Annual Report 2020

Schibsted

Index

Photo on front cover: courtesy of Helthjem
Photo in Sustainability report: courtesy of Blocket.se and Patrik Lindén Photography

Schibsted at a glance

Schibsted is a family of strong, well-known consumer brands in digital marketplaces, media, financial services and technology ventures with a predominantly Nordic presence.

Nordic Marketplaces

Our leading digital marketplaces in the Nordics - **Finn, Blocket, Tori** and **Oikotie** - connect millions of buyers and sellers every month and facilitate transactions from job offers to real estate, cars, travel, consumer goods and more. Nordic Marketplaces also includes adjacent businesses such as **Nettbil** and **Qasa**.

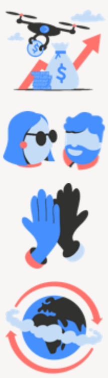
News Media

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

Next

Within Next we invest in disruptive, scalable and innovative business models that create unique value and that aim to become market leaders. Financial Services consists of a portfolio of companies in the digital personal finance space, mainly in Norway and Sweden. **Lendo** is the key brand in the portfolio, offering digital marketplaces for consumer lending. Growth consists of a portfolio of digital companies operating mainly in Norway and Sweden, such as **Prisjakt**. In addition, the distribution operations in Norway deliver not only newspapers but also parcels for businesses and consumers.

Key highlights



- ~NOK 13 billion revenues
- More than NOK 2 billion EBITDA
- 5,000+ employees
- 55+ brands
- ~1 billion monthly visits
- Multiple awards for being a top employer in the Nordics
- High ranking on climate index in Norway

What we do

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

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

Empowering people in their daily lives

One year ago, as I sat down to write my opening message for last year's annual report, the effects of the COVID-19 pandemic had begun to take hold in society, with restrictions and uncertainty impacting people and businesses alike. Schibsted's response was to swiftly shift its priorities and resources during the first quarter of 2020, to safeguard our employees and manage the significant negative financial and operational effects of the measures imposed on society to reduce the spread of the virus.

At the same time, we emphasized that Schibsted, through its strong media positions in Norway and Sweden, would play a vital role in this time of crisis. Delivering on that role has been our highest priority. We were confident that, with our solid financials and highly competent employees, Schibsted was well positioned to navigate the turbulent times ahead and to find the extraordinary value-creating opportunities that often arise during difficult times.

Now, twelve months later, there is no doubt that we did just that. Over the last three quarters of 2020, we not only navigated a turbulent situation and secured solid financial results; we also found those extraordinary value-creating opportunities. Based on long-term strategies and efforts, and as a major next step after the spin-off in 2019, Adevinta announced in July a definitive agreement to acquire eBay Classifieds Group, thereby creating the largest online classifieds group in the world. Moreover – with the acquisition of the Finnish marketplace Oikotie from Sanoma, and the upcoming acquisition of Danish marketplaces DBA.dk and Bilbasen.dk related to the Adevinta/eBay transaction – Schibsted took important steps toward becoming the true Nordic powerhouse we have aspired to be.

While we are proud of our financial results and of the positions we gained in 2020, we are equally proud of how we have used those results and positions to deliver on our mission of empowering people in their daily lives. Whether it be through the efforts of our news media to inform the public about the pandemic and the restrictions imposed to combat it, through the ability of our marketplaces to enable people to do business together safely, reliably and efficiently, through the capability of our distribution businesses to connect consumers and producers even during lockdown, or through the digital services supplied by our growth companies that enhance market transparency; the entire Schibsted family of products and services has contributed to fulfilling our mission.

We believe in the power of our societal role, because we believe companies are more sustainable in every way – including financially – when their purpose is about more than making a profit. This has been a core belief in Schibsted for a long time. Creating value at multiple levels and for all our stakeholders is not a balancing act, but a positive spiral. Creating value for consumers leads to increased use of services that benefit society, which in turn attracts people we want to work with and increases the value of our business for our owners and investors.

Each Schibsted business contributes in its own way and according to its goals. As a family, we see the proof of this logic at work when we see how value is created for each stakeholder group in unison. And as a group, we see the proof of this logic when people find our products and services valuable, and make them a part of their lives in ways that change how they act, consume, and understand the world. That's where we can see Schibsted's true impact on society. That impact matters even more in challenging and turbulent times like these.

Kristin Skogen Lund
CEO of Schibsted

Board of Directors' report

2020 proved to be an exceptional year, in which Schibsted and Adevinta reached important milestones and our businesses proved increasingly relevant and resilient in a highly uncertain market environment.

In July, Adevinta announced an agreement to acquire eBay Classifieds Group. The acquisition is expected to close during the second quarter of 2021, creating the largest online classifieds group in the world. We are confident that this will further strengthen the company's value creation potential for Schibsted and the rest of Adevinta's shareholders. As part of this transaction, Schibsted will acquire eBay Classifieds' leading online classifieds businesses DBA.dk and Bilbasen.dk in Denmark. Together with the acquisition of Oikotie in Finland, which was closed during the summer, this will enhance Schibsted's position as the true Nordic online classifieds champion, well positioned for further growth.

In addition to these important structural milestones, our businesses proved resilient and achieved solid financial results with robust revenue development in a year characterized by high uncertainty due to the COVID-19 pandemic. One year into the pandemic, our businesses are in good – or even better – positions. We are confident that our services will continue to be highly relevant for our customers and society at large, which is an important precondition for Schibsted's continued growth and value creation.

This brings us to the core of Schibsted's strategy: we will continue to drive digital growth by developing leading marketplaces in the Nordics, world-class news operations and promising services like Lendo and Prisjakt. In addition, we will focus on creating new digital winners by leveraging Schibsted's strong reach, access to data, and common services, competencies, and market knowledge. Value-creating consolidations and M&A activities will continue to be an integrated part of this growth strategy. The primary aim in terms of M&A is to further strengthen the positions of our current business activities, particularly within Nordic Marketplaces.

By providing independent high-quality news, operating and developing our leading marketplaces, and helping consumers make the best personal finance decisions, we will continue to deliver on our mission of "Empowering people in their daily lives" and create value for all stakeholders. In times of fragmentation of news sources and fake news, society needs trustworthy and independent news providers, and Schibsted will continue to meet this need. Our marketplaces and financial services also play vital roles for consumers and society at large. Fair and transparent marketplaces and trustworthy financial intermediaries are important for society. And Schibsted is particularly proud of the significant positive effect our marketplaces have on the environment through second-hand trading of goods.

Finally, it is the Board's ambition that Schibsted continues to be an active and supportive anchor investor in Adevinta, focusing on long-term growth and value creation to the benefit of shareholders both in Adevinta and in Schibsted. Schibsted operates some of the most advanced online classified companies in the world, and has a proven track record of shareholder value creation in the industry. This makes us well placed to seek influence and contribute to further shareholder value creation in Adevinta through the shareholders' meeting and board representation.

2020 has also been an exceptional year for our employees. For the majority, COVID-19 has led to major changes in their work situation and relationships with colleagues. Most of our employees have worked from home since March 2020. The Board pays special tribute to the company's employees for the impressive efforts they have made to create both good results and develop the business further under such special circumstances.

Further changes to the composition of the Group

In addition to the Oikotie acquisition in Finland, the DBA and Bilbasen acquisitions in Denmark, and Adevinta's eBay transaction, Schibsted made other changes to the composition of the Group in 2020.

In the first quarter, Schibsted closed the sale of its newspaper operations in Agder to Polaris Media, and in the second quarter it disposed of a former printing plant property in Stavanger. Schibsted was also involved in other minor acquisitions and disposals during the year, especially within ventures.

After signing the agreement to acquire eBay Classifieds Group, Adevinta was classified as a disposal group held for sale, and as a discontinued operation. The post-tax profits of discontinued operations are presented as a separate line item in the income statement, and comparative figures for 2019 are re-presented.

Following the acquisition by Adevinta, with expected closing during the second quarter of 2021, Schibsted's ownership interest will be reduced to 33.1 percent of the capital and 39.5 percent of the votes. The retained ownership interest in Adevinta will be recognized as an associated company at its fair value and will be accounted for using the equity method.

Impact of the COVID-19 pandemic on the Group

One year into the COVID-19 pandemic, Schibsted's businesses are in good positions. While some parts of our businesses were negatively affected by the pandemic, others faced only a temporary decline or used opportunities from changed consumer behavior and trends to strengthen their positions and grow their customer base.

Print advertising and casual sales in News Media, the job verticals in Nordic Marketplaces and the travel vertical in Finn saw significant declines in revenues due to the pandemic and the severe measures taken by governments to reduce the spread of the virus. The car and real estate verticals in Nordic Marketplaces and digital advertising in News Media all managed to recover during the year after the sharp decline following the outbreak of the pandemic in the first quarter. The same applied to the job vertical in Norway towards the end of the year.

Both our News Media and online classified sites managed strong growth in traffic volumes, particularly in the early phase of the pandemic. These levels remained high throughout the year, underlining the importance of these digital positions for people in their everyday lives. Our Distribution business, particularly Helthjem and Prisjakt, achieved very strong growth during the year, driven by the strong hike in e-commerce during the pandemic.

To address the uncertain market environment and revenue decline in parts of our business, Schibsted tightened cost control in the first quarter of 2020 in parallel with executing the previously announced cost reduction program in News Media. To maintain financial flexibility in times of significant uncertainty, it was also decided not to pay a dividend for 2019, and the company took steps early in the second quarter to strengthen its liquidity position by refinancing a NOK 1 billion bond.

Further comments on the Group's results

Schibsted's consolidated revenues in 2020 totaled NOK 12,908 million (NOK 12,653 million)[i], up 2 percent compared to last year. Despite the uncertainty and negative effects caused by the pandemic, all operating segments achieved revenue growth except for News Media. The Group's gross operating profit (EBITDA[ii]) amounted to NOK 2,126 million (NOK 1,977 million)[i], equivalent to a growth rate of 8 percent. The positive development in EBITDA includes effects from the cost reduction program in News Media.

Schibsted's share of profit (loss) from joint ventures and associates totaled NOK -44 million (NOK -58 million)[i]. This development is mainly explained by improved results in Rocker and positive results from our investment in Polaris Media, offset by increased investments in long-term growth initiatives in entities included in the Financial Services and Growth portfolios.

Impairment loss in 2020 was NOK -61 million (NOK -35 million)[i]. Current year's impairment consists mainly of write-down of investments in associated companies in Growth, and certain discontinued initiatives within product and technology.

In 2020 the Group's other income and expenses amounted to NOK -90 million (NOK -151 million)[i]. This is mainly transaction-related costs in connection with the acquisition of Oikotie, DBA and Bilbasen and restructuring costs related to headcount reductions in News Media, offset by gains on the sale of the former printing plant property in Stavanger and newspaper operations in Agder.

Operating profit in 2020 amounted to NOK 1,101 million (NOK 920 million)[i].

Profit (loss) after tax from discontinued operations (Adevinta business) amounted to NOK -233 million (NOK 642 million)[i]. This development reflects the negative impact of COVID-19 on EBITDA in Adevinta's main markets, but is mainly explained by losses on derivative instruments entered into by Adevinta to hedge foreign currency exposure related to the Grupo Zap acquisition not qualifying for hedge accounting, and by acquisition and integration costs related to the upcoming acquisition of eBay Classifieds Group.

Profit in Adevinta was adjusted for the effect of not depreciating, amortizing, and impairment of non-current assets and for discontinuing the equity method for associated companies and joint ventures. This affected profit (loss) from discontinued operations positively by NOK 552 million after tax in 2020.

Financial position and cash flow

Net cash flow from operating activities excluding discontinuing operations was NOK 1,292 million for the year, compared to NOK 1,532 million in 2019. The reduced cash flow is due mainly to timing differences in cash transfers from external trade receivables debt collector, offset by the increased EBITDA in 2020. The difference between operating profit and cash flow from operating activities is due mainly to depreciation, amortization and sales gains without cash effects and taxes paid during the year.

Net cash flow from investing activities excluding discontinuing operations was NOK -2,654 million for the year, compared to NOK -888 million in 2019. In 2020 investing activities were mainly related to Nordic Marketplaces acquiring Oikotie and to product and technology development across all operating segments, and were to a lesser extent offset by proceeds from the sale of the former printing plant property in Stavanger and of the newspaper operations in Agder in News Media.

Net cash flow from financing activities excluding discontinuing operations was NOK -498 million in 2020 compared to NOK 1,219 million in 2019. Financing activities for 2020 were mainly related to payment of lease liabilities, dividends to and purchases of non-controlling interests, and buyback of own shares. In 2019, financing activities were heavily affected by proceeds from the sale of shares in Adevinta, offset by buyback of own shares.

In discontinued operations, net cash flow from operating activities, investing activities and financing activities were NOK 1,110 million (NOK 1,312 million)[i], NOK -3,455 million (NOK -1,356 million)[i] and NOK 3,122 million (NOK 210 million)[i] respectively. For further details, see Adevinta's annual report for 2020 published on www.adevinta.com/ir.

The carrying amount of the Group's assets increased by NOK 15,700 million to NOK 48,478 million during 2020. The increase was mainly related to Adevinta and included assets presented as assets held for sale at the end of 2020. The Group's net interest-bearing debt increased by NOK 510 million to NOK 2,462 million. The Group's equity ratio was 33 percent at the end of 2020, compared to 52 percent at the end of 2019.

Schibsted has a well diversified loan portfolio with loans from both the Norwegian bond market and Nordic Investment Bank. In addition, Schibsted has a revolving credit facility of EUR 300 million and a bridge facility of EUR 350 million. None of these facilities was drawn at the end of 2020.

Comments on the operating segments

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

Nordic Marketplaces

In 2020, Nordic Marketplaces showed operating revenue growth of 4 percent (and a decline of 4 percent when adjusted for both foreign exchange and new acquisitions in 2020) and an EBITDA margin of 42 percent. The revenue growth was driven by the Oikotie acquisition and favorable foreign exchange rates, offset by a COVID-19-related decline in the job and travel verticals combined with a volatile advertising market. Nordic Marketplaces actively reduced its variable costs as a measure to balance the negative revenue effects of COVID-19, contributing positively to the EBITDA margin performance.

Marketplaces Norway

The operating revenues for Marketplaces Norway declined by 4 percent in 2020. The effects of the pandemic led to both growth and decline in Finn.no's verticals. The car vertical grew, driven by upsell products, while strong market conditions contributed to growth in the real estate vertical. The pandemic had negative effects on the job vertical, where new and upsell products reduced the financial impact of the declining volumes, while the travel vertical had the largest negative impact. Display advertising revenues declined in 2020 due to a volatile market. Tight cost control throughout the year contributed to an EBITDA decline of only 2 percentage points, resulting in an EBITDA margin of 47 percent.

Marketplaces Sweden

Despite the pandemic, Marketplaces Sweden ended 2020 with a flat (0 percent) operating revenue trend in local currency. Strong development in the car vertical, driven by positive price effects and upsell products at the beginning of the year, and by volume effects combined with upsell products at the end of the year, offset the decline in Blocket's other verticals. Display advertising revenues declined slightly in 2020 due to a volatile market. The EBITDA margin in Marketplaces Sweden in local currency decreased by 2 percentage points compared to the previous year, resulting in an EBITDA margin of 44 percent. The margin decline in EBITDA was impacted by increased investments in mid-term growth initiatives, partly offset by short-term cost reduction initiatives.

Marketplaces Finland

Marketplaces Finland had a revenue growth of 99 percent in local currency, driven by the acquisition of Oikotie. The pandemic affected the underlying operating revenue negatively in Finland. Positive trends in real estate and the generalist marketplace were offset by a decline in display advertising combined with negative trends in the car and job verticals. The EBITDA margin in Marketplaces Finland increased by 4 percentage points in local currency compared to the previous year, resulting in an EBITDA margin of 12 percent.

News Media

News Media operating revenues decreased by 1 percent in 2020 (-1 percent adjusting for both foreign exchange and assets sold to Polaris Media in the first quarter of 2020). News Media revenues were strongly affected by the pandemic at the beginning of the year, but improved significantly in the second half when the decline in casual sales and print advertising was offset by a strong 21 percent growth in digital subscription revenues driven by both volume and ARPU. The number of digital subscribers increased by 9 percent. Digital advertising also showed positive trends in the second half of the year.

News Media managed strong traffic growth during 2020, particularly for VG and Aftonbladet. These two brands strengthened their positions as the primary news destinations in Norway and Sweden respectively, driven by people's need to stay informed about the COVID-19 pandemic, politics and other important events both nationally and internationally.

Despite a challenging year, News Media reached its targets for several strategic priorities. The cost reduction program of NOK 500 million by the end of 2021 progressed well. EBITDA grew by 1 percentage point, resulting in an EBITDA margin of 10 percent driven by savings from the cost program, reduced costs due to remote work, and an improved revenue trend.

Financial Services

Financial Services achieved operating revenue growth of 4 percent in 2020, and an EBITDA increase of 2 percentage points compared to the previous year, resulting in an EBITDA margin of 18 percent.

Lendo

Operating revenues in Lendo increased by 6 percent (-1 percent foreign exchange neutral) and the year was marked by large growth differences between markets. Denmark performed well and Sweden contributed to growth despite banks becoming more restrictive in their lending practices. Operating revenue declined in Norway and Finland due to regulatory tightening in the consumer credit sector and to lending constraints. EBITDA increased by 3 percentage points compared to the previous year, resulting in an EBITDA margin of 20 percent due to improved marketing efficiency and lower expansion investments (a result of the decisions to discontinue operations in Poland and to significantly scale back Austria).

Growth

Operating revenues in Growth grew by 21 percent (18 percent foreign exchange neutral) in 2020. The EBITDA margin was 5 percent, which was the same level as the previous year.

Distribution

Operating revenues from Distribution grew by 26 percent, driven by the huge shift to online shopping in 2020. "Distribution new business" managed significantly increased levels of activity and demand during 2020, and operating revenues grew by 135 percent. This trend was driven by volume growth due to innovative new services and an increase in the number of customers, attributable in part to the pandemic.

Prisjakt

Prisjakt had revenue growth of 22 percent in 2020 (10 percent foreign exchange neutral), driven partly by the impact of the pandemic on e-commerce, and had an EBITDA margin of 31 percent.

Discontinued operations

Please refer to Adevinta's statement under "Comments on the operating segments" in its annual report for 2020 published on www.adevinta.com/ir.

Research and development

Schibsted has been at the heart of the digital transformation for decades, and continues to invest substantially in improving and developing the products offered to its users. All Group entities are making continuous efforts to further develop existing products and develop new products that will provide new revenue flows. In 2020 innovation efforts focused on enabling data collection and use across the Group, machine learning, and on platforms and components for Schibsted's newspapers, marketplaces and distribution technology.

Operational and financial risks

Schibsted is operating in an industry that is subject to constant change, and is exposed to increased competition from disruptive players, technology and new business models. Schibsted's commitment to technology and innovation, sustainability and diversification of revenue streams from Marketplaces, News Media, Financial Services and Growth companies are vital contributors to bringing these risks to an appropriate level.

In general, Schibsted's display advertising revenues, marketplace revenues from the recruitment markets, and to some extent real estate markets, are affected by macroeconomic cycles, i.e. unemployment rates, real estate prices and GDP growth rates.

Revenues from print advertising and casual sales in News Media and the travel vertical in Finn have particularly suffered due to the pandemic, and while other revenue streams recovered during the year, the long-term effects of the changes in demand for print advertising and casual sales are uncertain. However, the digital transformation has made Schibsted less dependent on these revenue streams.

Schibsted uses data to provide relevant and competitive products to our customers. We continuously work to meet legal requirements and user expectations. We have close and ongoing dialogue with regulators. External cyberattacks and threats against Schibsted's IT security may cause incidents such as loss of personal data or sensitive business data, fraud, and inaccessible or unreliable services. Prevention of such attacks has high priority and is a vital part of Schibsted's business.

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

Schibsted's credit risk is considered low as trade receivables are diversified through a large number of customers, customer categories and markets. Moreover, a major part of sales is done through prepaid subscriptions or advertisements and credit card payments on the purchase date. The COVID-19 pandemic heightened uncertainty about the collectability of the Group's trade receivables, and the situation was monitored closely throughout the year. Despite the COVID-19 pandemic, losses on trade receivables did not increase significantly in 2020, which supports the assessment of credit risk as low. Liquidity risk associated with cash flow fluctuations is also considered low as Schibsted has adequate equity and solid credit facilities. See Note 24 Financial risk management in the consolidated financial statements for more details on currency risk, credit risk and liquidity risk.

Sustainability Report

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

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

Statement of Corporate Governance

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

Schibsted ASA

Schibsted ASA is the parent company of the Group and is located in Oslo, Norway. The company provides services for the Group's other companies. Schibsted ASA delivered a profit after tax of NOK 2,051 million (NOK 3,405 million)[i]. Most of the profit stems from group contributions and dividends from subsidiaries. As at 31 December 2020, Schibsted ASA had total assets of NOK 26,783 million (NOK 23,272 million)[i]. The equity ratio was 53 percent (54 percent)[i].

The Board proposes to allocate NOK 477 million, corresponding to NOK 2.00 per share, to dividend payments for 2020.

The Board of Directors proposes the following allocation:
Proposed dividend ……………………………… NOK 477 million
Transferred to other equity ………………..……. NOK 1,574 million

As at 31 December 2020, Schibsted ASA had total equity of NOK 14,151 million. The Board of Directors has determined that Schibsted ASA had adequate equity and liquidity at year-end 2020.

Outlook

At the start of 2021, and one year into the pandemic, COVID-19 is still having a profound impact on people's everyday lives and on economic activity worldwide. COVID-19 vaccinations have started but are progressing slower than initially hoped for. In addition, new mutations of COVID-19 have raised concerns and led to tighter restrictions in many countries. While this has increased uncertainty in the short term, our businesses remain in good positions. Driven by social distancing, consumers and businesses are seeking convenient, reliable, and safe ways to buy and sell products and services. As a result, digital transformation has accelerated across many industries, creating new possibilities for our Nordic Marketplaces and businesses such as Distribution and Prisjakt. Another trend we have witnessed is the unprecedented level of interest among consumers in our independent, high-quality journalism in order to stay informed about the pandemic, politics, and society at large.

While some verticals in Nordic Marketplaces will be affected by the pandemic in the short term, we remain confident in the resilience and growth potential of this business and adhere to our medium- to long-term target to grow annual revenues by 8–12 percent for this segment. We expect that the growth will be driven by three factors: first, by leveraging our Nordic market positions driven by the development of better products and value-added services for our verticals; second, by the transformation to next generation marketplaces; and finally, by expanding into new marketplace concepts.

News Media experienced a significant decline in advertising and casual sales revenues in the first half of 2020, driven by the pandemic and related restrictions. However, one year into the pandemic, our news destinations have strengthened their positions; traffic is higher, digital advertising revenues have returned to growth, and our subscription business has seen good, continued growth. Looking ahead, the most important matter is the continued transition to a future-oriented, digitally focused news organization with an even stronger emphasis on our subscription business. Already today, News Media has a strong and loyal customer base in Norway and Sweden with around 1.2 million subscriptions in total. We are currently pursuing opportunities to further capitalize on these positions in order to secure News Media's long-term financial profitability and safeguard its relevance for society. To accelerate this transition, we announced a cost reduction program of NOK 500 million (the net effect will be reduced by inflation and wage increases) in the first quarter of 2020. Implementation of the program is ahead of plan, with around NOK 180 million of cost savings achieved in 2020. Looking at the EBITDA margin for News Media, we are targeting a range of 8–10 percent in the medium term, assuming a more normalized advertising market.

