16,876	(472)	(358)	(1,858)	14,188
Earnings per share – Basic (NOK)	73.70				61.91
Earnings per share – Diluted (NOK)	73.53				61.77

Consolidated statement of comprehensive income 2023

(NOK million)	As reported annual financial statements 2023	Effect of corrections	As adjusted
Profit (loss)	16,876	(2,688)	14,188
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension liabilities	(140)		(140)
Change in fair value of equity instruments	(13)		(13)
Share of other comprehensive income of joint ventures and associates	(49)		(49)
Income tax related to items that will not be reclassified	31		31
Items that may be reclassified to profit or loss:			
Foreign exchange differences	1,313	511	1,824
Accumulated exchange differences reclassified to profit or loss on disposal of foreign operation	-		-
Cash flow hedges and hedges of net investments in foreign operations	(25)		(25)
Share of other comprehensive income of joint ventures and associates	(267)		(267)
Income tax relating to items that may be reclassified	16		16
Other comprehensive income	867	511	1,377
Total comprehensive income	17,742	(2,177)	15,565

Consolidated statement of financial position 2023

The corrections have no effect for the consolidated statement of financial position as presented in Schibsted's annual report for 2022. The effect of corrections for the consolidated statement of financial position as presented in Schibsted's annual report for 2023 is disclosed below.

(NOK million)	As reported annual financial statements 2023	Effect of corrections	As adjusted
ASSETS			
Intangible assets	11,091		11,091
Property, plant and equipment	580		580
Right-of-use assets	1,944		1,944
Investments in joint ventures and associates	39,721	(2,177)	37,544
Deferred tax assets	540		540
Other non-current assets	871		871
Non-current assets	54,747	(2,177)	52,570
Contract assets	145		145
Trade receivables and other current assets	2,243		2,243
Cash and cash equivalents	1,279		1,279
Current assets	3,667		3,667
Total assets	58,414	(2,177)	56,237
EQUITY AND LIABILITIES			
Paid-in equity	7,160		7,160
Other equity	37,301	(2,177)	35,124
Equity attributable to owners of the parent	44,461	(2,177)	42,284
Non-controlling interests	142		142
Equity	44,603	(2,177)	42,426
Deferred tax liabilities	417		417
Pension liabilities	1,196		1,196
Non-current interest-bearing loans and borrowings	4,872		4,872
Non-current lease liabilities	1,868		1,868
Other non-current liabilities	282		282
Non-current liabilities	8,636		8,636
Current interest-bearing loans and borrowings	780		780
Income tax payable	246		246
Current lease liabilities	368		368
Contract liabilities	632		632
Other current liabilities	3,149		3,149
Current liabilities	5,175		5,175
Total equity and liabilities	58,414	(2,177)	56,237

The total negative effect on total comprehensive income reduces the carrying amount of the investment and equity at 31.12.2023.

Consolidated statement of equity 2022 and 2023

(NOK million)	As reported annual financial statements 2022	Effect of corrections	As adjusted
Consolidated statement of equity 2022			
Share capital	116		116
Other paid-in equity	6,978		6,978
Retained earnings	21,453	57	21,510
Foreign currency transl. reserve	79	(57)	22
Hedging reserves	(13)		(13)
Shareholders' equity	28,613	0	28,613
Non-controlling interests	188		188
Total	28,801	0	28,801

(NOK million)	As reported annual financial statements 2023	Effect of corrections	As adjusted
Consolidated statement of equity 2023			
Share capital	113		113
Other paid-in equity	7,043		7,043
Retained earnings	35,951	(2,688)	33,263
Foreign currency transl. reserve	1,386	511	1,897
Hedging reserves	(32)		(32)
Shareholders' equity	44,461	(2,177)	42,284
Non-controlling interests	142		142
Total	44,603	(2,177)	42,426

The statement of changes in equity is adjusted to reflect the above mentioned changes to total comprehensive income. All adjustments to total comprehensive income are attributable to owners of the parent.