Within Next, Lendo is expected to grow well over time. In the short term, the COVID-19 pandemic has led to slower revenue development, as banks have been more restrictive due to increased macroeconomic uncertainty. The investment in new markets for Lendo will continue, and in Q4 we launched the service in Spain. Lendo's expansion is expected to affect EBITDA negatively by around NOK 70–80 million in 2021. In Distribution, we expect continued strong revenue growth, and will continue to focus on new and innovative product and tech solutions that will support the strong megatrend of growth within e-commerce and lead to new investments.

Across all business areas, use of data is becoming increasingly important for a wide range of purposes, from development to personalization of products and services. At the same time, collection and use of data have become increasingly complex due to regulatory changes and technical restrictions, such as tracking prevention implemented by internet browsers. Schibsted has made good progress on a Group-wide data strategy and our goal is to ensure sustainable use of data going forward.

Adevinta

Please refer to Adevinta's comprehensive outlook statement in its annual report for 2020 published on www.adevinta.com/ir.

Going concern

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

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

Oslo, 23 March 2021

Schibsted ASA's Board of Directors

Ole Jacob Sunde Board Chair	Karl-Christian Agerup Board member	Torbjörn Ek Board member	Satu Huber Board member	Anna Mossberg Board member	Christian Ringnes Board member
Ingunn Saltbones Board member	Birger Steen Board member	Philippe Vimard Board member	Finn E. Våga Board member	Eugénie van Wiechen Board member	Kristin Skogen Lund CEO

Members of the Board (2020-2021)

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup
Board member

Torbjörn Ek
Board member

Satu Huber
Board member

Anna Mossberg
Board member

Christian Ringnes
Board member

Ingunn Saltbones
Board member

Birger Steen
Board member

Philippe Vimard
Board member

Finn E. Våga
Board member

Eugénie van Wiechen
Board member

For biographies of the Board of Directors, visit www.schibsted.com/about/the-board/.

Sustainability report

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We take responsibility when the world is transforming

The year 2020 will be remembered as a year of change and as a harsh reminder of our society's vulnerability. Evidence of the global climate crisis has become even clearer, and the COVID-19 pandemic has raised even more awareness of societal inequalities. These changes and challenges have certainly helped define 2020 for Schibsted, but so has the importance of staying focused, raising the bar, and acting with confidence even as the world is changing. Understanding and navigating our stakeholders and our societal and environmental impact have been crucial to our ability to make such decisions in these uncertain times.

As an employer, we have redefined several of the fundamentals to make sure that our employees feel safe, thrive, and develop. Even though the workplace situation is challenging due to the COVID-19 pandemic, we are happy to see that our employees think we are doing well nevertheless, and our employee satisfaction scores have risen further from already high levels.

In our continuing work to help fight the climate crisis and lower our climate impact in line with the Paris Agreement, we took several important steps in 2020 to realize our potential to grow our business in a sustainable way. We have enhanced our potential to make an impact by enabling circular consumption through our marketplace's expansion in Denmark and through Adevinta's acquisition of eBay Classifieds Group, which created a global market leader within digital marketplaces. Moreover, we have lowered our emissions by 16 percent, which is in line with the Paris Agreement, and expanded the scope of our climate impact to include the impact derived from digital readership of our newspapers.

Times of change are also times for self-reflection. The major societal and environmental changes and corresponding demands placed on Schibsted's services did not end on 31 December 2020 — they continue to define our future. These redefining trends are part of our current self-reflection and refinement of our role in this new normal. We have found that Schibsted and our sustainability priorities fit very well into the new normal, but we still have a job to do. We have already outlined some initiatives to tackle the identified challenges, including a long-term focus on diversifying our perspectives in our workforce, redefining the conditions for a flexible workplace, and realizing sustainable business opportunities.

We believe that combining our expertise and products with an ambitious sustainability agenda, and continuing our commitment to the UN Global Compact and it's progressively bold agenda, is the best way for us to act responsibly and to shape the Schibsted of tomorrow. The journey has just begun!

Kristin Skogen Lund
CEO of Schibsted

Sustainability at Schibsted

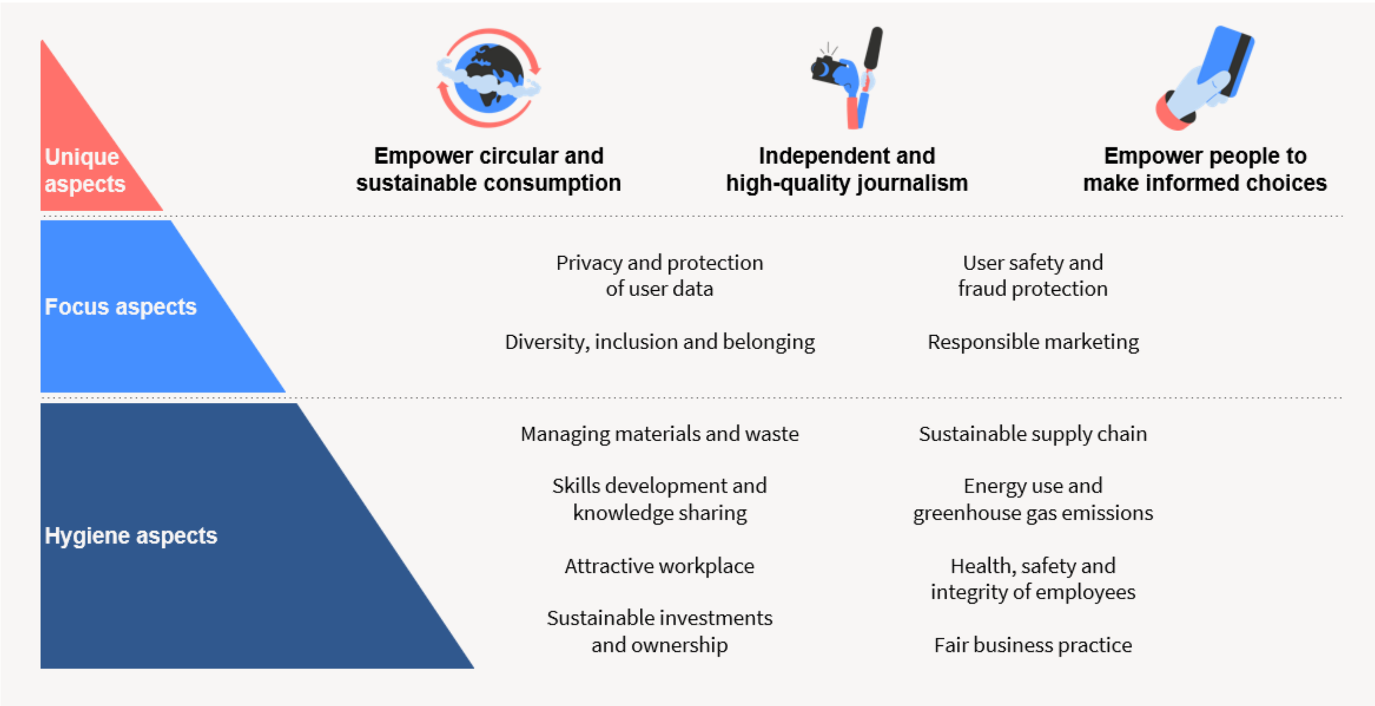
Defining sustainability at Schibsted

Defining our societal and environmental impact and understanding our stakeholders' priorities forms the basis for our sustainability scope and priorities. Our point of departure is a materiality analysis based on an impact assessment and on stakeholder dialog conducted during 2019.

Materiality analysis

In 2019 we updated our materiality analysis. We identified 15 sustainability aspects covering all our material sustainability areas, based on previously identified aspects and a risk and opportunity analysis of Schibsted's value chain. In addition to this, we used an external analysis performed by the Responsible Media Forum and the recommendations on sustainability reporting (GRI Standards and Sustainability Accounting Standards Board, SASB). Our most important stakeholders were identified by mapping stakeholders based on interest in and influence on our business. Through a combination of interviews, inquiries and surveys, we invited our stakeholders to prioritize the identified sustainability aspects. For some stakeholder groups we performed a desktop analysis to identify their priorities.

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



The focus aspect 'Diversity and equality' has been rephrased to 'Diversity, inclusion and belonging'.

Stakeholder engagement

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

Ambitions and targets

Our journalism, growth companies and marketplaces impact their surroundings significantly and are important cornerstones for building a sustainable and democratic society. Awareness of our positive and negative environmental and societal impacts will be considered in all our business decisions.

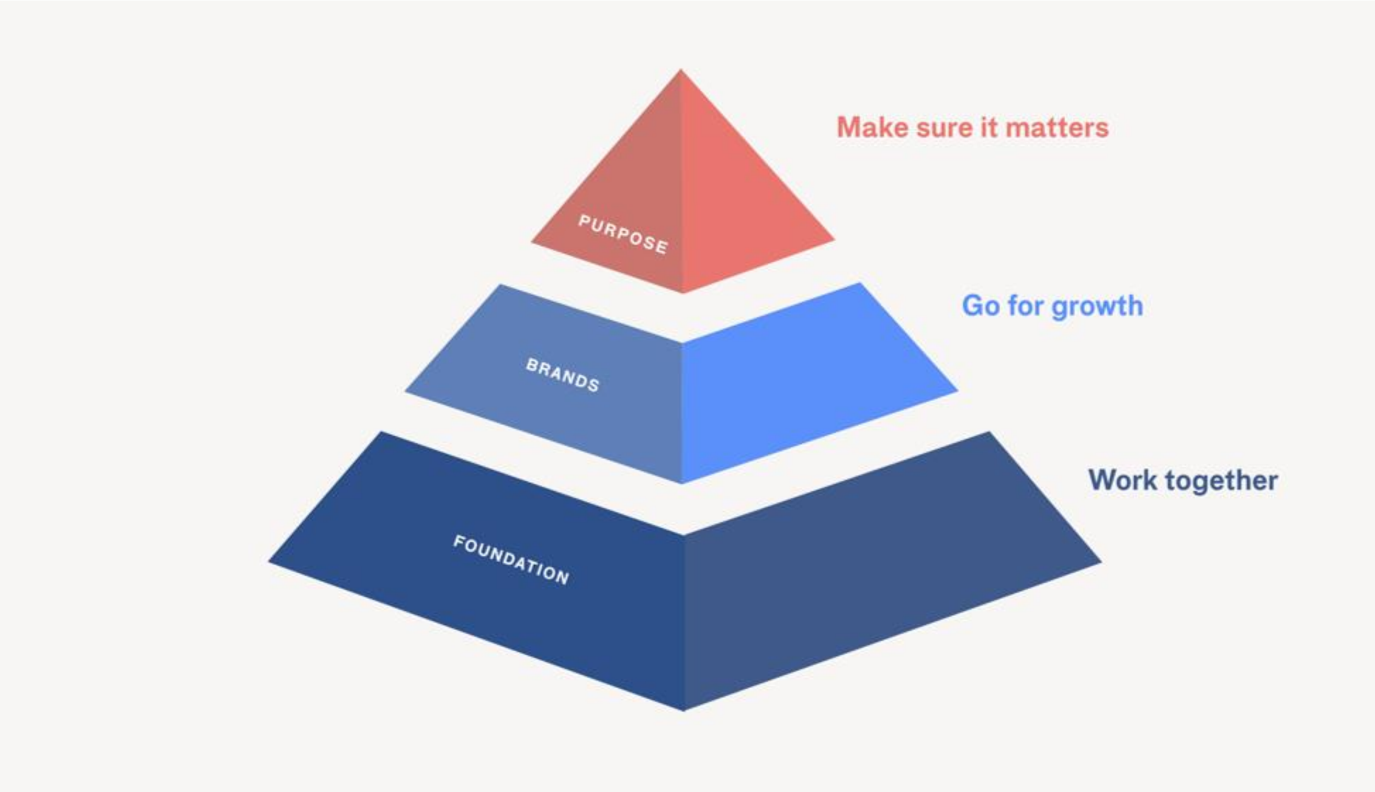
Our sustainability direction is based on the materiality analysis. To ensure an effective strategy that is suited to its purpose and aligned with the materiality analysis, we have defined a scope, long-term ambitions and short-term targets for each aspect. To ensure our commitment and contribution to the UN Sustainable Development Goals (SDGs), we have aligned our activities and opportunities with the SDG Targets. Our performance will be evaluated yearly by the Board and the outcome of previously stated ambitions and targets are reported in each section in this report.

Governance

Owner

The Tinius Trust is the major shareholder in Schibsted. The Trust was established in 1996 by Tinius Nagell-Erichsen, the last active member of the founding Schibsted family. Through the Trust, Tinius Nagell-Erichsen wanted to ensure that Schibsted remained a media group characterized by independent journalism, credible and high-quality services, and long-term, solid financial development.

Our mission and vision



We create significant value for all our stakeholders. Our mission, “Empowering people in their daily lives”, guides us in everything we do, from product development to new business ventures, recruitment policy and our everyday business operations.

Sustainability governance model

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

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

The Head of Sustainability has overall responsibility for guiding and communicating the organization of our sustainability ambitions and targets, both internally and externally. The Head of Sustainability reports weekly to the Chief People and Corporate

Affairs Officer, who is a member of the Schibsted Executive Management Team.

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

Effective from Q3 2020, Adevinta, which represents Schibsted's marketplaces outside the Nordics, met the criteria for classification of held-for-sale accounting and discontinued operations due to the announcement that Adevinta had entered into a definite agreement to acquire eBay Classifieds Groups. Closing is expected in Q2 2021. After the closing, Schibsted will own a minority in Adevinta. As a result of this classification we will not provide separate information about Adevinta's sustainability governance and performance in this report.

Responsible ownership and investments

As a part of our core business, Schibsted is constantly evolving and growing through investments in new operations or divestments. As a responsible owner and actor in the investment industry, we need to be constantly aware of how our companies impact society and the environment. To ensure future-fit investments, we need to be aware of the sustainability risks and opportunities associated with potential investments and ensure that prospective and existing investments are aligned with our internal sustainability guidelines. Companies that are proactive and aware of their sustainability risks and opportunities are generally more attractive and profitable. Our long-term financial success is therefore dependent on sustainable practices and knowledge in each company's operations. Our Chief Financial Officer and Executive Vice President for Next are responsible for ensuring that our investments are aligned with our internal guidelines. In 2020 we defined a Sustainable Investment Policy that outlines our opportunity approach to sustainability in our Next investments. During the year we also defined a process for how the policy will be implemented in our investment process and active ownership. In the coming years, we expect sustainability in the investment operations to continue to grow in importance, and we will continue to embed the sustainability perspective in our Next operations and ensure that our group investments follow a similar policy and process.

Code of Conduct and group policies

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

The Code of Conduct is implemented through our onboarding process for new employees and live training is given when deemed necessary for targeted functions. In-person training was limited during 2020 due to a change in priorities, but is expected to increase during 2021. The Code of Conduct is available to all our employees on the intranet, along with an e-learning course and a quiz, and includes a link to the Speak Up function enabling anonymous reporting of misconduct, breaches or potential violations. The Head of Legal receives these cases and delegates them to the appropriate managers to follow up.

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

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

Governance

- Corporate governance principles
- CFO governing document
- Policy for risk management
- Financial policy
- Group financial reporting policy
- Tax policy
- Legal policy
- Schibsted vendor security assessment
- Supplier Code of Conduct
- Environmental policy

Our people

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

IT security and privacy

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

Sustainability risk management

Constantly mitigating risks in our daily operations is key to a successful business. Our risks are annually reviewed by the responsible management teams. All senior managers have a responsibility to understand how sustainability risks intertwine with Schibsted's operational, financial, legal and reputational risks to ensure that we are always compliant and proactive. For Schibsted we have identified the main short-term/mid-term sustainability risks presented below. In addition to our broad sustainability risk assessment, we will in 2021 perform a specific analysis to identify our risks related to climate change during the coming decades. Our target is to publish a report for the financial year 2021 according to the framework recommended by Task Force on Climate-related Financial Disclosures (TCFD). Risks linked to the rapid growth of sustainability-related legislation and high energy consumption caused by the digital transformation are considered lower compared to the main risks below.

Cyber threat

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

Lower trust in institutions

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

Consumer behavior is changing

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

Ensuring a sustainable supply chain

Given that our core business is to run digital services and to create, print and distribute newspapers, the bulk of our global procurement activity comprises the provision of professional services, electricity, paper, ink, ICT hardware and software. In 2020 Schibsted continued the process of minimizing our risks and negative impact throughout our supply chain. Our Supplier Code of Conduct, to which our business partners will be required to adhere, was approved by the Board in 2019. The Supplier Code of Conduct is based on the UN Global Compact's Ten Principles and outlines, among other things, our commitment to protecting and upholding international human rights. In 2020 we continued our efforts to include the Code in our contracts with existing and new strategic suppliers. Due to unforeseen events such as the COVID-19 pandemic, our pilot program on supplier assessment involving six of our companies was put on hold. The pilot is planned to continue in 2021 and to support the participating companies to implement policies, processes and tools to analyze, monitor, assess and develop their suppliers. The tools include a risk analysis tool and an assessment and monitoring tool. The most important risk evaluation criteria will be country of origin, industry, supplier dependency and spend. The purpose of the pilot is to identify group-wide high-risk suppliers and industries and to define group-wide screening processes for further implementation in other parts of our organization.

Fair business practices

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

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

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

Public policy

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

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

In 2020 Schibsted conducted active advocacy outreach in Brussels and our national markets to present our position on upcoming EU rules for the digital market. On 15 December the EU Commission presented its proposals for a Digital Services Act regulating illegal content in online platforms and for a Digital Markets Act regulating large digital gatekeepers, and we will continue to advocate our views on these proposals in 2021. We also actively participated in national discussions on the value of data, regulation of financial services, distribution, and media policy.

Partnerships and memberships

To demonstrate our commitment to increased transparency on sustainability issues, Schibsted is a member of several global initiatives, such as the UN Global Compact (participant) and Transparency International. We report yearly to organizations that evaluate our sustainability performance, including the Carbon Disclosure Project (CDP), MSCI, Sustainalytics and ISS. We are also a member of several industry organizations, such as the national business organizations NHO in Norway and Svenskt Näringsliv in Sweden, the Responsible Media Forum including the DIMPACT initiative, the European Publishers Council (EPC), the Swedish Media Publishers' Association (TU) and the Norwegian Media Businesses' Association (MBL). In addition, we are part of the European Tech Alliance (EUTA) and the Coalition for App Fairness (CAF). The purpose of these memberships is to unite with our peers and actively participate in the media debate, as well as formulate and put forward questions and statements of importance to the industry.

As part of our efforts to develop and support a sustainable society, we are members of, or have initiated co-operation with, organizations like One Planet Network, Skift - Business Climate Leaders in Norway, the Circularity Gap Reporting initiative and Nordic CEOs for a Sustainable Future. When selecting partners or organizations to support, we focus on organizations that contribute to making an impact in areas that are closely linked to our material sustainability aspects.

Material aspect: Fair business practice

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Prevent corruption in our operations and industry and continue to transparently communicate and report on our business practices and purposes.	◐	Our planned efforts to increase internal awareness of our Code of Conduct and its content were put on hold due to the pandemic. Our external sustainability reporting met all stated criteria and our scores in external sustainability ratings of Schibsted continued to increase.	**Ambition (long term)** • Prevent corruption in our operations and industry and continue to transparently communicate and report on our business practices and purposes.
Linked SDG Target • Substantially reduce corruption and bribery in all their forms (16.5).	◐		**Linked SDG Target** • Substantially reduce corruption and bribery in all their forms (16.5).
Target 2020 • Define a plan for how to create awareness and knowledge regarding Code of Conduct (content and format e-learning) and Speak Up function. • Compliant and transparent yearly reporting on sustainability, governance, ownership and public policy (GRI, COP, CDP).	○ ●		**Target 2021** • Define a plan for how to create and increase awareness of the Code of Conduct and revitalize the Speak Up function. • Compliant and transparent yearly reporting on sustainability, climate risk, governance, ownership and public policy (TCFD, GRI, COP, CDP). • Align our responsible AI framework with our sustainability scope and Code of Conduct.

● Fulfilled
◐ In progress
○ Not started

Material aspect: Sustainable investments and ownership			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Be ranked as the industry leader and ensure that invested capital is used to drive innovation for future-fit business models.	◐	A policy and process for our Next operations were launched and implementation began. The structure for the road map was defined but not finished.	**Ambition (long term)** • Be ranked as the industry leader and ensure that invested capital is used to drive innovation for future-fit business models.
Target 2020 • For our Next operations, establish a sustainable investment policy and establish processes for sustainability screening of potential acquisitions/ investments. • For our Next operations, establish a roadmap and toolbox for sustainability maturity for brands.	● ◐		**Target 2021** • Establish a sustainable investment policy and a process for sustainability screening of potential group acquisitions/investments. • Finalize and start to implement a sustainability maturity road map that applies to all our operations. • Perform sustainability onboarding for our new marketplaces in Finland and Denmark. • Ensure our understanding of the implications of the published EU taxonomy and disclosure regulations for sustainable activities

Material aspect: Sustainable supply chain			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Establish a group-wide approach and process that mitigates and minimizes our supply-chain risks.	◐	The pilot continued, but slower than expected. For one of the pilot companies, we initiated dialogue with several suppliers to state our requirements. We also began defining our internal process for monitoring and decision making. No progress was made in expanding the Speak Up function for suppliers.	**Ambition (long term)** • Establish a group-wide approach and process that mitigates and minimizes our supply-chain risks.
Linked SDG Target • Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (12.6).	◐		**Linked SDG Target** • Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle (12.6).
Target 2020 • Establish processes for supply chain risk monitoring and follow-up of six of our brands and extend our Speak Up function to suppliers.	◐		**Target 2021** • Continue pilot aimed at establishing processes for supply chain risk monitoring and follow-up of six of our brands.

Societal impact

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

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

A trusted digital partner

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

Privacy and integrity

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

Our work on privacy and integrity is led by our Chief Privacy and Data Trends Officer, who is supported by a central team consisting of privacy experts and Data Protection Officers (DPOs) for all our three business areas. Employees receive privacy training to ensure necessary awareness and competence in this area. In 2020 more than 400 (2019: 300) Schibsted employees received training in privacy and data protection. Our extensive privacy program has the following key objectives:

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

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

Schibsted has extensive reporting procedures for handling complaints and data breaches. Furthermore, we have extensive measures in place for detecting vulnerabilities and thereby preventing breaches. In 2020 we reported six (2019: 3) breaches within this area to the data protection authorities. While we do not yet know the outcome of all these cases, we cannot dismiss the possibility that some of them may result in sanctions. Our goal, however, is to avoid the imposition of sanctions for data breaches. We have decided not to report on the number of incidents as we did in 2019. Several of the incidents that occurred were beyond our control, and we consider it more relevant to report on incidents that were deemed to be breaches and were reported to the data protection authorities.

Our target for 2021 is to have no sanctions imposed by the data protection authorities for data breaches. We will continue to facilitate and take part in the public debate on the data-driven society, responsible data and artificial intelligence as well as privacy. We will also continue to be highly engaged in discussions, at both national and EU level on how we can ensure European entities´ ability to compete with the international data giants.

Responsible AI

At Schibsted we are leveraging the power of artificial intelligence (AI) to build the best possible digital products and services for our users and to support our employees. We are currently working on AI across the Group in various ways. Our use cases vary from helping human moderators review explicit content to predicting how many newspapers we should print to minimize our environmental footprint.

Our group is based on a long tradition of independent news, trusted marketplaces, and digital consumer services. Trustworthiness and quality are core to what we do, and when using new tools such as AI we are committed to ensuring that our implementation and experimentation represent these ideals. Schibsted is dedicated to promoting the responsible application of AI across and beyond our organizations. We believe that a key part of this is to be transparent about how and why we use these new technologies. To learn more about how we are using AI as a tool to empower people in their everyday lives, the research we are conducting in the field, and other updates on the topic, please visit http://www.schibsted.com/about/ai-in-schibsted/.

Fraud protection

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

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

The quality and integrity of our media content across our media houses are fundamental to our heritage and our future. Fraud protection is essential to maintaining the trust of our readers and our advertisers; it is critical to our mission. Schibsted's editorial leaders are seasoned professionals with years of experience in capturing critical news and bringing information to our various reader communities. We embed editorial controls to ensure the accuracy and integrity of our news. To protect our readers across our leading media brands, Schibsted operates identity and payment applications to protect user activities and transactions.

These systems are designed to best-practice standards, with regular security monitoring and security testing to protect user data. Our media houses constantly moderate community discussions and comments on our community forums to protect our readers. We ensure that any threatening, harassing, hateful or illegal comments are removed, and our media houses are mandated to close down discussions if deemed necessary. Our editors and their staff are dedicated to operating media houses that aspire to accurately and continuously inform our community while protecting our users. Due to other priorities in 2020, no possibilities were identified for our digital media operations to implement a digital tool developed by the No Hate organization to strengthen our fight against inappropriate comments online.

User security

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

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

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

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

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

In 2021 the focus will be on executing the global cybersecurity program with the aim to strengthen our cybersecurity capabilities across Schibsted. The program will improve capabilities to detect, identify, protect against, and respond to cybersecurity threats, vulnerabilities, breaches and attacks, as well as to recover from them when necessary.

Responsible marketing

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

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

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

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

Our main markets (Sweden, Norway and Finland) all have regulatory bodies (governmental or self-regulatory) that receive complaints about advertising and that assess whether commercial advertising complies with requirements. Some complaints related to Schibsted and our brands were lodged in 2020. In Sweden, the Swedish Advertising Ombudsman (a self-regulatory body) reviewed five (2019: 3) cases, two (2019: 2) of which were upheld. In Norway, the Consumer Authority and the Market Council (independent administrative bodies) received zero (2019: 0) complaints linked to Schibsted brands. In Finland, the Finnish Chamber of Commerce (self-regulatory body) monitors marketing practices and received zero (2019: 0) complaints linked to Schibsted brands. No (2019: 0) complaints resulted in any fines or penalties.

In 2021 we will continue our efforts to define the need for and the scope of a responsible marketing policy and measurements in this area. We will also continue our dialog with policymakers regarding responsible marketing to develop standards for the media industry.

Independent and high-quality journalism

Freedom of speech and a free press are fundamental in a democratic society. At Schibsted we are very proud of how our media houses reach millions of readers, digitally and in print. With this outreach comes democratic responsibilities. We want to contribute to a more democratic and transparent society by providing independent news and information as well as promoting freedom of speech. When we do our job best, our words can change society for the better; such is the power of journalism. Good journalism exposes inequality, opens eyes, puts pressure on politicians to act and ensures that people's voices are heard. This is the core of Schibsted's media houses and represents a unique tool to empower people in their daily lives. In 2020 this was demonstrated by the enormous increase in demand for independent and trusted journalism created by the uncertainty surrounding the COVID-19 pandemic and other shattering political events. Several of our digital newspapers reached all-time highs in readership and subscription figures. In 2020 we established a project aimed at gathering, understanding and further exploring our editorials and their societal and environmental impact. This project will continue in 2021.

Since 2017 we have organized the yearly conference The Power of Journalism together with the Tinius Trust. This event celebrates journalism and its dynamic future, bringing together industry leaders, partners and colleagues to share ideas, discuss important issues, inspire each other, and strengthen ties between those of us who believe in the future of journalism. The 2020 conference was cancelled due to the COVID-19 pandemic and the need to focus on meeting the increased demand for journalism. Our ambition is to resume the conference in some format in 2021. Another way in which our media houses promote independent and high-quality journalism is through membership in international global networks promoting high-quality investigative journalism, such as the International Consortium of Investigative Journalists (ICIJ) and the European Investigative Collaborations (EIG).

In Norway and Sweden, our editors are accountable for any infringements of the law, and self-regulatory bodies have been established to uphold their respective codes of ethics. These self-regulatory bodies are founded on the principles of freedom of speech and independence. Any complaints about our newspapers are reported to the Norwegian Press Complaints Commission or the Media Ombudsman (previously the Swedish Press Council). In Norway, 36 (2019: 42 excl. Fædrelandsvennen) complaints were filed against our newspapers in 2020, and 34 (2019: 67) in Sweden. One (2019: 7 excl. Fædrelandsvennen) complaint against our newspapers in Norway was upheld and none (2019:5) in Sweden. All complaints are taken seriously and reviewed to avoid recurrence in the future. The main reason for the decrease in the number of complaints filed and the number of complaints upheld in Sweden is related to a higher number of #metoo cases in 2019.

Promoting freedom of expression

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

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

Empowering people to make informed choices

Through our services we enable Finns, Norwegians and Swedes to make informed choices and access reliable information. Uncertainty about information provenance is a societal issue, and Schibsted's role as a trustworthy and reliable source of information is important.

Empowering people through journalism

For our media houses, empowerment means to enlighten and give our readers accessible, transparent, informative and balanced media content. In a time when anyone can share their thoughts online with minimal restrictions, our role becomes increasingly important. Guided by our editorial guidelines, we act responsibly and take our role seriously. Our editors are responsible for ensuring how we impact our readers. One specific topic that has been in the spotlight in recent years is media coverage of the climate crisis. In 2020 we initiated a project aimed at establishing a training program for journalists to ensure that our readers are provided with great and accessible climate journalism. Our journalists at Bergens Tidende completed the first part of the program, which involved participation by researchers from the Bjerknes Centre for Climate Research at the University of Bergen. The program will continue in 2021. We also initiated a project that aimed at further defining how we can measure and understand the societal impact of our journalism. This project will also continue in 2021 and will entail cooperation with the Responsible Media Forum.

Consumer empowerment, transparency and efficient marketplaces

Power continues to shift from companies to consumers. The information revolution has given consumers a variety of possibilities to make informed choices and has contributed to lower prices and greater accessibility for consumers. Our marketplaces create transparent, reliable and efficient markets for goods, jobs, education and housing. Through our price comparison services and financial services, we empower the consumer by enabling access to comparisons, insights and independent consumer information. Providing these types of services entails a responsibility to further strengthen consumers' power and knowledge. The empowerment of consumers and users drives us in our daily business and in our development of new services. In 2020 we developed our insights into and knowledge about how our empowerment services impact society by defining measurements for some of our brands and countries. The measurements were selected based on how our stakeholders prioritize and define our societal impact. We will continue this work in 2021 for more brands and markets.

Stories that made a difference

Every year our journalists publish remarkable stories that help bring about social change and public debate. Some of the stories that made a difference in 2020 are presented below.

A man built a law firm: VG (Norway)
While serving a prison sentence for his role in a large-scale fraud case, a man started a criminal law firm that soon became one of the biggest of its kind in Norway. This was the starting point for VG's investigations into Advokatfirmaet Rogstad, an Oslo-based law firm. In a series of articles, VG revealed how the firm took on clients who were criminal associates of the head of the law firm and provided services to them through accounting and audit firms operating in the law firm's office premises. By doing so, pro forma ownership and leadership arrangements could pass through governmental controls. In one of the largest criminal cases in Norwegian legal history, relating to the grocery chain Lime, it was revealed that the main defendant was setting up a new grocery chain while on trial. He was facing charges of fraud, trafficking and organized crime. The law firm both defended him in court and helped the new grocery chain obtaining sales licenses, a rare mix of legal defense and business counseling for a law firm. The law firm also housed a translation and interpreting company, whose services it used extensively and submitted the bills to the courts during the same case. So far, no documentary evidence has been produced of what the interpreting assignments entailed. An investigation has been launched by the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime. The government has proposed amending the law to require background checks not just on lawyers, but on anyone in a leading position in a law firm.

Two brothers: Aftenposten (Norway)
Two brothers were charged over 100 times by the police before they were old enough to stand trial. How could it happen? For years schools, concerned parents, the police and others warned the child welfare service in Oslo about the two brothers “Hamza” and “Ahmed”. They were 15 and 16 years old when Aftenposten first met them in the fall of 2019. The two brothers had committed robberies, attacked other kids and adults, been arrested with machetes and sold drugs. During the summer of 2019 the child welfare service decided that the two brothers would be better off in Iraq, their parent's homeland, than in Norway. Aftenposten, Norway's biggest newspaper, followed the two brothers over a period of eight months. With the help of more than 1,600 pages of documents and interviews with police officers, senior officials in the child welfare service, teachers and the two boys themselves, Aftenposten told the story of how “Hamza” and “Ahmed” became two of the most active youth criminals in Oslo. Before and after the story was published, Aftenposten has discovered that the child welfare service in Oslo is unable to help some of the most vulnerable children. In the wake of the story, national and local politicians have pushed for a change in how Oslo's child welfare service is managed and how young criminals are punished. Oslo's child welfare service was found guilty of breaking the law in its attempt to help the two brothers.

Foodora: Svenska Dagbladet (Sweden)
During the COVID-19 pandemic, some companies have shown explosive growth. The food delivery company Foodora is one of them. Deliveries increased dramatically in just a few weeks, and the company said that it employed a record number of workers, known as riders. What Foodora did not disclose was that it was also struggling with an internal conflict.

In September, Svenska Dagbladet Näringsliv revealed that 10 rider captains had written to Foodora's CEO complaining that the company's exponential growth had been achieved at their expense. They never received a reply. Through social media, SvD's reporters contacted other employees at Foodora who gave a completely different picture of the work environment than the one presented by the company management.

With the help of the employees' most important work tool - the bicycle - the team at SvD was also able to present the article in a new way which gave readers an insight into the riders' work environment. After several other media reported stories on Foodora during the fall, the Swedish Work Environment Authority initiated a review of the work environment in the company.

Initiatives that made a difference

We are proud of how we contribute to society through running our core business and related initiatives. Some of our initiatives that made a difference in 2020 are presented below.

Home economics for millennials: Blocket (Sweden)
Wear and tear? No, nurture and keep! In 2020 Blocket released the book entitled "Bättre begagnat” as part of its “Choose used instead of new” campaign. The book shows how to fix, repair, reuse and care for things – as a way to help protect the environment. The book was produced in collaboration with Blocket's customers and offers a wide range of smart tips on everything from jewelry to outdoor gadgets. In connection with the launch of the book, Blocket also developed a course entitled “Hemkunskap för Millennials”, in collaboration with Medborgarskolen, an adult education association. The course, which was conducted digitally, covered topics such as how to look after and repair electronic devices, extend the lifespan of your clothes and fix your bike. The idea behind the book and the course at Medborgarskolan is to encourage more people to extend the lifespan of the items they own, regardless of whether they intend to keep or sell them.

New life for books and royalty to authors: Bookis (Norway)
For Bookis, it is about spreading the joy of reading and giving as many books as possible a new life. As knowledge and good stories move from reader to reader, Bookis works to extend the lifespan of used books. Bookis, in which Schibsted invested in 2020, has developed a solution where users can easily buy and sell books directly from their home. Sellers scan their books for sale in seconds and have the books delivered at no cost through Helthjem, which picks up the books from the seller and delivers them to the buyer's mailbox. With almost a million titles for sale, Bookis is popular for its wide selection and affordable prices. Bookis

launched a new initiative during the year in which readers can opt to pay voluntary royalty to authors of used books that are sold.

Online coronavirus symptoms test: VG (Norway)
At the very beginning of the COVID-19 pandemic, knowledge about symptoms was scarce. So, when the VG staff themselves started wondering whether they were infected by coronavirus, they realized that VG should be the first newspaper to provide an online symptoms test. The test was quickly created through cooperation between the VG team and a central Schibsted tech team, and was published on VG in Norwegian on 22 March. It was also made available to all Schibsted newspapers in Norway. Soon another idea started to grow at VG, as it became clear that non-Norwegian-speaking communities in Oslo were being hit harder by coronavirus than the rest of the population. VG wanted to translate the test into several languages. When Schibsted's largest owner, Blommenholm Industrier, announced it would donate money to support Schibsted newspapers in the crisis, VG chose to use some of this funding to present the test in eight more languages. The test had 0.8 million unique visitors during spring 2020. The initiative was mostly viewed in the English version, followed by Arabic, Spanish and French.

Calculating our users' individual saving of CO_2e: Finn (Norway)
FINN Torget wanted to communicate the environmental benefit of buying and selling used items on FINN, based on data from the Second Hand Effect project. The questions we wanted answers to were: how can we motivate people to buy more secondhand products and how can we make people realize how much they save the environment by shopping for secondhand items on FINN? If we found the answers to these questions, we could estimate the amount of emissions FINN-users were saving the planet. The solution was "FINN Miljøbidrag" (FINN Environmental Contribution), which was implemented in August 2020 and consists of two parts. The first is "Miljøboksen" (The Emission Box) which is a component on the displayed objects page of FINN Torget (FINN General Marketplace) displaying information about how many kilos of CO_2e you will save by buying the advertised items secondhand compared to buying them new. The second component, "Mitt Miljøbidrag" (My Environmental Contribution) is a website providing information on how many kilos of CO_2e users have saved in total since August 2020.

Material aspect: Independent and high-quality journalism

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Ensure transparent media practices and contribute to a sustainable and democratic society.	●	The purpose of and need for public access to information became clear during the pandemic and other dramatic political events during 2020. Our journalism played an important role in informing the public independently and reliably. Due to the increased demand for reliable news, our news media operations decided to postpone the editorial project to update the definition of societal impact until 2021.	**Ambition (long term)** • Ensure transparent media practices and contribute to a sustainable and democratic society.
Linked SDG Target • Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements (16.10).	●		**Linked SDG Target** • Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements (16.10).
Target 2020 • Establish an editorial project to define the societal impact of our journalism.	○		**Target 2021** • Establish an editorial project to define the societal impact of our journalism.

Material aspect: Privacy and protection of user data

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Lead the industry in handling and safeguarding personal and sensitive data.	●	External threats to our users' privacy continued during 2020, and we saw several attempts to violate our data. We did not succeed in meeting our ambitious target of zero incidents. Six incidents were reported to authorities, the outcomes of which are not yet determined.	**Ambition (long term)** • Lead the industry in handling and safeguarding personal and sensitive data.
Target 2020 • Zero incidents categorized as personal data breaches.	○		**Target 2021** • Zero incidents categorized as personal data breaches. • Launch a group-wide training program for employees on GDPR and privacy.

Material aspect: Empower people to make informed choices			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Empower and enlighten people to make well informed and sustainable choices through all our operations and drive innovation for future-fit business models. • Double the positive impact of our marketplaces on society by 2023.	● ◐	We continued to empower people in their decision-making and to strengthen our position and impact through acquisitions of several marketplaces for jobs, real estate, and second-hand goods. Several of our businesses grew. We carried out projects aimed at proving our societal impact and initiated a training program in climate journalism for our news media operations.	**Ambition (long term)** • Empower and enlighten people to make well informed and sustainable choices through all our operations and drive innovation for future-fit business models. • Double the positive impact of our marketplaces on society by 2023.
Linked SDG Target • Increase the number of people with relevant skills for financial success (4.4).	●		**Linked SDG Target** • Increase the number of people with relevant skills for financial success (4.4).
Target 2020 • Identify group-wide measurements for content impact, representation, and non-compliance with voluntary codes for all our media operations. • Identify group-wide needs for training of journalists in relevant sustainability topics. • Continue our participation in the Responsible Media Forums project on measuring content impact from journalism. • Identify societal impact for Nordic Marketplaces and Next brands and decide on measurements for evaluating progress.	● ● ● ◐		**Target 2021** • Implement identified content impact measurement on a voluntary basis for our media operations • Perform training in climate journalism for selected employees in our news media operations. • Implement previously identified measurements of societal impact and continue our mapping of potential measurement of Next companies and Nordic marketplaces and their impact.

Material aspect: User safety and fraud protection			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Ensure safe products with zero fraud incidents.	◐	User safety continued to be a focus area in 2020. Our long-term ambition for zero fraud incidents was not met, and we will redefine our ambition going forward to ensure a more realistic approach. Our planned group-wide collaboration to find common KPIs for fraud incidents was postponed as a result of a change in priorities due to the pandemic. Our planned implementation of the "No Hate"-application was canceled due to a change in priorities within our News media organization during the pandemic.	**Ambition (long term)** • Ensure safe products with a minimal number of fraud incidents.
Target 2020 • Identify areas for group-wide collaboration and KPIs for fraud incidents. • Identify possibilities for our media operations to implement a “NoHate”-application for comments fields in digital newspapers.	○ ○		**Target 2021** • Identify areas for group-wide collaboration and KPIs for fraud incidents. • Continue our roll-out of two-factor authentication for our brands and consider additional measures to verify users.

Material aspect: Responsible marketing			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Zero incidents of non-compliance with applicable external and internal standards or policies. **Target 2020** • Establish a cross-brand and cross-functional project to define the needs and scope of a responsible marketing policy and related measurements. • Zero incidents of non-compliance concerning product and service information and labelling.	◐ ● ◐	We continued gaining insights into how to further develop our work to ensure responsible marketing. A cross-brand project mapped our main needs within this area, and the findings will be used for further actions in 2021.	**Ambition (long term)** • Zero incidents of non-compliance with applicable external and internal standards or policies. **Target 2021** • Define an action plan on how to apply a group-wide standard on responsible marketing, based on the outcome of a project carried out in 2020. • Zero incidents of non-compliance concerning product and service information and labeling.

Our people

Schibsted relies on a diverse workforce to succeed. Our success depends on employees from a wide array of cultures and backgrounds contributing with their ideas and perspectives to provide our users and readers with the best possible services and products. Acting responsibly and offering an attractive working environment are crucial for attracting and retaining the right people, so at Schibsted we strive to maintain the highest standards in what we and our stakeholders believe should be prioritized regarding our people. This includes promoting diversity, inclusion and belonging, skills development, knowledge sharing, and a safe and healthy work environment that supports work-life balance and employee integrity.

At year-end, Schibsted had 5,182 (2019: 5,006) employees (full-time equivalents) in nine countries. Most of our employees are full-time workers employed at our offices. The exceptions are employees on short-term contracts in our media operations, our newspaper distributors in Norway and employees at our printing plants in Norway.

Employee data

	<30 years		30-50 years		>50 years		Total	
Total number of employees by age group	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Norway	512	481	1,881	1,815	653	671	3,046	2,967
Sweden	338	384	1,118	1,053	185	187	1,641	1,624
Finland	27	19	115	50	19	3	161	72
Poland	119	120	191	195	-	-	310	315
Other	13	10	11	16	-	2	24	28
Total	**1,009**	**1,014**	**3,316**	**3,129**	**857**	**863**	**5,182**	**5,006**
% change by age group	-0%		6%		-0.7 %		4%	

	Male				Female				Total	
Total number of employees by gender	**2020**		**2019**		**2020**		**2019**		**2020**	**2019**
Norway	1,977	65%	1,935	65%	1,069	35%	1,032	35%	3,046	2,967
Sweden	941	57%	958	59%	700	43%	666	41%	1,641	1,624
Finland	87	54%	43	60%	74	46%	29	40%	161	72
Poland	235	76%	234	74%	75	24%	81	26%	310	315
Other	14	58%	17	61%	10	42%	11	39%	24	28
Total	**3,254**	**63%**	**3,187**	**64%**	**1,928**	**37%**	**1,819**	**36%**	**5,182**	**5,006**

No significant part of our work is performed by seasonal workers or workers who are not employees (external consultants or freelancers).

People strategy and employee representation

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

To develop Schibsted as an attractive employer, we engage with our employees and value-active employee representation. Three employee representatives currently sit on Schibsted's Board. Two of three employee representatives must be elected in Norway, while the third should represent a country outside Norway where Schibsted has its most extensive operations, currently Sweden. A further three employee representatives in the Group are elected to act on behalf of all employees, both unionized and non-unionized.

Their function is laid down in the central Norwegian collective bargaining agreements. The employee representatives protect the employees' interests in matters that are dealt with at Group level. These representatives are discussion partners for management to assure the quality of decisions and processes.

As stipulated in our Code of Conduct, Schibsted’s employees have full freedom of association and may organize themselves as they choose. Schibsted’s European Works Council (EWC) meets twice a year and serves as our forum for information, dialog and consultation between employees and the Schibsted Executive Management Team. In 2020 Schibsted's EWC consisted of 19 representatives (15 men and four women) from four countries; Norway, Sweden, Finland and Poland. Collective bargaining agreements or working environment committees are in place in all operations to ensure excellent working conditions and to prevent discrimination against employees. 78 percent of all employees were covered by a collective bargaining agreement at the end of 2020 (2019: 73 percent).

Promoting diversity, inclusion and belonging

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

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

In the fall of 2020 a project was launched to develop an action plan for implementing the diversity and inclusion policy. The plan will be presented to the Executive Management Team for decision. Executing on the action plan will be a long-term project. The guiding principles for developing the plan will be how to unlock the potential in a diverse workforce in order to create innovation and value. How can diversity become a competitive advantage? How diverse and inclusive is the organization today, and what competencies do we need to become more mature in our approach to diversity, inclusion and belonging? Training in unconscious bias will be included in the plan. Due to other necessary use of resources, no training in unconscious bias was provided in 2020, as was done in 2019 (183 people) and 2018 (599 people).

The recruitment policy promotes diversity, inclusion and belonging by encouraging managers to build diverse teams. Processes should be equal, fair, unbiased and inclusive. Implementation of and training in these policies were carried out in 2020 for both the talent acquisition team and for hiring managers.

Composition of governance bodies and operations by gender

	Male				Female				Total	
Total number of employees by gender	**2020**		**2019**		**2020**		**2019**		**2020**	**2019**
Board of Directors	**7**	**64%**	**6**	**60%**	**4**	**36%**	**4**	**40%**	**11**	**10**
-of which shareholder elected	5	62%	4	57%	3	38%	3	43%	8	7
Operations - Top management	**155**	**62%**	**153**	**62%**	**94**	**38%**	**94**	**38%**	**249**	**247**
Nordic Marketplaces	16	59%	16	64%	11	41%	9	36%	27	25
News Media	51	59%	56	57%	36	41%	42	43%	87	98
Next	73	66%	66	65%	38	34%	35	35%	111	101
Headquarters/Other	15	63%	15	65%	9	38%	8	35%	24	23
Operations - Other managers	**399**	**58%**	**425**	**58%**	**286**	**42%**	**307**	**42%**	**685**	**732**
Nordic Marketplaces	76	62%	73	60%	47	38%	48	40%	123	121
News Media	201	52%	225	53%	187	48%	196	47%	388	421
Next	53	65%	59	61%	28	35%	38	39%	81	97
Headquarters/Other	69	74%	68	73%	24	26%	25	27%	93	93
Operations - Other employees	**2,699**	**64%**	**2,609**	**65%**	**1,548**	**36%**	**1,418**	**35%**	**4,247**	**4,027**
Nordic Marketplaces	472	61%	388	63%	304	39%	226	37%	776	614
News Media	920	55%	993	57%	738	45%	747	43%	1,658	1,740
Next	900	72%	827	72%	353	28%	318	28%	1,253	1,145
Headquarters/Other	407	73%	402	76%	153	27%	127	24%	560	529
Operations - Total	**3,253**	**63%**	**3,187**	**64%**	**1,928**	**37%**	**1,819**	**36%**	**5,181**	**5,006**

Headquarters/Other includes Schibsted Data & Tech.