Consolidated statement of cash flows 2022 and 2023

The corrections have no effect on the actual cash flows for 2022 or 2023, but adjustments to the consolidated statement of cash flows are made to reflect the adjustments made to the consolidated income statement as described above. The adjustments have no effect on the net cash flows from operating activities, and no adjustments are made to cash flow from investing activities or financing activities.

(NOK million)	As reported annual financial statements 2022	Effect of corrections	As adjusted
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes	(22,244)	57	(22,186)
Depreciation, amortisation and impairment losses (recognised or reversed)	23,971	(4,954)	19,017
Net interest expense	267		267
Net effect pension liabilities	(22)		(22)
Share of loss (profit) of joint ventures and associates	482	4,897	5,379
Dividends received from joint ventures and associates	56		56
Interest received	24		24
Interest paid	(266)		(266)
Taxes paid	(260)		(260)
Non-operating gains and losses	(233)		(233)
Change in working capital and provisions *	(90)		(90)
Net cash flow from operating activities	1,684	0	1,684

(NOK million)	As reported annual financial statements 2023	Effect of corrections	As adjusted
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes	17,163	(2,688)	14,476
Depreciation, amortisation and impairment losses (recognised or reversed)	(20,401)	7,227	(13,174)
Net interest expense	358		358
Net effect pension liabilities	(88)		(88)
Share of loss (profit) of joint ventures and associates	6,328	(4,539)	1,789
Dividends received from joint ventures and associates	25		25
Interest received	105		105
Interest paid	(425)		(425)
Taxes paid	(327)		(327)
Non-operating gains and losses	(1,117)		(1,117)
Change in working capital and provisions *	87		87
Net cash flow from operating activities	1,708	0	1,708

Appendix 1

The table below specifies the adjustments to the consolidated income statement and consolidated statement of comprehensive income per quarter for the financial year 2023.

2023 quarterly reports (NOK million)	As reported Q1 2023	Effect of corrections Q1 2023	As adjusted Q1 2023	As reported Q2 2023	Effect of corrections Q2 2023	As adjusted Q2 2023	As reported Q3 2023	Effect of corrections Q3 2023	As adjusted Q3 2023	As reported Q4 2023	Effect of corrections Q4 2023	As adjusted Q4 2023
Operating profit (loss)	20	-	20	362	-	362	420	-	420	317	-	317
Share of profit (loss) of joint ventures and associates	(5,295)	4,897	(398)	(1,090)	-	(1,090)	45	-	45	11	(358)	(347)
Impairment loss on joint ventures and associates (recognised or reversed)	7,281	(6,206)	1,075	(784)	(341)	(1,125)	13,020	(750)	12,270	2,176	70	2,246
Profit (loss) before taxes	2,179	(1,309)	870	(1,868)	(341)	(2,209)	14,553	(750)	13,803	2,299	(288)	2,011
Profit (loss) from continuing operations	2,170	(1,309)	861	(1,949)	(341)	(2,290)	14,456	(750)	13,706	2,229	(288)	1,941
Profit (loss)	2,170	(1,309)	861	(1,949)	(341)	(2,290)	14,456	(750)	13,706	2,198	(288)	1,910
Earnings per share - Basic (NOK)	9.34	(5.66)	3.68	(8.59)	(1.49)	(10.08)	63.74	(3.31)	60.43	9.68	(1.28)	8.40
Earnings per share - Diluted (NOK)	9.33	(5.65)	3.68	(8.59)	(1.49)	(10.08)	63.64	(3.31)	60.34	9.66	(1.28)	8.38
Foreign exchange differences	1,771	472	2,243	663	(23)	640	(1,144)	46	(1,098)	24	15	39
Other comprehensive income	1,333	472	1,805	654	(23)	631	(1,067)	46	(1,021)	(53)	15	(38)
Total comprehensive income	3,504	(837)	2,667	(1,295)	(364)	(1,659)	13,389	(703)	12,686	2,145	(273)	1,872