Age and gender split by business area

	<30 years				30-50 years				>50 years				Total	
	2020		2019		2020		2019		2020		2019		2020	2019
Board of Directors	**-**	**-**	**-**	**-**	**4**	**36%**	**5**	**50%**	**7**	**64%**	**5**	**50%**	**11**	**10**
Operations - Male employees	**602**	**19%**	**612**	**19%**	**2,078**	**64%**	**1,986**	**62%**	**574**	**18%**	**589**	**18%**	**3,254**	**3,187**
Nordic Marketplaces	83	15%	79	17%	433	77%	365	77%	46	8%	33	7%	562	477
News Media	103	9%	122	10%	699	60%	738	58%	372	32%	413	32%	1,174	1,273
Next	299	29%	294	31%	601	59%	539	57%	126	12%	120	13%	1,026	953
Headquarters/Other	117	24%	117	24%	345	70%	345	71%	30	6%	23	5%	492	484
Operations - Female employees	**407**	**21%**	**402**	**22%**	**1,238**	**64%**	**1,143**	**63%**	**282**	**15%**	**274**	**15%**	**1,927**	**1,819**
Nordic Marketplaces	83	23%	68	24%	249	69%	195	69%	31	9%	20	7%	363	283
News Media	125	13%	138	14%	620	65%	626	64%	215	22%	221	22%	960	985
Next	149	36%	149	38%	246	59%	218	56%	24	6%	24	6%	419	391
Headquarters/Other	50	27%	47	29%	123	66%	104	65%	12	6%	9	6%	185	160
Operations - Total	**1,009**	**19%**	**1,014**	**20%**	**3,316**	**64%**	**3,129**	**63%**	**856**	**17%**	**863**	**17%**	**5,181**	**5,006**
Nordic Marketplaces	166	18%	147	19%	682	74%	560	74%	77	8%	53	7%	925	760
News Media	228	11%	260	12%	1,319	62%	1,364	60%	587	28%	634	28%	2,134	2,258
Next	448	31%	443	33%	847	59%	757	56%	150	10%	144	11%	1,445	1,344
Headquarters/Other	167	25%	164	25%	468	69%	449	70%	42	6%	32	5%	677	644

Headquarters/Other includes Schibsted Data & Tech. The system is unable to split employee categories by age group; these figures have therefore been excluded from the report.

Gender ratio at Schibsted

Our Board (shareholder elected) is composed of 38 percent women in line with the Norwegian Limited Liabilities Companies Act for companies having eight shareholder elected board members.

In 2017 Schibsted set a target of a 60:40 gender ratio for the three top management levels by the end of 2020 and by 31 December 2020 the goal was reached with a proportion of women of 44 percent.

The proportion of women in top management positions, that is, in the management groups in all companies in Schibsted, was 38 percent. The proportion of women among other managers was 42 percent.

In 2019 we focused on setting up a common process for performing an annual mapping of a potential gender pay gap for all Schibsted companies in Sweden. The aim is not only to make mapping of a potential gender pay gap easier, but also to improve quality and find better tools for performing comparisons and analyses across the Group. Due to the pandemic and a change in priorities, we did not succeed in expanding our gender pay gap project in 2020.

The HR departments in each company are responsible for this process, partnering with the Compensation and Benefit department to provide support in discussions on conclusions as well as on regulations and methods. To support our development and analysis in this area, we cooperate with the trade unions and have implemented a new online tool. In addition to identifying salary differences between genders, we also take a closer look at the gender balance in managerial positions professions or divisions. With this new set-up we have seen an improvement in quality of potential gender pay gap mapping and an increase in the number of companies that have conducted these investigations. This work will continue in 2021.

Skills development and performance reviews

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

Our global people function offers several training programs through the Schibsted Learning Lab. The Learning Lab supports a common culture of innovation, collaboration and knowledge sharing to help Schibsted's employees succeed and perform their very best. The training is divided into different subjects such as sustainability, product development, analytics and tech, editorial training, communication and facilitation, sales academy, language, and more. In 2020 most of the training was conducted digitally. The total number of hours of training provided through our internal learning platform was 9,324 and the number of participants was 2,987. This means an average of 1.8 hours of training was provided per employee. In addition, there was training provided in the separate subsidiaries and also by external suppliers that was not tracked. Our ambition is to track all training hours in the future.

The Schibsted Future Advisory Board was launched at the end of 2019. Fifteen employees were selected to work on strategic issues for the Schibsted Executive Management Team for a period of six months in 2020. The program will continue with 15 new employees in 2021. The purpose is to give management valuable input and strengthen our innovation capability with talented and aspiring Schibsted employees. In addition, the participants will earn a certificate in disruptive strategy from Harvard Business School Online.

Schibsted also initiated an internal program to boost implementation of sustainability throughout the organization. In

2020, fifteen employees were appointed as Sustainability Change Makers. The program will run yearly and the changemakers will allocate 10 percent of their working hours each year to the program. During the program, the participants will complete a university course in sustainable business management at Cambridge University, support reaching the sustainability ambitions and targets in the strategy, and act as internal hubs to entrench the sustainability perspective in our business operations.

To ensure personalized development programs and well-being among our employees, we conduct individual performance and career development reviews at least once a year, and more frequently in some functions and countries. According to our policy, all employees should complete development dialog with their managers at least once a year. In 2020, 89 percent of our employees completed performance reviews with their manager (2019: 85 percent). To evaluate our role as an employer, we conduct employee surveys. In 2020 we implemented a new employee engagement survey tool, ACT, in all companies in Schibsted. Surveys will be conducted quarterly. In 2020 the employee satisfaction scores for our companies showed an overall positive trend compared with the previous year, despite the COVID-19 pandemic. In 2021 we aim to maintain this high score.

We also aimed to establish a group-wide tool for performance reviews and career development paths, and a learning and development system to follow up completed training. This work was not completed in 2020 due to other prioritizations but will continue in 2021.

Performance reviews by gender and employee category

	Total number	Rate %	Total number	Rate %
	2020		2019	
Total	**4,615**	**89%**	**4,272**	**85%**
Male	2,792	86%	2,633	83%
Female	1,823	95%	1,639	90%
Company top management	167	67%	201	81%
Other leaders	666	97%	655	89%
Other employees	3,782	89%	3,416	85%

The rate of performance and career development reviews by gender is based on the total number of employees and the numbers of male and female employees on group level. The rate per employee category is based on the total number of employees in each employee category. The increase in performance reviews is due to the increased number of companies within scope, better reporting structures and greater awareness of our policy.

A safe and healthy working environment

To ensure an attractive workplace and to retain our employees, we are constantly improving our workplace so that we can provide a safe and healthy working environment that facilitates work-life balance, minimizes stress, prevents physical accidents and protects employee integrity. In 2020, the average sick-leave for all our companies was three percent.

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

Parental leave

	Male	Female	Male	Female
	2020		2019	
Employees entitled to parental leave	3,254	1,927	3,187	1,819
Employees that took parental leave of more than one month	143	160	189	207
Employees that returned to work during the year	108	84	114	91

The COVID-19 situation

At the beginning of March 2020, Schibsted established a crisis team to quickly act on advice from health authorities in our markets. Adequate measures were swiftly implemented as the situation developed. Guidelines and policies have been constantly updated and made available through weekly emails or video recordings with updates on the situation and relevant issues.

All in all, Schibsted has succeeded in implementing measures to reduce the risk of infection as well as carry out its operations. The following measures were implemented:

- Most employees have been working from home
- Helpdesk on COVID-19 established
- New travel policy reducing travel to a bare minimum
- Mental, medical and ergonomic aid provided
- Digital workouts and inspirational sessions provided
- Training in online tools for both managers and employees
- Schibsted Express: home delivery of necessary office equipment
- Working-from-home community established to share tips and stories about working from home, including ideas for social interaction.

Health and safety in our operations

Each company is responsible for conducting a risk assessment identifying occupational health and safety risks. Operations at the printing plants and newspaper distribution units pose the highest risk of work-related injuries, while our offices pose a risk of ill health in the form of stress. Following strict national regulations and our own risk-based approach, we have a well implemented and systemized approach to informing, preventing and identifying risks related to health and safety in all our operations. In 2020, 27 (2019: 37) injuries were reported in our printing and distribution operations. These were mainly incidents in connection with delivering newspapers and minor personal injuries.

Health and safety in our printing and distribution operations

All workers hired by Schibsted Trykk (printing) and Distribusjon (distribution) are covered by our systematic approach to evaluating, preventing and communicating procedures and to following up identified health and safety risks. All operations within

Schibsted Trykk and Distribusjon have an appointed health and safety committee. Employees and management alike are represented on the committee, and they meet on a quarterly basis, or more often if needed. Relevant information about health and safety is communicated to employees through regular e-mail updates, meetings and updated procedures. In our regular meetings, in which appointed employee representatives participate, we oversee our systematic work on health and safety, review incident records and identify areas for improvement. Appointed representatives and other workers in daily operations are trained in health and safety on a regular basis. In general, no external parties are involved in our preventive and reactive health and safety work, but external consultants may be involved when deemed necessary.

For Schibsted Distribusjon quarterly assessments of local operations are used to identify risks and to follow up reported risks.

In addition to these local assessments, new investments are assessed to prevent incidents, and meetings are held at least once a year with regional representatives and management. All employees are provided with adequate protective equipment.

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

Material aspect: Diversity, inclusion and belonging (previously Diversity and equality)

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Ranked as the most diverse and equal employer within our segments. **Linked SDG Target** • Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (5.5). • Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard (10.3). **Target 2020** • Gender ratio of 60/40 in leadership (three levels) by the end of 2020. • Implement the diversity and inclusion policy. • Implement our recruitment policy in everyday business operations. • Continue roll out of gender pay gap project. • Continue unconscious bias training for employees and leaders involved in recruitment.	○ ◐ ◐ ● ◐ ● ○ ○	The gender ratio target for our managers, which was set by Schibsted's Board in 2017, was reached during 2020. We also extended our efforts to ensure a diverse workplace by implementing our recruitment policy and establishing a group initiative aimed at defining an action plan for how our diversity and inclusion policy will be implemented over the coming years. As a result of a change in priorities due to the pandemic, we did not succeed in expanding our gender pay gap project, arranging any training sessions in unconscious bias or setting performance benchmarks for our segments.	**Ambition (long term)** • Ranked as the most diverse and equal employer within our segments. **Linked SDG Target** • Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (5.5). • Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard (10.3). **Target 2021** • Continue rollout of gender pay gap project. • Redefine and raise our ambition and targets on diversity, inclusion and belonging. • Establish a cross-functional project that will lead the work. • Map the current situation in three of our companies as pilots. • Map the current situation in all Schibsted through the employee engagement survey tool and a self-assessment tool. • Based on the mappings, define a plan to fill the potential gap between the ambition and targets and the current situation.

Material aspect: Health, safety and integrity of employees

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Be the leading employer in our industries.	◐	The circumstances for Schibsted as a workplace changed dramatically in 2020 due to the pandemic, and our definition of and focus on health and safety changed accordingly. We implemented a new travel policy and portal in Norway but had to postpone further work and instead implement safety procedures in order to prioritize health and safety issues related to the pandemic, i.e. mental health, hygiene procedures, and ergonomic considerations for home offices. A group-wide project called Future of Work is ongoing and aims to ensure that Schibsted is a leading employer also in the hybrid work environment.	**Ambition (long term)** • Be the leading employer in our industries.
Linked SDG Target • Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment (8.8).	◐		**Linked SDG Target** • Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment (8.8).
Target 2020 • Implement a new travel policy and travel portal for our Norwegian operations.	●		**Target 2021** • Continue our Future of Work project, in which health and safety is a guiding principle.
• Continue to implement safety procedures for all operations and offer regular training for appointed employees.	○		• Launch of health management system for our Norwegian operations.

Material aspect: Attractive workplace

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Be the most attractive employer in our main markets.	◐	The circumstances for Schibsted as a workplace changed dramatically in 2020 due to the pandemic. Nonetheless, our newly implemented employee engagement survey showed that our employees were very satisfied with how Schibsted was handling the pandemic and with Schibsted as an employer in general.	**Ambition (long term)** • Be the most attractive employer in our main markets.
Target 2020 • Implement a new employee engagement survey system to compare and monitor employee engagement in all Schibsted units.	●		**Target 2021** • On Group level, maintain the average employee satisfaction score achieved for 2020 (80).

Material aspect: Skills development and knowledge sharing

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Offer a workplace where all employees have the opportunity to develop skills and contribute to innovation.	●	Our learning and development activities went remote in 2020. This applied to our general training through Learning Lab, the Future Advisory Board, and the Sustainability Change Maker program established in 2020. Due to changed priorities, the launch of a tool for career development paths and the learning and development system were postponed until 2021.	**Ambition (long term)** • Offer a workplace where all employees have the opportunity to develop skills and contribute to innovation.
Target 2020 • Establish a learning and development system to follow-up completed training.	◐		**Target 2021** • Launch a learning and development system to follow-up completed training, performance reviews and career and development paths.
• Establish a tool for career development paths.	◐		• Continue the Sustainability Change Makers Program and expand learning opportunities within sustainability for all employees.
• Establish Sustainability Change Makers Program.	●		• Continue the Future Advisory Board program.
• Establish a Future Advisory Board.	●		

Schibsted

Environmental impact

At Schibsted we strive to minimize our environmental footprint and to empower people to make environmentally friendly choices in their daily lives. By informing our readers about environmental issues and facilitating circular consumption for our users, we promote informed and environmentally friendly consumption patterns. How we manage our environmental impact is stated in our Group Environmental Policy. The policy is based on the principles of the UN Global Compact and includes initiatives to promote greater environmental responsibility, use of environmentally friendly technologies and application of the precautionary approach. The Head of Sustainability in Schibsted is responsible for our compliance with the policy and the implementation of sound environmental practices in all our operations. In 2020 we continued to meet our long-term environmental targets and stated that we would lower our CO_2e emissions in line with the levels stated in the Paris Agreement. For us this means a decrease by at least 50 percent until 2030 (2018 base line) and net zero emissions by 2050. For 2021 we will define an extended scope for the emissions through our value chain and state our overall action plan to reach this target. In 2021 we will also perform a risk analysis in line with the TCFD framework, a first report on our climate-related risks will be disclosed for financial year 2021. Schibsted will also continue to report our environmental performance to the financial market, such as the Carbon Disclosure Project (CDP), where Schibsted scored B (2019: B-) in the latest rating.

Our marketplaces are the epicenter of circular consumption

With three marketplaces for circular consumption in the Nordics, and a fourth to be added in 2021 in Denmark, we empower and inform consumers in their daily lives to act in more environmentally friendly ways. In 2015 we rolled out the Second Hand Effect project in cooperation with Adevinta and the Swedish Environmental Research Institute (IVL). With the Second Hand Effect project, Schibsted wants to raise awareness about the environmental benefits of prolonging the lifetime of goods by reusing and repairing items and minimizing waste. The work has been driven by a fundamental question: how much material and CO_2e emissions can potentially be saved through second-hand trade if each second-hand product replaces the production of a new one? Since 2015, more and more marketplaces around the world have joined the project to show the environmental benefits of circular consumption. As of 2020, 10 marketplaces are part of the project. The total amount of CO_2e saved through our marketplaces Finn, Blocket and Tori in 2020 was 1.6 million tonnes CO_2e, 77,000 tonnes of plastic, 0.4 million tonnes of steel and 49,000 tonnes of aluminum. In 2021 and beyond, our insights from this project will guide our business development and communication to ensure that we are maximizing our positive environmental impact by enabling circular consumption. Read more about the Second Hand Effect project at http://www.schibsted.com/sustainability/. In 2021 we will also continue with our contribution to analyzing and gaining new insights into the area of circular consumption. Based on new insights and innovative ideas, our aim is to continue to grow and invest in existing and new businesses that support and empower circular consumption. Our long-term goal is to double the positive impact of our marketplaces on society and on the environment by 2023.

Energy consumption and digital services

The majority of Schibsted's revenues comes from digital consumer services, and the digital transformation of our media operations will continue. Digital services, such as online newspapers, financial services and marketplaces, consume energy in many stages of the value chain. To further understand the impact of our digital newspapers, in terms of energy consumption and greenhouse gas emissions, we have joined the DIMPACT project. The project aims to develop a tool for tracking carbon footprints and energy use along our value chain for digital newspapers. The project members include researchers from Bristol University and 11 international media companies including BBC, Sky and Netflix. Thanks to our participation in the project, we are for the first time able to disclose our environmental impact from our entire digital value chain for news. The data for 2020 shows that our users' consumption of our services accounts for the part of the value chain that generates the most greenhouse gas emissions. Powering computers and customer premises networking while consuming digital content, along with streaming video and reading content over mobile networks, are the types of use that generate the most emissions. Our findings also show that, thanks to the availability of low-carbon intensive energy in Norway and Sweden and the low level of emissions from our external cloud providers, our services are less pollutant than news media in other European countries. The insights gained so far will imply no changes to the work we do on minimizing our energy consumption and greenhouse gas emissions in terms of scope or priority.

The findings from the DIMPACT project and complementary insights gained in 2020 will further guide us in prioritizing our work to minimize our energy consumption and related CO_2e emissions. These findings will also form the basis for the guidelines on developing and understanding the environmental impact of using our marketplaces and Next companies.

Environmental impact of our office operations

In our office operations we focus on monitoring and minimizing energy consumption and greenhouse gas emissions derived from business travels. Energy consumption by our office operations and external data centers accounted for two percent of our total greenhouse gas emissions in 2020. In 2020 our business travel represented one percent of our total greenhouse gas emissions. This represents a significant decrease compared to 2019 and is due to our employees mainly working from home and traveling to a much lower extent during the pandemic. Energy consumed by our employees at their home offices is not included in the scope of the report due to limited availability and transparency of data. In 2020 we initiated a project to investigate what our changed work habits would imply for our greenhouse emissions in terms of increased use of videoconferencing and less travel. The outcome of this project together with our travel policy launched in Norway in 2020, will guide us toward decreasing emissions from business travel.

The amount of waste generated from our office operations is significantly less than that from our printing plants and has so far not been a prioritized issue. We have procedures in place for the safe handling and recycling of electronic waste. For example, in some countries we have partnerships with companies that wipe computer hard drives and sell them second-hand instead of disposing of them. The environmental effects of our use of electronic devices will be further scrutinized in 2021 to find areas for improvement. The focus will be on circular capacity, disposal of used devices, device life cycles and emissions generated by producing and recycling devices.

Energy consumption within Schibsted (MWh)	2020	2019	% change
Consumption of electricity, district heating, district cooling	**30,392**	**35,724**	**-15%**
*-of which electricity for printing plants**	*19,984*	*21,877*	*-9%*
-of which electricity for offices and internal data centers	*8,456*	*10,930*	*-23%*
-of which district heating for offices and internal data centers	*1,611*	*2,610*	*-38%*
-of which district cooling for offices and internal data centers	*341*	*307*	*11%*

* 2019 figure restated due to improved data collection process resulting in higher degree of accuracy in data quality.

Greenhouse gas emissions (tonnes of CO_2e)	2020	2019	% change
Direct Scope 1 emissions*	**263**	**262**	**0%**
Consumption by company-owned vehicles	263	262	0%
-of which distribution of newspapers in Norway	*254*	*253*	*0%*
Indirect Scope 2 emissions**	**450**	**1,187**	**-62%**
Consumption of electricity, district heating, district cooling	450	1,187	-62%
-of which electricity for printing plants in Norway	*161*	*176*	*-9%*
Other indirect Scope 3 emissions***	**27,312**	**31,964**	**-15%**
Leased and privately owned vehicles	3,225	3,720	-13%
*-of which distribution of newspapers in Norway*** **	*2,939*	*2,936*	*0%*
Business travel - flights	391	1,488	-74%
Energy from external data centers	55	255	-78%
-of which energy used for our digital newspapers	*44*	-	-
Paper used for print newspapers	23,641	26,501	-11%
Total (excluding added emissions)	**28,025**	**33,413**	**-16%**
Other indirect Scope 3 emissions - Added 2020	**2,030**	**1,138**	**78%**
Emissions from Adevinta's operations (Scopes 1+2)	1,551	1,138	36%
Electricity consumed by internet infrastructure to distribute our digital newspapers	105	-	-
Electricity consumed by our users reading our digital newspapers	374	-	-
Total (including added emissions)	**30,055**	**34,551**	**-13%**

* Fuel used for company owned, leased and privately owned vehicles includes diesel and gasoline. Some of our companies have begun to shift toward hybrid vehicles during the year.

** Scope 2 emissions are reported only with a location-based approach. The decrease is laregly explained by one of our companies in Poland relocating to a more energy-efficient building.

*** The large decrease in energy from external data centers is explained by changes in energy source, increased efficiency and architectural improvements. The decrease in business travel is explained by employees travelling less during the pandemic.

**** 2019 figure restated due to improved data collection process resulting in higher degree of accuracy in data quality.

	2020	2019
GHG intensity, tonnes CO_2e emissions/turnover NOK million*	2.33	2.73
GHG intensity, tonnes CO_2e emissions/employees**	5.80	6.90

	2020	2019
Energy intensity, energy consumption MWh/turnover NOK million*	2.35	2.82
Energy intensity, energy consumption MWh/employees**	5.87	7.14

*Intensity figures 2019 based on revenue are restated as revenue in NOK million for Schibsted Group. GHG emission 2019 includes added emissions in Scope 3.

**Employees is defined as number of employees 31 December 2020 (5,181). GHG intensity figure 2019 is restated due to restated Scope 3 data (see table Greenhouse Gas Emissions (tonnes of CO_2e) for explanation).

Environmental impact from our print newspapers

Schibsted publishes newspapers in Sweden and Norway, and our aim is to reduce the environmental impact of our print newspapers. Our paper consumption and printing and distribution operations account for 90 percent of our total greenhouse gas emissions. 100 percent of the paper used for our newspapers is certified according to FSC and PEFC, and 72 percent of the paper used is certified according to the EU Eco label criteria. Our Swedish media houses procure all the paper used for our newspapers but outsource the printing and distribution operations. Our paper consumption continued to decline in 2020. Compared with 2019, total consumption fell by 12 percent, due mainly to a more efficient printing and distribution operations, less demand for print newspapers and the introduction of a lighter paper quality for our Swedish newspapers.

Print newspapers in Norway

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

The levels of paper and energy consumption derived from our printing plants have decreased significantly over the past decade. Our own efforts to reduce our consumption of energy and materials and a decline in readership of print newspapers have resulted in a decrease of 49 percent in energy consumption and a 70 percent decrease in paper consumption compared to 2012.

In 2020, Schibsted Trykk carried out several initiatives to lower energy consumption, material use and emissions. One initiative in our Oslo printing plant improved efficiency while maintaining our daily print capacity and lowering energy consumption by 13 percent. Another initiative focused on optimizing our internal control system, and resulted in a five percent reduction in the amount of waste paper generated in our Oslo facilities. During 2020 our printing operations reduced their total waste volumes by 23 percent, emissions by 11 percent and energy consumption by nine percent. During 2021 we will continue on this track to optimize our printing operations and use of paper in Oslo and Bergen. One of the most important initiatives is closer cooperation with our suppliers on the environmental impact of paper production.

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

In 2019, our part-owned distribution company Helthjem initiated a project to identify and minimize the organization's environmental footprint. Helthjem mapped the organization’s material environmental aspects and the carbon emissions generated by distribution activities. Based on the insights gained from this project, Helthjem has set a target to lower greenhouse gas emissions by 50 percent by 2025. Initiatives related to updating the distribution fleet and optimizing delivery routes are the key initiatives to reach this target. Since 2018, Helthjem has lowered the CO_2e emissions from our distribution network by three percent, and changes to electrical vehicles have during 2020 lowered Helthjem's greenhouse gas emissions by 65 tonnes. Another material aspect for Helthjem is the use of plastic for packaging and protecting newspapers. Together with Schibsted Trykk, Helthjem has set a goal to reduce the use of plastic for protecting newspapers by 90 percent by 2022. Since 2018, which is the base year, we have lowered our use of plastics by 24 percent, representing a decrease of 81 tonnes of plastics.

Print newspaper in Sweden

We currently use the Swedish printing companies V-TAB and Daily Print for printing our newspapers. V-TAB operates a system of environmental and quality control, and all its printing plants are ISO 14001:2004 and ISO 9001:2008 certified and are licensed under the Nordic Swan Ecolabel scheme. Daily Print is licensed under the Nordic Swan Ecolabel scheme. Newspaper companies in Sweden arrange a return and recycling program to minimize waste related to unsold newspapers in stores. The newspapers are compressed and used for house insulation. Swedish newspapers are also obliged to collect and recycle newspapers distributed to households. Changes to this legislation are expected during the coming year. During 2020 we initiated a machine learning project in Sweden to optimize the number of print newspapers in casual sales, the result of this project will hopefully result in a decrease in paper consumption during 2021.

Materials used - Print newspapers Norway*			**2020**	**2019**	**% change**
Paper**		**Thousand tonnes**	**35.4**	**39.0**	**-9%**
GHG emission generated by production of paper		**tonnes CO_2e**	**16,621**	**18,272**	**-9%**
-of which	Share certified FSC	*%*	*100%*	*100%*	*0%*
	Share certified PEFC	*%*	*100%*	*100%*	*0%*
	Share certified EU Eco label	*%*	*67%*	*56%*	*20%*
Printing ink***		**Thousand tonnes**	**0.8**	**0.9**	**-0.1**
-of which	Accepted by Nordic Eco Swan Label scheme	*%*	*100%*	*100%*	*0%*

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

Material used - Print newspapers Sweden*			**2020**	**2019**	**% change**
Paper**		**Thousand tonnes**	**14.2**	**17.5**	**-19%**
GHG emissions generated by production of paper		**tonnes CO_2e**	**7,020**	**8,229**	**-15%**
-of which	Share certified FSC	*%*	*100%*	*100%*	*0%*
	Share certified PEFC	*%*	*100%*	*100%*	*0%*
	Share certified EU Eco label	%	86%	92%	-7%
Printing Ink***		**Thousand tonnes**	**-**	**-**	**-**
-of which	Accepted by Nordic Eco Swan Label scheme	*%*	*100%*	*100%*	*0%*

* 2019 data restated including an additional printing plant.
** 100% renewable material. The decrease in amount of paper used is due lower demand on print newspapers and a change to a lighter paper quality.
***Non-renewable material. Data on total amount of ink used cannot be provided by suppliers.

Printing plants Norway

Waste (tonnes)	**Year**	**Recycled**	**Recovered**	**Other disposal**	**Total weight**
Paper (non-hazardous waste)	2020	4,355		89	4,444
	2019	5,673	-	116	5,789
Aluminum (non-hazardous waste)	2020	119		9	128
	2019	169	-	13	182
Waste water (hazardous waste)	2020	-	-	-	-
	2019	-	-	-	-
Ink waste (hazardous waste)	2020	-	7	-	7
	2019	-	12	-	12

*Disposal methods are selected and reported by waste contractor. The use of water in our printing plants are limited and there are low risks related to use of and dispose of freshwater in Norway. Total amount of non-hazardous waste: 4,571 tonnes, total amount of hazardous waste: 7 tonnes.

Efficiency for use of paper	**2020**	**2019**
Share of material bought used in newspapers	93%	91%

Waste (degree of sorting for waste contractor)	**2020**	**2019**
Hazardous waste	100%	100%
Non-hazardous waste	98%	98%

Waste data is limited to waste from our printing plants in Norway, which amounts for the majority of our waste. Disposal methods are selected and information reported by waste contractors.

Material aspect: Empower circular and sustainable consumption

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • By leading innovation in empowering people to make sustainable choices and enabling circular consumption, we aim to double our positive impact on society and the environment for our marketplaces by 2023.	●	The interest in circular consumption continued to increase during the year, as did our efforts in promoting the benefits, both through specific projects (read more on page 22) and through a cross-brand forum that identified the basis for specific areas for growing our circular business. Our acquisition of the Danish marketplaces DBA and Bilbasen will also extend our impact on the circular market in the Nordics.	**Ambition (long term)** • By leading innovation in empowering people to make sustainable choices and enabling circular consumption, we aim to double our positive impact on society and the environment for our marketplaces by 2023.
Linked SDG Target • By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse (12.5). • By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature (12.8).	● ●		**Linked SDG Target** • By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse (12.5). • By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature (12.8).
Target 2020 • Establish a cross-brand forum to identify and start to realize our business opportunities related to circular consumption. • Further promote, develop and communicate the environmental benefits of circular consumption.	● ●		**Target 2021** • Continue to develop our marketplaces to facilitate circular consumption and identify, realize and invest in circular business opportunities • Continue to promote, develop and communicate the environmental benefits of circular consumption to our stakeholders, including participation in the public debate in all our markets and in the European Union.

Material aspect: Energy use and greenhouse gas emissions

Definition 2020	Fulfillment 2020	Progress 2020	Definition 2021
Ambition (long term) • Lower our greenhouse gas emissions in line with Science Based Targets by 2030 and double our improvements in energy efficiency by 2030.	●	During 2020 we continued to lower our energy use and reduced our emissions by 16 percent, which is in line with our target for 2030. Our planned improvements in our printing plants showed good results while we saw lower emissions per delivered item for our distribution network. We have defined the scope and priorities for upcoming emission and energy improvement initiatives.	**Ambition (long term)** • Lower our greenhouse gas emissions in line with Science Based Targets by, at least 50 percent by 2030, and reach net-zero emissions by 2050. Double our improvements in energy efficiency by 2030.
Linked SDG Target • By 2030, double the global rate of improvement in energy efficiency (7.3).	◐		**Linked SDG Target** • By 2030, double the global rate of improvement in energy efficiency (7.3).

Material aspect: Energy use and greenhouse gas emissions (continued)			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Target 2020 • Identify material energy consumption activities and how to increase energy efficiency in these activities. • Perform efficiency improvements in printing operations in Oslo that will reduce energy consumption. • Define a plan for 2021-2030 to reach the emission and energy reduction targets in line with Science Based Targets and SDGs by 2030. • Within our newspaper distribution network in Norway, implement our plan to reduce our CO2e emissions by 50 percent by 2025.	● ● ◐ ○		**Target 2021** • Based on findings from the DIMPACT project together with Bristol University, implement an action plan aimed at lowering emissions throughout our digital value chain. • Perform a risk analysis in line with the TCFD framework. • Initiate a training program for UX designers and developers to understand the environmental impact of digital products. • Within our newspaper distribution network in Norway, continue our plan to reduce CO2e emissions by 50 percent by 2025. • Perform an updated analysis of the climate impact of the distribution of newspapers through our partly owned distribution company in Sweden.

Material aspect: Managing materials and waste			
Definition 2020	**Fulfillment 2020**	**Progress 2020**	**Definition 2021**
Ambition (long term) • Ensure circular and environmentally friendly use of materials throughout our value chain by 2030. **Linked SDG Target** • By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle (12.4). **Target 2020** • Identify possibilities to use machine learning to optimize the number of print newspapers in casual sales. • Initiate dialogue with suppliers regarding sustainably sourced paper. • Implement management systems for printing operations in Norway that will reduce paper waste significantly. • Within our newspaper distribution network in Norway, reduce the use of plastic packaging for newspapers by 90 percent by 2022.	◐ ● ● ○ ● ◐	We continued to lower our use of natural resources and waste generation by reducing our use of paper and plastics, according to plan. We continued the project to lower the number of print newspapers in casual sales, which will show results in 2021. Our plan to initiate dialogue with our paper suppliers was postponed until Q1 2021.	**Ambition (long term)** • Ensure circular and environmentally friendly use of materials throughout our value chain by 2030. **Linked SDG Target** • By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse (12.5). **Target 2021** • Initiate dialogue with suppliers regarding sustainably sourced paper and printing services in Sweden and Norway. • Initiate a project aimed at reducing the environmental impact caused by our use of electronic devices (smartphones, laptops, monitors), focusing on energy efficiency, circular capacity, waste management, and lifespan of devices. • Within our newspaper distribution network in Norway, reduce the use of plastic packaging for newspapers by 90 percent by 2022. • Implement a machine learning analysis to reduce the number of print newspapers in casual sales.

About the report

This is Schibsted's fourth sustainability report and covers the period from 1 January to 31 December 2020. Our ambition for this report is to be transparent and to share our approach, performance, progress and targets in the area of sustainability from 2020 onwards. The report has been prepared in accordance with the GRI Standards: Core option. It constitutes Schibsted's Communication on Progress (COP) submission to the UN Global Compact and follows Oslo Børs guidelines set out in the Euronext Guidelines for Environmental, Social and Governance (ESG) reporting. Schibsted publishes a sustainability report on an annual basis; the previous report was published on 29 March 2019. The report is not quality assured by an external body. The sustainability information is provided mainly in the sustainability report, but also in sections of the annual report. Please see the GRI Content Index for further guidance.

Changes in reporting

Schibsted has rephrased the material aspect Diversity and Equality to Diversity, Inclusion and Belonging.

Schibsted is reviewing its methodology for reporting on Employee hires and turnover to improve data quality. Hence the indicator (GRI 401-1) is not included in this year's report.

2019 GHG emissions and energy intensity/NOK million have been restated with Schibsted Group revenue figures. The 2019 figures on material used – Print newspapers Sweden (total tonnes and GHG emissions) have been restated to include an additional printing plant. 2019 figures on electricity consumption from printing plants is restated due to improved data quality.

Scope and boundaries

The report includes data pertaining to companies with more than 25 employees, of which Schibsted has had full ownership or operational control throughout the year, with certain scope limitations included below. In total, 39 companies fall within this scope. Adevinta is excluded from the report, and sustainability information related to its operations is presented in Adevinta's stand-alone sustainability statement. Oikotie is excluded as the company has not been owned by Schibsted for the full year 2020, but will be included in next year's report.

Data is gathered through central management systems or functions if no other information is stated.

Employee data
All companies within the reporting scope are included in employee data. Total numbers of injuries are reported only for Schibsted Trykk (printing) and Distribusjon (distribution) due to legal limitations in gathering personal data. Data relating to employee engagement, collective bargaining agreements, parental leave, health and safety, and performance and career reviews was collected via templates completed by each company. This data is stated as head counts. Other employee data, as per 31 December 2020, is stated as full-time equivalents (FTE) and covers all Schibsted companies, including those which do not fall within the scope of this report. This is because we want to present the same FTE information as in the annual report. Data as per 31 December 2020 was compiled using the financial reporting system.

Environmental data
The consolidation approach for environmental data is operational control, and the base year is 2018. All greenhouse gases are included in the emission calculations and all scopes are included in intensity data. New categories in Scope 3 are excluded to allow comparison with last year's outcomes. Data is collected via templates sent to each company, and derives from third-party sources and available internal reporting data. Our calculations are based on conversion factors from IEA or other sources when necessary. Due to its significant environmental impact, one company's emissions data has been included in the reporting of emissions from vehicles, although the company itself does not meet the scope criteria. Sentinel is excluded from environmental data due to limitations in reporting systems. One data center in Norway is excluded due to its minimal impact on our environmental performance.

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

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

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

302-1: Total fuel consumption from renewable/non-renewable sources cannot be disclosed due to limitations in the information provided by suppliers.

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

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

Point of contact

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

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Corporate governance

1. Statement of Corporate Governance

Good corporate governance is an important prerequisite for achieving Schibsted Group's vision and strategy. Sound corporate governance contributes to the Group's long-term value creation at the same time as it utilizes the Group's resources in an efficient and sustainable manner. Our corporate governance defines the business framework within which all activities in the Group should operate, and clarifies the roles and responsibilities between governing bodies in the Group.

Schibsted is a publicly listed company traded on Oslo Børs with a governance structure based on Norwegian law. The company is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (the Code) available at www.nues.no. The Board of Directors' Statement of Corporate Governance follows the structure of the Code. Deviations from the Code are set out in section 16 below. This statement also includes information on corporate governance, pursuant to the Accounting Act, section 3-3b.

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

2. Business activities

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

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

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

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

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

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

3. Equity and dividend

Financial strategy

In accordance with our shareholder policy, Schibsted's Board of Directors considers it crucial that shares in the company be perceived as an attractive investment option. Schibsted's financial strategy implies a strong focus on profitability, innovation and disciplined capital allocation to create long-term shareholder value. To reach these objectives, Schibsted has set targets for financial gearing, NIBD/EBITDA, equity ratio and the dividend policy. Information about our financial strategy and performance is published on the Investor Relations page on our website and communicated at investor presentations. More information about the 2020 performance can be found in the Board of Directors' report in the annual report. The Board has reviewed the Group's financial strategy, targets and performance, and considers the defined and achieved performance levels adequate for the Group's objectives, strategy and risk profile.

Dividend policy

The Group aims to provide a competitive return based on a sound financial position. The Board considers it essential that the company's shares be perceived as an attractive investment. One of the financial targets is therefore to maximize the shareholders' return through long-term growth in the share price and dividend. The Annual General Meeting approves the annual dividend based on the Board's recommendation. The Group's dividend policy is described in more detail under Share Information at www.schibsted.com and in the 2020 Annual Report.

Authorizations granted by the Annual General Meeting

To allow flexibility in its capital management strategy, authorizations empowering the Board to increase the share capital by issuing B-shares and to buy back shares, were granted by the 2020 Annual General Meeting. Such authorizations are granted by the Annual General Meeting for one year at the time. The conditions stated in the authorizations are presented below:

Authorization to increase B-share capital

I. The Board of Directors is authorized pursuant to the Public Limited Liability Companies Act §10-14 (1) to increase the company's share capital by up to NOK 6,490,053. Subject to this aggregate amount limitation, the authority may be used on more than one occasion.
II. The authority may only be used to issue B-shares.
III. The authority shall remain in force until the Annual General Meeting in 2021, but in no event later than 30 June 2021.
IV. The pre-emptive rights of the shareholders under §10-4 of the Public Limited Liability Companies Act may be set aside.

V. The authority covers capital increases against contributions in cash and contributions other than in cash. The authority covers the right to incur special obligations for the company, ref. §10-2 of the Public Limited Liability Companies Act. The authority covers resolutions on mergers in accordance with §13-5 of the Public Limited Liability Companies Act.

Authorization to buy back shares

I. The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2021, but in no event later than 30 June 2021.
II. The total nominal value of the shares acquired and held by the company may not exceed NOK 11, 713, 051.
III. The minimum amount which can be paid for the shares is NOK 30, and the maximum amount is NOK 1,000.
IV. The Board is free to decide on the acquisition method and possible subsequent sale of the shares.
V. The shares may serve as settlement in the company's share based long-term incentive schemes, as well as the Employee Share Saving Plan (ESSP), and may be used as settlement in acquisitions, and to improve the capital structure of the company. The shares may not be used in a take-over situation cf. §6-17 (2) of the Norwegian Securities Trading Act.

4. Equal treatment of shareholders and transactions with related parties

Class of shares

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

Restrictions on ownership and voting rights

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

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

Article 7 states that important decisions relating to the Group's key companies must be submitted to Schibsted's shareholders for their approval. According to the wording of this provision, any amendments to the Articles of Association or any sales of shares or operations or corresponding transactions in any subsidiary must be submitted to Schibsted's Annual General Meeting for approval, with the exception of intercompany transactions, which are exempt in their entirety. Through resolutions, the Annual General Meeting may authorize the Board to administer specific areas of the protection offered under this provision. A general one-year authorization to administer such protection was granted at the 2020 Annual General Meeting and will apply until the next Annual General Meeting.

The authorization granted at the Annual General Meeting in 2020 states:

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

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

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

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

This authorization applies until the next Annual General Meeting."

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

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

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

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

These authorizations are irrevocable and unlimited in time and amount.

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

Waiver of preemptive rights in the event of a capital increase

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

Transactions involving own shares

The acquisition of own shares, in accordance with the Board's authorization referred to in section 3 of this statement, must take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices. Acquired shares may be sold in the market or used as settlement for the acquisition of businesses, for the Schibsted share-based incentive schemes and share saving programs for the Group's employees. The share-based incentive schemes are described in more detail in Note 9 Personnel expenses and remuneration and Note 10 Share-based payment.

Transactions with related parties

In the event of material transactions between the Group and its shareholders, board members, executive personnel, or related parties, the Board will obtain valuations by an independent third party. In 2020 the Board concluded that there were no such material transactions.

5. Shares and negotiability

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

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

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

6. Annual General Meetings

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

Notice

The Annual General Meeting for this year is scheduled for 6 May 2021. The notice of the Annual General Meeting and documents to be considered are available on the Schibsted website prior to the meeting, and are sufficiently detailed, comprehensive and specific to allow shareholders to form an opinion on all matters to be considered at the meeting. Shareholders not registered electronically will receive the notice by regular mail with information on how documents to be considered at the meeting may be downloaded from our website. The deadline for electronic registration is two working days prior to the meeting.

Attendance

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

Voting

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

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

Agenda

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

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

Chairing of the Annual General Meeting

Prior to the Annual General Meeting the Board considers, taking into account the complexity of the proposed agenda, whether an independent person shall be proposed to act as chair of the Annual General Meeting. In 2020, the Annual General Meeting was chaired by Ole Jacob Sunde, Board Chair.

7. Nomination Committee

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

The work of the Nomination Committee

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

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

Composition of the Nomination Committee

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

The current members of the Nomination Committee are John A. Rein (chair), Spencer Adair and Ann Kristin Brautaset. The current members were re-elected by the Annual General Meeting on 3 May 2019 for a two-year period ending in May 2021.

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

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

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

Composition of the Board

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

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

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

The Board's shareholder representatives are elected for a one-year term while the employee representatives are elected for two-year terms. Pursuant to Article 8 of the Articles of Association, any shareholder owning at least 25 percent of the A-shares in the company is entitled to appoint a board member directly. Blommenholm Industrier AS, which owns 26.4 percent of the A-shares, is the only shareholder holding this right. At the Annual General Meeting in 2020, Blommenholm Industrier AS exercised its right to directly appoint one member, and nominated Ole Jacob Sunde.

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

Independence of the Board of Directors

The composition of the Board ensures that it can operate independently of any special interest. The current Board meets the requirement set forth in the Code that the majority of shareholder-elected board members be independent of the Group's executive personnel and material business, and that at least two of the shareholder-elected board members be independent of the main shareholders. Ole Jacob Sunde and Karl-Christian Agerup are not considered to be independent of the main shareholders due their respective positions as chairman of the board and deputy board member of the Tinius Trust. All other shareholder-elected board members are considered to be independent.

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

Board members' shareholdings

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

Board meetings in 2020

In 2020 the Board held 12 meetings, one of which was a two-day strategy meeting. The strategy meeting is normally held in June and forms the basis for the Group's strategy and budget processes.

Attendance at board meetings and board committee meetings in 2020:

ATTENDANCE AT MEETINGS	BOARD MEETINGS	AUDIT COMMITTEE MEETINGS	COMPENSATION COMMITTEE MEETINGS
Ole Jacob Sunde	12/12		4/4
Torbjörn Ek	12/12		
Anna Mossberg	12/12	10/11	
Christian Ringnes	12/12	11/11	
Ingunn Saltbones	11/12		3/4
Birger Steen	11/12	10/11	
Philippe Vimard	11/12		3/4
Finn E. Våga	12/12		
Eugénie van Wiechen	12/12		
Satu Huber (from 6 May 2020)	8/8		
Karl-Christian Agerup (from 6 May 2020)	8/8	2/2	
Marianne Budnik (until 6 May 2020)	4/4		

9. The work of the Board of Directors

Role of the Board

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

Rules of Procedure

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

Conflicts of interests and disqualification

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

Organization of board meetings

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

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

Board committees

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

Compensation Committee

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

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

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

Audit Committee

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

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

Schibsted's Audit Committee has always played an active role in executing its mandate but especially so during 2020 and the COVID-19 pandemic. The members were highly engaged in navigating the company during the challenging year and hence held a higher number of meetings than in a normal year.

The Board's self-evaluation

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

10. Risk management and internal control

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

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

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

Financial reporting

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

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

11. Remuneration of Board members

The Annual General Meeting determines the remuneration of the board members. The remuneration reflects the Board's responsibilities, expertise and time commitment and the complexity of the Group's activities. The directors' fees are determined one year in advance, are fixed amounts, and are not related to performance or incentive schemes. The Board has established rules of procedures to ensure that any material assignments for the company, including remuneration for any such assignments, shall be approved by the Board. Any payments made to board members beyond normal directors' fees are disclosed in Note 9 Personnel expenses and remuneration to the consolidated financial statements. In 2020 no such fees were paid. See the Nomination Committee's Report and Note 9 Personnel expenses and remuneration to the consolidated financial statements for further details on remuneration of the Group board members.

12. Remuneration of executive personnel

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

The main principles of the Group's executive remuneration, including the scope and organization of bonus schemes and of the Group's long-term incentive programs are described in Note 9 Personnel expenses and remuneration. The Compensation Committee has assessed the incentive program and has concluded that the program ensures alignment of the financial interests of the executive personnel and the shareholders.

As of 1 January 2021, Norwegian legislation has adopted the new law regarding the Shareholder Rights Directive II. In accordance with the new legislation, the Board of Directors will present a Remuneration Policy for the Annual General Meeting's voting in 2021. The Remuneration Policy will replace the Statement of Executive Compensation when approved by the Annual General Meeting and thereafter be the guiding and steering document regarding the executive compensation principles going forward.

13. Information and communication

Dialogue with shareholders and the financial market

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

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

Reporting of financial information

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

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

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

Other market information

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

Schibsted regularly arranges Capital Markets Days and Investor Days in order to present its strategy and other key development trends. The most recent Capital Markets Day event was held on 11 March 2021. A video webcast of the event and the presentation material are available on our website. See Share Information and our website for further details.

14. Takeovers

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

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

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

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

15. Auditor

Appointment of auditor

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

Schibsted finalized an external audit tender process during the fall of 2020. The primary mandate was to identify an audit firm to be elected for the Schibsted's audit from the fiscal year 2022. It was a comprehensive process involving thorough evaluation of tender documents, presentations, meetings, reference checks and overall interaction with all external audit firms bidding in the tender process. Two candidates are shortlisted and will be presented in the 2021 Annual General meeting for the final election.

The Board's relationship with the external auditor

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

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

The Audit Committee evaluates the external auditor's fee and makes a recommendation to the Board. The Board submits a proposal to the Annual General Meeting regarding the approval of the external auditor's fee. See Note 31 Auditors' remuneration to the consolidated financial statements for information on remuneration of the external auditor for the financial year 2020.

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

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

Independence of the external auditor

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

The amount of non-audit services provided by the external auditor in 2020 is compliant with the requirements in the Auditing and Auditors Act and guidelines from the Financial Supervisory Authority of Norway. The Board finds the advisory services provided by the external auditor in 2020 not to influence the auditor's independence but acknowledges the potential issues this entails. The Audit Committee is responsible for ensuring that the auditor does not provide any prohibited non-audit services for the Group. See Note 31 Auditors' remuneration to the consolidated financial statements for information on fees relating to auditing and consultancy services.

16. Deviations from the Code of Practice

According to the Group's own evaluation, the company is in full compliance except for four of the recommendations of the Norwegian Code of Practice for Corporate Governance as outlined below:

Section 3: Equity and dividends

The Code states that *"mandates granted to the Board of Directors to increase the company's share capital should be restricted by defined purposes"*. The authorization to increase the share capital granted by the 2020 Annual General Meeting is not restricted to defined purposes as recommended by the Code. The Board elected not to impose such restrictions in order to give the Board of Directors the flexibility to raise capital as deemed appropriate.

Section 5: Shares and negotiability

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

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

Section 6: Annual General Meeting

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

Section 14: Takeovers

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

Schibsted

Financial statements for the Group

Consolidated income statement for the year ended 31 December

(NOK million)	Note	2020	2019
Operating revenues	6, 7	**12,908**	**12,653**
Raw materials and finished goods		(454)	(416)
Personnel expenses	9	(4,905)	(4,793)
Other operating expenses	8	(5,422)	(5,467)
Gross operating profit (loss)	6	**2,126**	**1,977**
Depreciation and amortisation	17, 18, 19	(829)	(813)
Share of profit (loss) of joint ventures and associates	5	(44)	(58)
Impairment loss	5, 16, 17, 18	(61)	(35)
Other income	12	146	11
Other expenses	12	(237)	(162)
Operating profit (loss)	6	**1,101**	**920**
Financial income	13	37	89
Financial expenses	13	(197)	(179)
Profit (loss) before taxes		**941**	**829**
Taxes	14	128	(275)
Profit (loss) after taxes from continuing operations		**1,068**	**554**
Profit (loss) after taxes from discontinued operations	32	(233)	642
Profit (loss)		**836**	**1,196**
Profit (loss) attributable to:			
Non-controlling interests	28	(22)	247
Owners of the parent		858	949
Earnings per share in NOK:			
Basic	15	3.67	4.00
Diluted	15	3.66	3.99
Earnings per share from continuing operations in NOK:			
Basic	15	4.30	2.05
Diluted	15	4.29	2.04

Consolidated statement of comprehensive income for the year ended 31 December

(NOK million)	Note	2020	2019
Profit (loss)		**836**	**1,196**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension liabilities	11	(148)	45
Cash flow hedges		(1,626)	-
Change in fair value of equity instruments		(18)	(3)
Share of other comprehensive income of joint ventures and associates	5	(1)	-
Income tax related to items that will not be reclassified	14	53	(10)
Items that may be reclassified to profit or loss:			
Foreign exchange differences		148	(256)
Accumulated exchange differences reclassified to profit or loss on disposal of foreign operation		22	
Cash flow hedges and hedges of net investments in foreign operations		(223)	7
Share of other comprehensive income of joint ventures and associates		(2)	-
Income tax relating to items that may be reclassified	14	48	(1)
Other comprehensive income		**(1,745)**	**(218)**
Total comprehensive income		**(909)**	**978**
Total comprehensive income attributable to:			
Non-controlling interests		(661)	340
Owners of the parent		(249)	638

Consolidated statement of financial position as of 31 December

(NOK million)	Note	2020	2019
ASSETS			
Intangible assets	16, 17	6,018	17,369
Property, plant and equipment and investment property	18	480	849
Right-of-use assets	19	1,620	2,317
Investments in joint ventures and associates	5	922	4,529
Deferred tax assets	14	690	179
Other non-current assets	20	101	241
Non-current assets		**9,832**	**25,483**
Contract assets	7	173	224
Trade receivables and other current assets	20, 26	1,792	3,047
Cash and cash equivalents	26	1,306	3,866
Assets held for sale	32	35,375	157
Current assets		**38,646**	**7,294**
Total assets		**48,478**	**32,778**
EQUITY AND LIABILITIES			
Paid-in equity		7,028	6,967
Other equity		3,151	3,531
Equity attributable to owners of the parent	27	**10,178**	**10,498**
Non-controlling interests	28	5,675	6,383
Equity		**15,853**	**16,882**
Deferred tax liabilities	14	351	944
Pension liabilities	11	1,154	1,095
Non-current interest-bearing loans and borrowings	25, 26	3,090	4,729
Non-current lease liabilities	19	1,503	2,192
Other non-current liabilities	23	317	355
Non-current liabilities		**6,416**	**9,314**
Current interest-bearing loans and borrowings	25, 26	678	1,089
Income tax payable		74	234
Current lease liabilities	19	286	352
Contract liabilities	7	600	1,109
Other current liabilities	23	2,537	3,660
Liabilities held for sale	32	22,034	138
Current liabilities		**26,209**	**6,582**
Total equity and liabilities		**48,478**	**32,778**

Oslo, 23 March 2021

Schibsted ASA's Board of Directors

Ole Jacob Sunde Board Chair	Karl-Christian Agerup Board member	Torbjörn Ek Board member	Satu Huber Board member	Anna Mossberg Board member	Christian Ringnes Board member
Ingunn Saltbones Board member	Birger Steen Board member	Philippe Vimard Board member	Finn E. Våga Board member	Eugénie van Wiechen Board member	Kristin Skogen Lund CEO

Consolidated statement of cash flows for the year ended 31 December

(NOK million)	Note	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes from continuing operations		941	829
Profit (loss) before taxes from discontinued operations		154	1,119
Depreciation, amortisation and impairment losses	5, 17, 18, 19	1,226	1,537
Net effect pension liabilities		(7)	(84)
Share of loss (profit) of joint ventures and associates	5	29	(1)
Dividends received from joint ventures and associates		23	41
Taxes paid		(819)	(978)
Sales losses (gains) on non-current assets and other non-cash losses (gains)		(189)	(1)
Non-cash items and change in working capital and provisions *		1,043	382
Net cash flow from operating activities		**2,402**	**2,844**
- of which from continuing operations		*1,292*	*1,532*
- of which from discontinued operations		*1,110*	*1,312*
CASH FLOW FROM INVESTING ACTIVITIES			
Development and purchase of intangible assets, and property, plant and equipment	17, 18	(1,069)	(908)
Acquisition of subsidiaries, net of cash acquired	29	(2,025)	(884)
Proceeds from sale of intangible assets, investment property and property, plant and equipment		116	13
Proceeds from sale of subsidiaries, net of cash sold	29	426	(1)
Net sale of (investment in) other shares		(254)	(460)
Net change in other investments		(3,302)	(5)
Net cash flow from investing activities		**(6,109)**	**(2,244)**
- of which from continuing operations		*(2,654)*	*(888)*
- of which from discontinued operations		*(3,455)*	*(1,356)*
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings		6,463	1,951
Repayment of interest-bearing loans and borrowings		(3,187)	(405)
Payment of principal portion of lease liabilities	29	(419)	(438)
Change in ownership interests in subsidiaries	29	(91)	1,964
Capital increase		8	9
Net sale (purchase) of treasury shares		(90)	(1,069)
Dividends paid to owners of the parent		-	(477)
Dividends paid to non-controlling interests	28	(61)	(106)
Net cash flow from financing activities		**2,624**	**1,429**
- of which from continuing operations		*(498)*	*1,219*
- of which from discontinued operations		*3,122*	*210*
Effects of exchange rate changes on cash and cash equivalents		(105)	(7)
Net increase (decrease) in cash and cash equivalents		**(1,188)**	**2,022**
Cash and cash equivalents as at 1 January		3,866	1,844
Cash and cash equivalents as at 31 December		**2,678**	**3,866**
- of which cash and cash equivalents in assets held for sale		*1,371*	-
- of which cash and cash equivalents excluding assets held for sale		1,306	3,866

* Non-cash items and changes in working capital and provisions consist of changes in trade receivables, other current receivables and liabilities, other accruals and non-cash items. In 2020, non-cash items and change in working capital and provisions include NOK 873 million of foreign exchange losses related to cash flow hedges in Adevinta primarily related to the Grupo Zap acquisition. Related cash outflows are reported in net cash flow from investing activities.

Consolidated statement of changes in equity

		Attributable to owners of the parent							
(NOK million)	Note	Share capital	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Hedging reserves (Note 27)	Share-holders' equity	Non-controlling interests	Total
As at 31 December 2018		**119**	**6,808**	**6,854**	**924**	**(294)**	**14,411**	**262**	**14,673**
Change in accounting principle IFRS 16		-	-	(131)	-	-	(131)	(2)	(132)
As at 1 January 2019		**119**	**6,808**	**6,723**	**924**	**(294)**	**14,281**	**260**	**14,541**
Profit (loss) for the period		-	-	949	-	-	949	247	1,196
Other comprehensive income		-	-	32	(347)	5	(311)	93	(218)
Total comprehensive income		**-**	**-**	**980**	**(347)**	**5**	**638**	**340**	**978**
Capital increase		-	-	-	-	-	-	9	9
Share-based payment		-	42	-	-	-	42	9	51
Dividends paid to owners of the parent		-	-	(477)	-	-	(477)	-	(477)
Dividends paid to non-controlling interests		-	-	14	-	-	14	(106)	(92)
Change in treasury shares	27	(2)	-	(1,067)	-	-	(1,069)	-	(1,069)
Business combinations	4	-	-	-	-	-	-	12	12
Loss of control of subsidiaries		-	-	-	-	-	-	(1)	(1)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(2,765)	(233)	103	(2,896)	5,860	2,964
Initial recognition and change in fair value of non-controlling interests' put options	22	-	-	(16)	-	-	(16)	-	(16)
Share of transactions with the owners of joint ventures and associates		-	-	(19)	-	-	(19)	-	(19)
Total transactions with the owners		**(2)**	**42**	**(4,329)**	**(233)**	**103**	**(4,421)**	**5,783**	**1,363**
As at 31 December 2019		**117**	**6,850**	**3,374**	**343**	**(186)**	**10,498**	**6,383**	**16,882**
Profit (loss) for the period		-	-	858	-	-	858	(22)	836
Other comprehensive income		-	-	(133)	173	(1,147)	(1,107)	(638)	(1,745)
Total comprehensive income		**-**	**-**	**725**	**173**	**(1,147)**	**(249)**	**(661)**	**(909)**
Capital increase		-	-	-	-	-	-	12	12
Share-based payment		-	61	-	-	-	61	16	77
Dividends paid to non-controlling interests		-	-	15	-	-	15	(61)	(46)
Change in treasury shares	27	-	-	(90)	-	-	(90)	-	(90)
Acquisition of assets not constituting a business	4	-	-	-	-	-	-	10	10
Loss of control of subsidiaries		-	-	-	-	-	-	(2)	(2)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(41)	-	-	(41)	(25)	(67)
Initial recognition and change in fair value of non-controlling interests' put options		-	-	(3)	-	-	(3)	3	-
Share of transactions with the owners of joint ventures and associates		-	-	(14)	-	-	(14)	-	(14)
Total transactions with the owners		**-**	**61**	**(133)**	**-**	**-**	**(72)**	**(48)**	**(119)**
As at 31 December 2020		**117**	**6,911**	**3,966**	**517**	**(1,333)**	**10,178**	**5,675**	**15,853**

Share capital reflects shares outstanding. See Note 27 Equity for shares issued and treasury shares.

Notes to the consolidated financial statements

General information

Group structure

Information on income statement items

Information on statement of financial position items

Capital management

Other information

Note 1 – General information

General

Schibsted ASA is a public limited liability company and its offices are located at Akersgata 55, Oslo in Norway. The A-shares and B-shares of Schibsted ASA are listed on the Oslo Børs. Schibsted is an international family of digital consumer brands with leading positions within online classifieds and world-class media houses in Scandinavia. The operating segments are described in segment information in Note 6 Operating segments. Schibsted owns 59.3 percent of the shares in the public limited liability company Adevinta ASA. Adevinta is classified as a discontinued operation and as a disposal group held for sale at the end of the current reporting period as disclosed in Note 4 Changes in the composition of the Group. The comparative figures in the income statement and related note disclosures have been re-presented. Historical figures for the statement of financial position and the cash flow statement have not been re-presented. The consolidated financial statements including notes for Schibsted ASA for the year 2020 were approved by the Board of Directors on 23 March 2021 and will be proposed to the General Meeting 6 May 2021.

Note 2 – Basis for preparing the consolidated financial statements

Compliance with IFRS

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

New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020.

Amendments to:

- IAS 1 and IAS 8: Definition of Material
- IFRS 3 Business Combinations: Definition of a Business
- IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
- Conceptual Framework for Financial Reporting
- IFRS 16: Covid-19 Related Rent Concessions

The amendments listed above did not have any impact on the amounts recognised in the current period or prior periods and are not expected to significantly affect the future periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective, and do not expect material impact on the Group upon adoption.

Primary financial statements

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

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

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

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

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

Consolidation principles

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

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

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

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

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

Foreign currency translation

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

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

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

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

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

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

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

Presentation of discontinued operations and assets held for sale
Discontinued operations are presented separately in the income statement and assets and liabilities held for sale are presented separately in statement of financial position, see note 32 Assets held for sale and discontinued operations. Previous periods are re-presented for discontinuing operations, but not for assets or liabilities held for sale.

Note disclosures reconciling movements from opening to closing carrying amount of assets and liabilities include movements related to discontinued operations and movements related to assets or liabilities held for sale while being classified as such. The reclassification of the closing carrying amount of assets and liabilities held for sale is presented as a separate movement.

Separate note disclosures relating to profit or loss of discontinued operations and to assets and liabilities held for sale are included in Note 32 Assets held for sale and discontinued operations.

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

The management has made use of estimates and assumptions in preparing the consolidated financial statements. The most important areas where estimates and judgements are having an impact are listed below. Detailed information of these estimates and judgements are disclosed in the relevant notes. Please also refer to Note 33 COVID-19 for information on how COVID-19 has affected estimation uncertainty in 2020.

Significant estimates and judgements:

- Recognition of contracted listing fees and premium products according to normal pattern of views (Note 7)
- Calculation of present value of defined benefit pension obligations (Note 11)
- Recognition of deferred tax asset for carried forward tax losses (Note 14)
- Calculation of value in use in testing for impairment (Note 16)
- Capitalisation of development costs (Note 17)
- Determination of lease term and estimating the incremental borrowing rate (Note 19)
- Fair value of contingent consideration and liabilities related to non-controlling interests' put options (Note 22)
- Provisions and contingent liabilities (Note 23)
- Assets and liabilities measured at fair value (Note 26)

Note 4 - Changes in the composition of the Group

Principle

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

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

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

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

Contingent consideration as part of the consideration paid to non-controlling interests is classified as a financial liability with subsequent changes in fair value recognised in profit or loss.

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

Business combinations
During 2020, Schibsted continuing operations invested NOK 1,951 million related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree.

In July 2020, Schibsted, entered into an agreement to purchase 100 percent of the shares in Oikotie Oy, a Finnish multi-vertical online marketplace. Oikotie holds the number one position in the job vertical in Finland and a strong market share in real estate. Through the acquisition of Oikotie, Schibsted aims to expand its presence in the Finnish online marketplaces segment with a focus on growth and ambitious innovation. The company was consolidated into the Group's financial statements as of 16 July 2020.

Acquisition-related costs of NOK 70 million (NOK 35 million in 2019) related to business combinations closed are recognised in profit or loss in the line item Other expenses.

The table below summarizes the consideration transferred and the preliminary recognised for assets acquired and liabilities assumed in the business combinations. The amounts in 2020 are related to the acquisition of Oikotie Oy.

	Total 2020	Total 2019
Consideration:		
Cash	2,037	1,048
Other assets	-	1
Contingent consideration	-	169
Deferred consideration	-	67
Total	**2,037**	**1,285**
Amounts for assets and liabilities recognised:		
Intangible assets	993	447
Property, plant and equipment	2	6
Other non-current assets	-	31
Trade and other receivables	15	114
Cash and cash equivalents	86	164
Deferred tax liabilities	(195)	(123)
Other non-current liabilities	(3)	(54)
Current liabilities	(50)	(182)
Total identifiable net assets	**847**	**403**
Non-controlling interests	-	(12)
Goodwill	1,189	894
Total	**2,037**	**1,285**

The purchase price allocations for acquisitions made in 2020 are preliminary due to pending final assessment of identifiable assets. There are no significant effects from finalising preliminary purchase price allocations from previous year.

The intangible assets recognized in 2020 consist mainly of brand, customer relations and technology, of which approximately 40 percent is amortised over a period from 3-10 years. The goodwill recognised is attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. None of the goodwill recognised is expected to be deductible for income tax purposes. The business combinations are carried out as part of the Group's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Group.

The fair value of acquired receivables is NOK 15 million in 2020 (NOK 114 million in 2019), of which NOK 13 million (NOK 56 million in 2019) are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

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

The companies acquired in business combinations have since the acquisition dates contributed NOK 114 million to operating revenues in 2020 (NOK 129 million in 2019) and contributed negatively to consolidated profit (loss) by NOK 9 million in 2020 (negatively NOK 19 million in 2019). If the acquisition date of all business combinations completed through purchase of shares was as at 1 January, the operating revenues of the Group would have increased by NOK 139 million in 2020 (NOK 469 million in 2019) and profit (loss) would have increased by NOK 7 million (increased NOK 8 million in 2019). The above figures do not include business combinations completed through purchase of assets for which no separate financial statements exists.

In November 2020 the Norwegian Competition Authority (NCA) resolved to prohibit the business combination between Schibsted and Nettbil, which was acquired and consolidated with effect from December 2019. Schibsted has appealed the decision to the Norwegian Competition Tribunal. A decision from the Norwegian Competition Tribunal is expected during the second quarter of 2021.

Other changes in the composition of the Group

In January 2020, Schibsted closed the sale of the newspaper operations in Agder to Polaris Media. Schibsted has a 29 percent ownership in Polaris Media, which is accounted for as an associated company using the equity method. A gain of NOK 63 million, related to unrelated investor's ownership interests in Polaris Media only, is recognized in the line Other income.

In June 2020, Schibsted disposed of an investment property in Stavanger through the sale of 100 percent of the shares in Stokkamyrveien 30 AS. A gain on sale of NOK 51 million is recognised in profit or loss in the line item Other income.

Schibsted has during 2020, paid NOK 91 million related to increases in ownership interests in subsidiaries.

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

	2020	2019
Net consideration received (paid)	(91)	1,964
-of which financial liabilities previously recognised related to non-controlling interest's put options	*38*	*975*
-of which treasury shares of subsidaries used in share-based payment transactions	*16*	*-*
Contingent consideration recognised	(30)	-
Effect of reciprocal ownership interests and taxes	-	25
Adjustment to equity	**(67)**	**2,964**
-of which adjustment to non-controlling interests	*(44)*	*5,860*
-of which adjustment to equity attributable to owners of the parent	*(23)*	*(2,896)*

The amount invested in 2019 is primarily related to Adevinta's increase of ownership interest in Schibsted Classified Media Spain SL to 100 percent.

Future changes in the composition of the Group

In July 2020, Schibsted announced that its subsidiary Adevinta ASA had signed an agreement to acquire 100 percent of eBay Classified Group being the global classifieds operations of eBay Inc (eBay). The transaction is expected to close in the second quarter of 2021. Under the terms of the agreement, eBay will receive a consideration of USD 2.5 billion in cash (subject to closing adjustments) and approximately 540 million shares in Adevinta representing an ownership interest of 44.1 percent of the capital and 33.3 percent of the votes.

Effects for accounting until closing

Adevinta is classified as a disposal group held for sale with effect from signing of the agreement (20 July 2020). The assets and liabilities of Adevinta are presented separately within current items in the statement of financial position. Previous periods are not re-presented. No depreciation, amortisation or impairment losses are recognised for non-current assets while being part of a disposal group classified as held for sale. Further, the use of the equity method of accounting is discontinued for investments in joint ventures and associates of a disposal group.

Adevinta represents a separate major line of business and is therefore classified as a discontinued operation with effect from signing of the agreement. The post-tax profits of discontinued operations are presented in a separate line item in the income statement. Previous periods are re-presented. The gain on loss of control to be recognised on closing will be reported in the same line item.

See Note 32 Assets held for sale and discontinued operations for further information.

Effects for accounting post-closing

Following the acquisition by Adevinta, Schibsted's ownership interest will be reduced to 33.1 percent of the capital and 39.5 percent of the votes and the acquisition will have the following effects for the consolidated financial statements of Schibsted:

- Schibsted will lose control of Adevinta and will cease to consolidate Adevinta with effect from closing of the acquisition.
- Gain on loss of control will be recognised on closing. As part of recognising such gain, the retained interest in Adevinta will be recognised at its fair value.
- Subsequent to closing of the acquisition, the retained interest in Adevinta will be accounted for as an associate applying the equity method of accounting. Share of profit recognised will reflect Schibsted's share of profit (loss) as reported by Adevinta with appropriate adjustments for depreciation and amortisation of non-current assets based on their fair values when equity accounting commences.

Acquisition of eBay DK

Following Adevinta's acquistion of eBay, Schibsted has entered into an agreement with Adevinta to acquire the Danish operations of eBay Classifieds Group immediately after closing of Adevinta's acquisition. The agreement values eBay Classifieds Denmark at USD 330 million on an enterprise value basis. The transaction is expected to be closed in the second quarter of 2021.

Note 5 - Investments in joint ventures and associates

Principle

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

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

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

Equity method

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

Dividends received reduce the carrying amount of the investment.

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

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

Changes in ownership

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

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

Development in net carrying amount	2020 Joint ventures	2020 Associates	2020 Total	2019 Joint ventures	2019 Associates	2019 Total
As at 1 January	**3,688**	**831**	**4,519**	**3,679**	**549**	**4,228**
Change in accounting principle IFRS 16	-	-	-	-	(5)	(5)
Additions	844	201	1,045	34	330	365
Disposals	-	(24)	(24)	-	-	-
Transition from (to) subsidiaries	-	(20)	(20)	-	-	-
Transition from (to) equity instruments	-	12	12	-	21	21
Transition from (to) receivables	-	-	-	21	-	21
Share of profit (loss) from continuing operations	**(12)**	**(32)**	**(44)**	**(7)**	**(51)**	**(58)**
Share of profit (loss) from discontinued operations	**43**	**(28)**	**15**	**63**	**(3)**	**59**
Share of other comprehensive income	-	(3)	(3)	-	-	-
Increase from dividend received from subsidiary (reciprocal interests)	-	15	15	-	38	38
Retained gain	-	(26)	(26)	-	-	-
Gain	-	28	28	-	6	6
Impairment loss	-	(29)	(29)	-	(3)	(3)
Capital decrease and dividends received	(23)	(2)	(25)	(11)	(33)	(44)
Share of transactions with the owners of joint ventures and associates	-	(14)	(14)	-	(19)	(19)
Foreign exchange differences	(870)	51	(819)	(90)	(2)	(92)
Reclassified as held for sale	(3,609)	(100)	(3,709)	-	-	-
As at 31 December	**62**	**860**	**922**	**3,688**	**831**	**4,519**
-of which presented in Investments in joint ventures and associates	*62*	*860*	*922*	*3,688*	*841*	*4,529*
-of which presented in Other current liabilities	*-*	*-*	*-*	*-*	*(10)*	*(10)*

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

	Country of incorporation	2020 Interest held	2020 Joint ventures	2020 Associates	2019 Interest held	2019 Joint ventures	2019 Associates
Continuing operations:							
Our Interest Holding AB	Sweden	50.00%	60	-	50.00%	45	-
Polaris Media ASA	Norway	28.97%	-	207	28.97%	-	201
Rocker AB (previously Bynk AB)	Sweden	32.00%	-	157	32.00%	-	175
TT Nyhetsbyrån AB	Sweden	39.64%	-	111	39.64%	-	88
Norsk Telegrambyrå AS	Norway	29.47%	-	53	29.47%	-	48
PodMe AB	Sweden	42.58%	-	51	22.93%	-	11
eEducation Albert AB	Sweden	21.99%	-	38	24.60%	-	28
AddHealth Media AB	Sweden	26.81%	-	36	26.81%	-	29
Mindler AB	Sweden	11.80%	-	35	-	-	-
Insurello AB	Sweden	20.30%	-	33	14.07%	-	12
Capcito Finance AB	Sweden	13.65%	-	26	14.09%	-	30
Hjemmelegene AS	Norway	28.86%	-	26	-	-	-
Fixrate AS	Norway	13.07%	-	20	-	-	-
Hygglo AB	Sweden	33.79%	-	18	24.33%	-	6
Habity AB	Sweden	22.62%	-	4	22.62%	-	19
Harvest Funds AS	Norway	-	-	-	12.86%	-	18
Other			2	45		4	55
Total continuing operations			**62**	**860**		**49**	**721**
Discontinued operations:							
Silver Brazil JVCO BV	Netherlands	50.00%	-	-	50.00%	3,571	-
Willhaben Internet Service GmbH	Austria	50.00%	-	-	50.00%	68	-
Younited SA	France	10.51%	-	-	10.94%	-	115
Other			-	-		-	(6)
Total discontinued operations			**-**	**-**		**3,639**	**109**
Carrying amount as at 31 December			**62**	**860**		**3,688**	**831**

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

Description of the business of the joint ventures and associates:

Our Interest Holding AB	A financial intermediation service for home loans
Polaris Media ASA	A Norwegian media group that operates local and regional media houses
Rocker AB (previously Bynk AB)	A tech company reshaping the retail banking industry
TT Nyhetsbyrån AB	A Swedish news agency
Norsk Telegrambyrå AS	A Norwegian news agency
PodMe AB	Operates a podcast service
eEducation Albert AB	Operates an application that educates children in mathematics
AddHealth Media AB	An online communication platform for health and well-being
Mindler AB	Operates an online psychologist service
Insurello AB	Processes insurance claims for consumers focusing on automating accident insurance claims
Capcito Finance AB	Pioneering automated financing for small and medium-sized enterprises
Hjemmelegene AS	Operates a doctor home visit service
Fixrate AS	Marketplace helping companies achieve the best conditions for their bank deposits
Hygglo AB	Marketplace for rentals between persons
Habity AB	A webportal providing digital services related to the housing market
Harvest Funds AS	A tech company doing research on investment strategies
Silver Brazil JVCO BV	Operates an online classified site in Brazil (olx.com.br)
Willhaben Internet Service GmbH	Operates online classified sites in Austria (willhaben.at, car4you.at, and autopro24.at)
Younited SA	Operates peer-to-peer lending marketplaces in France, Italy and Spain (younited-credit.com, it.younited-credit.com and es.younited-credit.com)

Note 6 - Operating segments

Principle

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

As announced on 1 April 2020, Schibsted has adjusted the reporting structure effective first quarter 2020. The main change is that costs from centralised product and technology developments and services, which have previously been reported under the Other/Headquarters segment, is now allocated to the operating segments. In addition, digital revenues will replace online revenues which included an allocation of combined subscription revenues in the past. Operating segments and disaggregation of revenues for 2019 were restated retrospectively to give comparable information.

Schibsted's operating segments are Nordic Marketplaces, News Media, Financial Services and Growth. With effect from 20 July 2020, Adevinta is excluded from the operating segment disclosures and disaggregation of revenues as it is classified and presented as discontinued operations. See Note 4 Changes in the composition of the Group for further information.

Nordic Marketplaces comprises online classified operations in Norway (Finn), Sweden (Blocket) and Finland (Tori and Oikotie from 16 July 2020). These operations provide technology-based services to connect buyers and sellers and facilitate transactions, from job offers to real estate, cars, travel, consumer goods and more. Nordic Marketplaces also includes adjacent businesses such as Nettbil and Qasa.

News Media comprises news brands such as VG, Aftenposten, Bergens Tidende in Norway and Aftonbladet and Svenska Dagbladet in Sweden both in paper and digital formats, in addition to printing plant operations in the Norwegian market.

Financial Services consists of a portfolio of companies in the digital personal finance space, mainly in Norway and Sweden. Lendo is the key brand in the portfolio, offering digital marketplaces for consumer lending.

Growth consists of a portfolio of digital companies operating mainly in Norway and Sweden, such as Prisjakt. In addition, the distribution operations in Norway deliver not only newspapers but also parcels for businesses and consumers.

Other / Headquarters comprises operations not included in the other reported operating segments, including the Group's headquarter Schibsted ASA and other centralised functions including Product and Technology.

Eliminations comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

In the operating segment information presented, Gross operating profit (loss) is used as measure of operating segment profit (loss). For internal control and monitoring, Operating profit (loss) is also used as measure of operating segment profit (loss).

2020	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Operating revenues	**3,181**	**7,383**	**1,100**	**2,613**	**668**	**(2,037)**	**12,908**
-of which internal	*84*	*804*	*2*	*552*	*594*	*(2,037)*	*-*
Gross operating profit (loss)	**1,336**	**731**	**203**	**127**	**(272)**	**-**	**2,126**
Depreciation and amortisation	(182)	(437)	(35)	(104)	(71)	-	(829)
Share of profit of joint ventures and associates	-	50	(72)	(22)	-	-	(44)
Impairment loss	(4)	(1)	(5)	(44)	(7)	-	(61)
Other income and expenses	(108)	30	(2)	7	(18)	-	(90)
Operating profit (loss)	**1,043**	**372**	**90**	**(35)**	**(368)**	**-**	**1,101**

See Note 7 Revenue recognition and Note 12 Other income and expenses for further information.

2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Operating revenues	**3,062**	**7,465**	**1,054**	**2,165**	**579**	**(1,672)**	**12,653**
-of which internal	*93*	*570*	*1*	*589*	*418*	*(1,672)*	*-*
Gross operating profit (loss)	**1,360**	**633**	**169**	**98**	**(284)**	**-**	**1,977**
Depreciation and amortisation	(103)	(338)	(30)	(85)	(258)	-	(813)
Share of profit of joint ventures and associates	-	12	(64)	(6)	-	-	(58)
Impairment loss	(7)	(3)	-	(23)	(3)	-	(35)
Other income and expenses	(13)	(63)	(1)	-	(73)	-	(151)
Operating profit (loss)	**1,238**	**241**	**74**	**(16)**	**(617)**	**-**	**920**

See Note 7 Revenue recognition and Note 12 Other income and expenses for further information.

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

Operating revenues	2020	2019
Norway	7,663	7,736
Sweden	4,851	4,549
Finland	255	170
Other Europe	131	184
Other countries	8	13
Total	**12,908**	**12,653**

Non-current assets	2020	2019
Norway	2,973	3,657
Sweden	2,951	2,601
Finland	2,166	25
France	-	6,751
Spain	-	5,148
Other Europe	951	2,314
Other countries	-	4,568
Total	**9,040**	**25,063**

The non-current assets comprise assets, excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period.

Note 7 - Revenue recognition

Principle

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

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

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

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

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

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

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

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

For contributions received accounted for as government grants related to income under IAS 20, the accounting policy of Schibsted is to recognise such grants when there is reasonable assurance that the conditions attaching to the grant will be complied with and that the grants will be received. The grants are recognised as income unless directly related to specific items of expense.

Significant judgement and estimation uncertainty

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

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

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

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

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

2020	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	2,379	-	-	-	-	(1)	2,377
Advertising revenues	449	2,257	-	278	-	(155)	2,829
-of which digital	*449*	*1,575*	-	*278*	-	*(149)*	*2,153*
Subscription revenues	-	2,654	-	253	-	(2)	2,905
-of which digital	-	*1,088*	-	*249*	-	-	*1,336*
Casual sales	-	1,256	-	-	-	-	1,256
Other revenues	352	1,069	1,100	2,076	604	(1,768)	3,434
Revenues from contracts with customers	**3,179**	**7,236**	**1,100**	**2,607**	**604**	**(1,927)**	**12,800**
Revenues from lease contracts, government grants and others	1	146	-	6	64	(110)	107
Operating revenues (Note 6)	**3,181**	**7,383**	**1,100**	**2,613**	**668**	**(2,037)**	**12,908**

In 2020 revenues from lease contracts were NOK 8 million and government grants were NOK 99 million, of which NOK 49 million was related to COVID-19 relief measures.
Other revenues are mainly revenues from distribution operations and commissions.

2019	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters	Eliminations	Schibsted
Classifieds revenues	2,350	-	-	-	-	(2)	2,349
Advertising revenues	457	2,559	-	258	-	(140)	3,134
-of which digital	*457*	*1,634*	-	*258*	-	*(123)*	*2,227*
Subscription revenues	-	2,550	-	212	-	(2)	2,760
-of which digital	-	*901*	-	*212*	-	-	*1,113*
Casual sales	-	1,358	-	-	-	-	1,358
Other revenues	253	917	1,053	1,695	441	(1,368)	2,991
Revenues from contracts with customers	**3,061**	**7,384**	**1,054**	**2,165**	**441**	**(1,512)**	**12,592**
Revenues from lease contracts, government grants and others	1	81	-	-	138	(160)	61
Operating revenues (Note 6)	**3,062**	**7,465**	**1,054**	**2,165**	**579**	**(1,672)**	**12,653**

In 2019 revenues from lease contracts were NOK 9 million and government grants were NOK 50 million.
Other revenues are mainly revenues from distribution operations and commissions.

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

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

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2020	1,927	224	1,109
Net of cash received and revenues recognised during the period	(59)	244	48
Transfer from contract assets recognised at the beginning of the period to receivables	239	(239)	-
Business combination	13	1	12
Impairment losses recognised	(112)	-	-
Disposals	(30)	(8)	(6)
Reclassified as held for sale	(888)	(62)	(612)
Foreign exchange differences	93	13	49
Balance as at 31 December 2020	**1,183**	**173**	**600**

Amounts presented for items of profit or loss in the reconciliation above include amounts related to discontinued operations. The amounts may therefore deviate from similar line items presented in other parts of this report including amounts related to continuing operations only.

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2019	1,880	280	1,085
Net of cash received and revenues recognised during the period	(192)	214	33
Transfer from contract assets recognised at the beginning of the period to receivables	279	(279)	-
Business combination	57	12	1
Impairment losses recognised	(71)	-	-
Foreign exchange differences	(25)	(2)	(10)
Balance as at 31 December 2019	**1,927**	**224**	**1,109**

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

Contract costs

In 2020 there were no significant incremental commission fees capitalised and no impairment loss related to capitalised contract costs was recognised.

Note 8 - Other operating expenses

	2020	2019
Distribution	1,291	1,114
Commissions	627	592
Rent, maintenance, office expenses and energy	194	229
PR, advertising and campaigns	1,079	1,167
Printing contracts	181	215
Editorial material	365	351
Professional fees	676	722
Travelling expenses	82	195
IT expenses	617	598
Other operating expenses	311	283
Total	**5,422**	**5,467**

Note 9 - Personnel expenses and remuneration

	2020	2019
Salaries and wages	3,833	3,627
Social security costs	727	704
Net pension expense (Note 11)	459	439
Share-based payment (Note 10)	45	33
Other personnel expenses	138	191
Capitalised salaries, wages and social security costs	(297)	(201)
Total	**4,905**	**4,793**
Number of full-time equivalents	**9,342**	**8,391**
-of which continuing operations	*5,140*	*4,908*
-of which discontinued operations	*4,202*	*3,483*

Executive Compensation for Schibsted excluding Adevinta

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

Salary and other remuneration

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

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

Fixed salary

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

Directors' fees

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

Benefits in kind and other special schemes

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

Variable pay – short-term incentive scheme

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

Pension schemes

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

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

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

Severance pay

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

Share-based programmes

Long-term incentive schemes for executives

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

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

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

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

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

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

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

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

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

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

The long-term incentive plan (the "LTI Plan"), proposed by the Board of Directors and approved on the Annual General Meeting of 2018, along with adjustments proposed by the Board of Directors and approved on the Annual General Meeting of 2019, is proposed to be replaced by two new LTI plans during 2021.

The currently running LTI programmes (SEP 2017, LTIP 2019, and LTIP 2020) will be unaffected and run according to their original time schedules and will overtime be phased out as they vest.

Mandatory shareholding requirements

The Board of Directors believes that, in order to further align the interests of senior executives and Schibsted's shareholders, the CEO and members of the executive management team should have a significant financial ownership of Schibsted shares. The Group CEO is expected to build up and maintain an interest in Schibsted shares with a value equal to at least four times the CEO's fixed salary. Other members of the executive management team are expected to build up and maintain an interest in Schibsted shares with a value equal to at least two times their fixed salary. No corresponding expectations apply to the other LTI participants.

Share-saving programme for all Group employees

In order to motivate and retain employees, all Group employees are invited annually to invest up to 5 percent of their annual base salary, subject to a maximum of NOK 50,000, in Schibsted B-shares. The purchase funds are deducted monthly from the participant's net salary and the share purchase is made on market terms four times a year, after the release of Schibsted's quarterly results. Employees who choose to hold their shares for two years (the "Holding Period") and who are still employed by the Group at the end of the Holding Period, are entitled to receive one free bonus share from Schibsted per two shares purchased and held during the Holding Period.

Remuneration principles and implementation in the previous fiscal year ending 31 December 2020

The implementation of executive remuneration principles during 2020 has overall been in line with the described principles in the Statement of Executive Compensation for 2020, previously approved by Schibsted's Annual General Meeting.

Agreements entered into or amended in 2020 and their impact on the company and the shareholders

In 2020 Schibsted entered into agreements with selected executives regarding participation in the share-based long-term incentive plan (the LTI Plan). The Board of Directors believes that share-based remuneration promotes value creation in the Group and that the impact these agreements have on the company and shareholders is positive.

Implementation of the Shareholder Rights Directive II (SRD 2) into Norwegian law.

As of 1 January 2021, Norwegian legislation has adopted the new law regarding the Shareholder Rights Directive II. In accordance with the new legislation, the Board of Directors will present a Remuneration Policy for the Annual General Meeting's voting in 2021. The Remuneration Policy will replace the Statement of Executive Compensation when approved by the Annual General Meeting and thereafter be the guiding and steering document regarding the executive compensation principles going forward.

Details of salary, variable pay and other benefits provided to Group management in 2020 (in NOK 1,000):

Members of Group management	Salary incl. holiday pay	Variable pay	Shared-based payment (earned 2020)[1)]	Other benefits	Total remuneration	Accrued pension expenses
Kristin Skogen Lund	4,571	890	3,798	239	9,497	947
Ragnar Kårhus[3)]	2,930	1,343	1,538	210	6,022	340
Raoul Grünthal[2)]	3,942	509	4,298	60	8,809	1,175
Siv Juvik Tveitnes	2,635	509	1,426	301	4,871	330
Christian Printzell Halvorsen[3)]	2,653	1,283	827	216	4,980	581
Mette Krogsrud	2,467	509	1,313	204	4,493	308
Sven Størmer Thaulow	2,434	509	2,946	210	6,099	290

1) Cost details and valuation of share-based payment is disclosed in Note 10 Share-based payment.
2) Some of the members receive salary in other currencies than NOK. Average annual exchange rate is used to translate the numbers in the table above to NOK.
3) Variable pay includes bonus related to Adevinta's agreed acquisition of eBay Classifieds group.

The development in number of shares not-vested in share-based payment programmes for the Group management in 2020 is as follows:

Members of Group management	Shares not-vested 1 January 2020	Shares granted[1)]	Adjustment shares granted[2)]	Shares vested[3)]	Shares not-vested 31 December 2020[4)]
Kristin Skogen Lund	29,132	26,104	5,468	-	60,704
Ragnar Kårhus	12,050	10,312	2,194	-	24,556
Raoul Grünthal	55,158	12,403	9,292	(10,163)	66,690
Siv Juvik Tveitnes	9,352	8,798	4,718	(552)	22,316
Christian Printzell Halvorsen	-	12,318	1,700	-	14,018
Mette Krogsrud	10,282	8,798	1,872	-	20,952
Sven Størmer Thaulow	23,035	8,798	1,872	(1,699)	32,006

1) Shares granted reflects shares granted for the 2020 programme and other bonuses settled in shares.
2) Adjustment shares granted mainly reflects changes in estimated payout from grant date.
3) Share price for vested shares is NOK 235.
4) Number of shares includes tax, which will be deducted and withheld at share transfer.

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

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

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

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

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

1) Shares granted reflects shares granted for the 2019 programme and other bonuses settled in shares.
2) Adjustment shares granted mainly reflects forfeited shares.
3) Share price for vested shares is NOK 233.
4) Number of shares includes tax, which will be deducted and withheld at share transfer.

Remuneration to the Board of Directors in 2020 (in NOK 1,000):

Members of the Board and Committees:	Board remuneration	Committee remuneration	Board remuneration from other Group companies	Total remuneration
Ole Jacob Sunde, Chair of the Board and the Compensation Committee	1,094	129	-	1,223
Christian Ringnes, Member of the Board and Chair of the Audit Committee	513	190	-	703
Birger Steen, Member of the Board and the Audit Committee*	613	117	-	730
Philippe Vimard, Member of the Board and the Compensation Committee*	613	84	-	697
Anna Mossberg, Member of the Board and the Audit Committee*	563	117	-	680
Eugénie van Wiechen, Member of the Board*	613	-	-	613
Satu Huber, Member of the Board from May 2020	345	-	-	345
Karl-Christian Agerup, Member of the Board from May 2020	345	-	-	345
Marianne Budnik, Member of the Compensation Committee and of the Board until May 2020*	255	84	-	339
Ingunn Saltbones, Employee representative of the Board and the Compensation Committee	513	84	-	597
Torbjörn Harald Ek, Employee representative of the Board*	563	-	-	563
Finn Våga, Employee representative of the Board*	563	-	-	563
Maria Elisabet Carling, Deputy employee representative of the Board	23	-	-	23
Henning Spjelkavik, Deputy employee representative of the Board	23	-	55	78
Total	**6,639**	**805**	**55**	**7,499**

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

Remuneration of the Nomination Committee

Remuneration to the Chair of the Nomination Committee was NOK 138,000 and NOK 85,000 to the other members of the committee.

Note 10 - Share-based payment

Principle

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

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

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

Long-term incentive programmes
In 2015, Schibsted introduced the annual rolling programmes, Key Contributor Plan (KCP) and Senior Executive Plan (SEP). The 2015 programmes initially included 128 participants. The 2016 programmes initially included 117 participants. The 2017 programmes initially included 103 participants.

In 2018, the LTI programmes were replaced by the LTI Plan. As from the final payout of the KCP programmes in the first quarter of 2020, the KCP programmes have fully vested and will no longer be in use. All programmes that started before 2018 will remain in force for the duration of these programmes.

The 2018 programme includes 31 participants. Originally the LTI plan from 2018 included 90 participants. Some have resigned since then, but most of the decrease is due to the Adevinta spin-off in 2019. The 2019 programme initially included 54 participants and the 2020 programme 56 participants.

	2020	2019
Share-based payment (included in personnel expenses)	45	33

Equity settled in Schibsted shares.

	2020	2019
Liabilities recognised from share-based payment transactions	-	21

Key Contributor Plan and Senior Executive Plan
The SEP is a five-year programme applicable for the CEO and Schibsted Executive Team, while KCP is a three-year programme applicable for managers in key subsidiaries, high potentials and key contributors across the Group. All participants need to show strong performance to stay eligible for the long-term incentive programmes.

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

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

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

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

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

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

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

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

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

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

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

Number of shares in the LTI Plan, SEP and KCP programmes settled in Schibsted shares[1]:

	2020	2019
Number of shares granted, not-vested at 1 January	357,418	410,527
Number of shares granted	178,440	210,063
Number of shares adjusted Adevinta spin-off[2]	-	41,194
Number of shares forfeited	(10,778)	(56,296)
Number of shares vested during the period	(52,988)	(90,810)
Adjustments shares granted[3]	41,523	-
Modification Adevinta employees[4]	-	(157,260)
Number of shares not-vested at 31 December[5]	**513,615**	**357,418**
Average share price at vesting date (NOK per share)	235	233
Weighted average fair value at grant date (NOK per share)	201	212

1) Number of shares includes employee's tax obligation, which will be deducted and withheld at transfer of shares to employees.

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

3) Adjustment shares granted mainly reflects changes in estimated payout from grant date.

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

5) An amount of NOK 77 million (NOK 47 million) is estimated to be paid to tax authorities as part of equity-settled programmes not-vested at 31 December.

The fair value of shares granted is measured at grant date by adjusting the quoted price by expected dividend yield.

Share-saving programme for all Group employees

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

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 the second quarter of 2019 there were certain modifications to the settlement of the rights under the Schibsted schemes and in addition Adevinta's Board of Directors later decided that the awards which Adevinta employees had from the Schibsted employee share-saving programme would be settled in cash. Existing performance awards in the LTI programme were pro-rated and measured just prior to the demerger date and were 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 programme were settled in cash. KCP pay-out was divided into two tranches with vesting date May 2019 and April 2020 respectively. SEP maintained the initial vesting dates that would correspond to each of the remaining tranches.

Note 11 - Pension plans

Principle

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

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

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

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

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

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

Significant judgement and estimation uncertainty

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

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

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

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

As at 31 December 2020 the funded defined benefit plans in Norway covered approximately 642 working members (780 in 2019) and 0 retirees. Estimated contributions in 2021 to the above mentioned funded defined benefit plans amount to approximately NOK 67 million. Future contributions will be dependent on the accumulation period for each member's pension rights according to the principle of linear accumulation.

The terms related to contributions to defined contribution plans in Norway are mainly uniform, and for most companies the contribution in 2020 amounts to 5.55 percent of salaries within the interval from 1G to 7.1G and 8 percent in the interval from 7.1G to 12G. The plans include disability pension.

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

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

The Group has certain pension schemes in Norway and Sweden established as multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2020 and 2019 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

The amounts recognised in income statement and in comprehensive income:

	2020	2019
Current service cost	84	92
Past service cost and gains and losses arising from settlements	(22)	(14)
Net interest on the net defined benefit liability (asset)	20	25
Remeasurements of the net defined benefit liability	147	(40)
Net pension expense defined benefit plans	**229**	**62**
Pension expense defined contribution plans	269	247
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	106	104
Net pension expense	**604**	**412**
-of which included in Profit or loss - Personnel expenses (Note 9)	*459*	*439*
-of which included in Profit or loss - Other income (Note 12)	*(21)*	*(10)*
-of which included in Profit or loss - Financial expenses (Note 13)	*20*	*25*
-of which included in Other comprehensive income - Remeasurements of defined pension liabilities	*147*	*(40)*

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

The amounts recognised in the statement of financial position:

	2020	2019
Present value of funded defined benefit obligations	1,533	1,420
Fair value of plan assets	(1,117)	(1,081)
Present value of unfunded defined benefit obligations	739	757
Net pension liability	**1,154**	**1,095**

The average duration of the defined benefit plan obligations at the end of the reporting period is 16 years (15 years).

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

	2020 Net pension liability	2020 Defined benefit obligations	2020 Plan assets	2019 Net pension liability	2019 Defined benefit obligations	2019 Plan assets
As at 1 January	1,095	2,176	1,081	1,241	2,259	1,017
Current service cost	102	102	-	102	99	(3)
Past service cost and gains and losses arising from settlements	(22)	(75)	(53)	(14)	(49)	(35)
Interest income and expense	20	45	25	25	54	28
Remeasurements (see below)	148	156	8	(45)	(37)	8
Contributions to the plan	(62)	2	64	(113)	2	115
Payments from the plan	(48)	(49)	(1)	(67)	(68)	(1)
Reclassified as held for sale	(78)	(78)	-	(26)	(75)	(49)
Business combinations and disposals	12	6	(6)	18	18	-
Social security costs	(15)	(15)	-	(25)	(25)	-
Foreign exchange differences	3	3	-	-	-	-
As at 31 December	**1,154**	**2,271**	**1,117**	**1,095**	**2,176**	**1,081**

Amounts presented for items of profit or loss in the reconciliation above include amounts related to discontinued operations. The amounts may therefore deviate from similar line items presented in other parts of this report including amounts related to continuing operations only.

Remeasurements of defined benefit pension obligations include:

	2020	2019
Actuarial gains and losses arising from changes in financial assumptions	173	(60)
Other remeasurements (experience adjustments)	(18)	24
Remeasurements of defined benefit pension obligations	**156**	**(37)**

Remeasurements of fair value of plan assets include:

	2020	2019
Return on plan assets, excluding amounts included in interest	9	4
Cost of managing plan assets	(6)	(6)
Other remeasurements (experience adjustments)	5	10
Remeasurements of fair value of plan assets	**8**	**8**

The fair value of plan assets is disaggregated by class:

	2020	Quoted in active markets	Unquoted	2019	Quoted in active markets	Unquoted
Equities	8.5 %	90%	10%	14.8%	90%	10%
Alternative investments	0.3 %	-	100%	1.1%	-	100%
Real estate	15.1 %	-	100%	13.4%	-	100%
Bonds	9.7 %	95%	5%	11.2%	95%	5%
Corporate bonds	22.4 %	80%	20%	14.7%	80%	20%
Bonds - loans and receivables	34.9 %	80%	20%	36.4%	80%	20%
Money market / other	9.1 %	100%	-	8.3%	100%	-
Total	**100.0 %**			**100.0%**		

The actual return on plan assets (value-adjusted return on relevant portfolio of assets) was approximately 5.6 percent in 2020 and approximately 6.1 percent in 2019.

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

	2020	2019
Discount rate	1.70%	2.30%
Future salary increases	2.25%	2.25%
Future increase in the social security base amount	2.00%	2.00%
Future pension increases	0.00%	0.50%

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

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

	2020	2019
Discount rate - increase 0.5 percentage points	(224)	(236)
Discount rate - decrease 0.5 percentage points	261	254
Future salary increases - increase 0.5 percentage points	148	140
Future salary increases - decrease 0.5 percentage points	(140)	(156)
Future increase in social security base amount - increase 0.5 percentage points	(63)	(80)
Future increase in social security base amount - decrease 0.5 percentage points	57	50
Future pension increases - increase 0.5 percentage points	160	153
Future pension increases - decrease 0.5 percentage points*	(36)	(160)

* a further reduction of 0.50 percent would have no effect for companies that already apply 0.00 percent.

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

Note 12 - Other income and expenses

Principle

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

Gain on amendments and curtailment of pension plans includes gain on curtailment of pension plans related to restructuring of NOK 21 million.

In 2020 Schibsted recognized a gain of NOK 63 million related to the sale of Fædrelandsvennen, Lindesnes Avis, Lister and the distribution business in Agder, as well as a gain of NOK 51 million from sale of investment property. Restructuring costs are mainly expenses related to headcount reductions in News Media. Transaction-related costs mainly relate to the acquisition of Oikotie and the announced acquisition of eBay Denmark.

	2020	2019
Gain on sale of subsidiaries, joint ventures and associates	75	1
Gain on sale of intangible assets, property, plant and equipment and investment property	51	-
Gain on amendments and curtailment of pension plans	21	10
Total other income	**146**	**11**
Restructuring costs	(134)	(122)
Transaction-related costs	(101)	(35)
Loss on sale of subsidiaries, joint ventures and associates	(2)	-
Loss on sale of intangible assets, property, plant and equipment and investment property	-	(4)
Total other expenses	**(237)**	**(162)**

Note 13 - Financial items

Financial income and expenses consist of:

	2020	2019
Interest income	29	74
Net foreign exchange gain	3	12
Other financial income	5	4
Total financial income	**37**	**89**
Interest expenses	(176)	(163)
Other financial expenses	(21)	(16)
Total financial expenses	**(197)**	**(179)**
Net financial items	**(161)**	**(90)**
Net foreign exchange gain (loss) consist of:		
Net foreign exchange gain (loss) currency derivatives	(6)	35
Net foreign exchange gain (loss) other financial instruments	9	(23)
Net foreign exchange gain (loss)	**3**	**12**

Schibsted hedges the majority of its currency exposure by using loans and derivatives, see Note 24 Financial risk management.

Interest expenses relate to:

	2020	2019
Loans and borrowings	(88)	(75)
Pension liabilities (Note 11)	(20)	(25)
Lease liabilities (Note 19)	(65)	(60)
Put options and contingent considerations (Note 22)	(3)	(3)
Interest expenses	**(176)**	**(163)**

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

	2020	2019
Interest income	29	74
Interest expenses	(170)	(176)

Note 14 - Income taxes

Principle

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

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

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

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

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

Significant judgement and estimation uncertainty

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

The Group's income tax expense comprises the following:

	2020	2019
Current income taxes	267	239
Deferred income taxes	(496)	49
Tax expense (income)	**(229)**	**288**
-of which recognised in profit or loss	*(128)*	*275*
-of which recognised in other comprehensive income	*(102)*	*11*
-of which recognised in equity	*-*	*2*

The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2020	2019
Profit (loss) before taxes	941	829
Tax expense based on weighted average tax rates	211	186
Prior period adjustments	3	2
Tax effect of share of profit (loss) from joint ventures and associates	9	12
Tax effect of impairment loss on goodwill, joint ventures and associates	7	4
Tax effect of other permanent differences	(1)	19
Current period unrecognised deferred tax assets	36	52
Re-assessment of previously unrecognised deferred tax assets	(393)	-
Tax expense (income) recognised in profit or loss	**(128)**	**275**

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

Tax expense for 2020 is positively affected by NOK 393 million from re-assessment of previously unrecognised deferred tax assets. The benefit recognised is primarily related to increased probability for utilisation of previously unrecognised tax benefits following reorganisation of operations and business combinations.

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

	2020	2019
Current items	(11)	(28)
Pension liabilities	(250)	(236)
Other non-current items	(12)	1,217
Unused tax losses	(138)	(1,882)
Calculated net deferred tax liabilities (assets)	**(411)**	**(930)**
Unrecognised deferred tax assets	72	1,695
Net deferred tax liabilities (assets) recognised	**(340)**	**765**
-of which deferred tax liabilities	*351*	*944*
-of which deferred tax assets	*(690)*	*(179)*

The Group's unused tax losses are mainly related to operations in Finland, Norway and Austria. Approximately 45 percent of the unused tax losses expire during the period until 2025, 20 percent expire during the period between 2026 to 2030 and 35 percent do not expire.

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

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

	2020	2019
As at 1 January	765	667
Change in accounting policy	-	(36)
Change included in tax expenses from continuing operations	(496)	49
Change included in tax expenses from discontinued operations	(188)	(22)
Change from purchase and sale of subsidiaries	167	119
Reclassified as held for sale	(649)	(5)
Foreign exchange differences	63	(8)
As at 31 December	**(339)**	**765**

Note 15 - Earnings per share

Principle

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

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

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

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

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

Weighted average number of shares	2020	2019
Weighted average number of shares for basic earnings per share	233,867,926	237,327,313
Effects of dilution from share-based payment	507,778	409,306
Weighted average number of shares for diluted earnings per share	**234,375,704**	**237,736,619**

Earnings per share - total		
Profit (loss) attributable to owners of the parent for basic earnings per share	858	949
Effect of potential shares convertible into shares of subsidiaries, joint ventures or associates	1	(1)
Profit (loss) attributable to owners of the parent for diluted earnings per share	**859**	**948**
Earnings per share - basic (NOK)	3.67	4.00
Earnings per share - diluted (NOK)	3.66	3.99

Earnings per share - continuing operations		
Profit (loss) attributable to owners of the parent for basic earnings per share	1,006	486
Profit (loss) attributable to owners of the parent for diluted earnings per share	**1,006**	**486**
Earnings per share - basic (NOK)	4.30	2.05
Earnings per share - diluted (NOK)	4.29	2.04

Note 16 - Impairment assessments

Principle

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

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

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

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

Significant judgement and estimation uncertainty

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

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

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

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

The outbreak of the COVID-19 pandemic in the beginning of 2020 increased the uncertainty associated with assumptions applied for future cash flow projections and estimates dependent on assumptions about the development of risk-free rate. During the year, the uncertainty regarding the effects of the COVID-19 pandemic has significantly decreased compared to the uncertain situation in the beginning of the pandemic.

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

		Goodwill		Trademarks, indefinite	
	Operating segment	**2020**	**2019**	**2020**	**2019**
Marketplaces - Sweden	Nordic Marketplaces	922	834	-	7
Marketplaces - Finland	Nordic Marketplaces	1,172	-	566	-
Marketplaces - Norway	Nordic Marketplaces	549	549	-	-
News Media - Sweden*	News Media	363	329	2	1
News Media - Norway*	News Media	242	241	350	349
Compricer	Financial Services	128	115	53	48
Adevinta		-	9,921	-	2,907
Other CGUs		252	238	53	51
Total		**3,628**	**12,227**	**1,024**	**3,363**

*In 2020, the cash inflows in News Media were assessed no longer to be independent of each other within Norway and Sweden. The CGUs were changed accordingly.

Impairment testing / Impairment assessments

Schibsted recognised impairment losses in continuing operations related to goodwill of NOK 2 million in 2020 and NOK 19 million in 2019. Impairment loss in 2020 is related to Vinomondo in Sweden.

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

In estimating cash flows used in calculating value in use, consideration is given to the competitive situation, current developments in revenues and margins, trends and macroeconomic expectations for the relevant area of operations.

News Media experienced a significant decline in advertising and casual sales revenues in the first half of 2020 driven by the pandemic and related restrictions. However, one year into the pandemic, the news destinations have strengthened their positions – traffic is higher than before, digital advertising revenues have returned to growth and the subscription business has seen good, continued growth. Looking ahead, the most important matter is the continued transition to a future oriented, digital focused news organization with an even stronger emphasis on the subscription business.

While our Nordic Marketplaces will still be affected by the pandemic in the short term, we remain confident in the resilience and growth potential of this business and keep our medium- to long-term target to grow annual revenues by 8-12 percent for this segment.

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

Value in use of the operations in Compricer is calculated using a pretax weighted average discount rate of 8.6 percent and sustained growth of 2 percent. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2020 as follows:

Pre-tax discount rate	+1%	(46)
	(1%)	69
Sustained growth	+1%	59
	(1%)	(39)

An increase in pre-tax discount rate of one percentage point or a decrease in sustained growth of one percentage point in Compricer would have resulted in an impairment loss having to be recognised. The recoverable amount is also significantly affected by assumptions used for future cash flows which are uncertain.

For all cash-generating units pre-tax discount rates are determined by country and are in the range between 7 percent and 9.7 percent. Sustained growth is determined by cash generating unit and does not exceed 2 percent.

Note 17 - Intangible assets

Principle

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

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

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

Significant judgement and estimation uncertainty

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

Development in net carrying amount in 2020	**Goodwill**	**Trademarks, indefinite**	**Trademarks, definite**	**Software and licenses**	**Customer relations**	**Total**
As at 1 January	12,227	3,363	30	1,627	122	17,369
Additions	-	-	-	902	-	903
Acquired through business combinations	1,210	575	-	59	364	2,208
Disposals	-	-	-	(14)	(1)	(15)
Disposals on sale of businesses	(229)	(27)	-	(13)	-	(268)
Reclassified as held for sale	(10,255)	(3,063)	(21)	(1,047)	(97)	(14,483)
Amortisation from continuing operations	-	-	(5)	(376)	(21)	(402)
Amortisation from discontinued operations	-	-	(2)	(164)	(24)	(191)
Impairment loss from continuing operations	(2)	-	-	(29)	-	(31)
Foreign exchange differences	676	177	4	69	2	929
As at 31 December	**3,628**	**1,024**	**6**	**1,014**	**346**	**6,018**
-of which accumulated cost	*4,372*	*1,032*	*23*	*2,640*	*399*	*8,466*
-of which accumulated amortisation and impairment loss	*(744)*	*(8)*	*(17)*	*(1,626)*	*(53)*	*(2,447)*

Development in net carrying amount in 2019	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	11,729	3,426	12	1,228	126	16,521
Additions	-	-	-	672	1	673
Acquired through business combinations	894	41	30	334	43	1,342
Disposals	-	-	-	(3)	-	(4)
Reclassified as held for sale	(16)	(82)	-	(1)	-	(99)
Reclassification	-	8	(8)	(8)	(1)	(10)
Amortisation from continuing operations	-	-	(1)	(368)	(2)	(372)
Amortisation from discontinued operations	-	-	(2)	(182)	(42)	(225)
Impairment loss from continuing operations	(19)	-	-	(11)	-	(30)
Impairment loss from discontinued operations	(228)	-	-	(20)	-	(248)
Foreign exchange differences	(132)	(30)	-	(14)	(2)	(179)
As at 31 December	**12,227**	**3,363**	**30**	**1,627**	**122**	**17,369**
-of which accumulated cost	*15,211*	*3,371*	*127*	*4,313*	*412*	*23,433*
-of which accumulated amortisation and impairment loss	*(2,983)*	*(8)*	*(97)*	*(2,686)*	*(289)*	*(6,064)*

Additions in software and licenses mainly consists of internally developed intangible assets. Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognised as an expense when incurred. Such investments and maintenance of existing software reduced Gross operating profit by NOK 694 million in 2020 and NOK 677 million in 2019. For information on impairment loss on goodwill see Note 16 Impairment assessments. For information regarding amortisation of right-of-use assets, see Note 19 Leases.

Note 18 - Property, plant and equipment and investment property

Principle

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

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

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

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

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

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

Development in net carrying amount in 2020	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	106	103	95	545	849
Additions	-	-	4	154	158
Acquired through business combinations	-	-	-	2	2
Disposals	-	(101)	-	(19)	(120)
Disposals on sale of businesses	-	-	-	(7)	(7)
Reclassified as held for sale	-	-	-	(242)	(242)
Depreciation from continuing operations	(3)	(1)	(24)	(102)	(130)
Depreciation from discontinued operations	-	-	-	(49)	(49)
Impairment loss from continuing operations	-	-	-	(1)	(1)
Foreign exchange differences	-	-	-	21	21
As at 31 December	**102**	**0**	**75**	**302**	**480**
-of which accumulated cost	*273*	-	*1,704*	*775*	*2,752*
-of which accumulated depreciation and impairment loss	*(171)*	-	*(1,628)*	*(473)*	*(2,272)*

Development in net carrying amount in 2019	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	192	64	102	511	869
Additions	2	-	22	211	235
Acquired through business combinations	-	-	-	6	6
Disposals	(13)	(1)	-	(4)	(17)
Reclassified as held for sale	-	-	-	(8)	(8)
Reclassification	(64)	40	(2)	37	10
Depreciation from continuing operations	(9)	-	(26)	(122)	(158)
Depreciation from discontinued operations	(1)	-	-	(91)	(92)
Impairment loss from continuing operations	-	-	-	(2)	(2)
Foreign exchange differences	-	-	-	6	6
As at 31 December	**106**	**103**	**95**	**545**	**849**
-of which accumulated cost	*279*	*171*	*1,701*	*1,384*	*3,535*
-of which accumulated depreciation and impairment loss	*(173)*	*(68)*	*(1,606)*	*(840)*	*(2,686)*

Investment properties

The investment properties, consisting of a former printing plant and associated unused property reserve located in Stavanger (Norway), was sold in 2020.

Note 19 - Leases

Principle

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

At the commencement date of a lease, a lease liability is recognised for the net present value of remaining lease payments to be made over the lease term. The present value is calculated using the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. The lease term is the non-cancellable period of the lease together with periods covered by an option to extend being reasonably certain to be exercised by the Group and periods covered by an option to terminate being not reasonably certain to be exercised by the Group. Lease payments include penalties for terminating leases if the lease term reflects the exercise of such an option.

At the commencement date of a lease, a right-of-use asset, representing the right to use the underlying asset during the lease term, is recognised at cost. The cost of the right-of-use asset includes the amount of the lease liability recognised, any initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received.

Lease liabilities are subsequently increased by interest expenses and reduced by lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term or a change in the future lease payments.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Schibsted mainly has lease contracts for office buildings and vehicles used in its operations. For most leases of office equipment, like personal computers, photocopiers and coffee machines Schibsted has applied the recognition exemption for leases of low-value assets (below NOK 50 000).

Leases of office buildings generally have lease terms between 3 and 15 years, while motor vehicles generally have lease terms between 3 and 5 years.

Significant judgement and estimation uncertainty

The group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Schibsted cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. IBR is estimated using observable inputs, such as market interest rates, when available. It is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating.

Effects of leases on the consolidated statements

The Group's leases are primarily related to office buildings. Leases of a printing plant, cars and forklifts are also recognised, while leases of office equipment, like personal computers, photocopiers and coffee machines to a large degree are considered of low value and not included. Variable lease payments are insignificant.

The most significant leases are:

Address	User of the office building	End of lease term
Akersgata 55, Oslo	Norwegian group companies (Aftenposten, VG, headquarter functions)	2030
Västra Järnvägsgatan 21, Stockholm	Swedish group companies (Blocket, Aftonbladet, Svenska Dagbladet, Lendo)	2023
Grensen 5-7, Oslo	Finn.no	2030
Sandakerveien 121, Oslo	Schibsted Trykk Oslo	2025

Income statement
The following amounts relating to leases are recognised in profit or loss:

	2020	2019
Expense related to short-term leases and low value assets	-	(1)
Gross operating profit (loss)	**-**	**(1)**
Depreciation of right-of-use asset	(297)	(283)
Operating profit (loss)	**(297)**	**(284)**
Interest expense on lease liabilities	(65)	(60)
Profit (loss) before taxes	**(363)**	**(344)**

Statement of financial position
Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	Buildings and land	Equipment, furniture and similar assets	Total
As at 1 January 2019	1,798	29	1,826
Additions	908	4	913
Acquired through business combinations	22	1	23
Partial or full termination	(6)	(1)	(6)
Depreciation from continuing operations	(279)	(5)	(283)
Depreciation from discontinued operations	(112)	(12)	(124)
Reclassified as held for sale	(18)	-	(18)
Foreign exchange differences	(13)	-	(13)
As at 31 December 2019	**2,301**	**16**	**2,317**
As at 1 January 2020	2,301	16	2,317
Additions	676	17	693
Partial or full termination	(25)	(2)	(27)
Depreciation from continuing operations	(291)	(6)	(297)
Depreciation from discontinued operations	(90)	(7)	(97)
Reclassified as held for sale	(989)	(11)	(1,000)
Foreign exchange differences	29	1	31
As at 31 December 2020	**1,612**	**8**	**1,620**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020	2019
As at 1 January	2,544	2,094
Additions	693	913
Acquired through business combinations	-	23
Partial or full termination	(9)	(6)
Lease payments	(516)	(515)
Accretion of interest	89	77
Reclassified as held for sale	(1,047)	(33)
Foreign exchange differences	35	(10)
As at 31 December	**1,788**	**2,544**
-of which current	*286*	*352*
-of which non-current	*1,503*	*2,192*

The addition in 2020 is mainly related to a new office lease for Adevinta in France, included in liabilities held for sale at year end.

The table below summarises the maturity profile of lease liabilities based on contractual undiscounted payments:

	2020	2019
<3 months	62	80
3 months to 1 year	281	347
1 to 2 years	354	453
2 to 5 years	715	1068
>5 years	606	931
Total	**2,018**	**2,879**

Statement of cash flows
The following amounts related to leases are recognized in the statement of cash flows:

	2020	2019
Net cash flow from operating activities	(104)	(87)
Net cash flow from financing activities	(419)	(438)
Total	**(523)**	**(525)**

The principal portion of lease payments are classified as cash flow from financing activities. The interest portion of lease payments are classified as cash flow from operating activities together with lease payments related to short-term and low-value leases.

Future cash outflows in which Schibsted is potentially exposed to that are not reflected in the lease liability

The group has not entered into lease contracts that have not yet commenced as at 31 December 2020. The extensions options are primarily on market rates with no significant economic incentive for renewal.

Set out below are the potential future lease payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Between one and five years	More than five years	Total
Extension options expected not to be exercised	34	1,967	2,002
Termination options expected to be exercised	25	126	151
Total	**59**	**2,093**	**2,152**

The Group has certain contracts with infinitely recurring renewal periods that are not included in the table. Yearly payments for these contracts after end of lease term (2024) are NOK 75 million.

Expenses related to short-term leases are expected to remain insignificant in 2021.

Note 20 - Trade receivables and other non-current and current assets

	Non-current		Current	
	2020	**2019**	**2020**	**2019**
Trade receivables, net (Note 7 and Note 21)	-	-	1,183	1,927
Prepaid expenses	-	16	121	427
Income tax receivables	-	-	64	184
Loans to joint ventures and associates	19	17	34	21
Other shares (Note 26)	72	154	-	3
Financial derivatives (Note 26)	-	5	92	25
Other receivables	9	50	283	442
Inventories	-	-	16	17
Total	**101**	**241**	**1,792**	**3,047**

Note 21 - Trade receivables and contract assets

	2020	2019
Trade receivables	1,212	2,059
Contract assets	173	224
Less provision for expected credit losses on trade receivables and contract assets	(29)	(132)
Trade receivables and contract assets	**1,356**	**2,152**

Aging of trade receivables by due date	2020	2019
Not due	979	1,376
Past due 0-45 days	172	409
Past due 46-90 days	20	88
Past due more than 90 days	41	186
Trade receivables	**1,212**	**2,059**

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

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	2020	2019
Balance as at 1 January	132	104
Provision for expected credit losses	112	71
Write off	(50)	(41)
Disposals	(36)	-
Reclassified as held for sale	(132)	-
Foreign exchange differences	3	(2)
Balance as at 31 December	**29**	**132**

Amounts presented for items of profit or loss in the reconciliation above include amounts related to discontinued operations. The amounts may therefore deviate from similar line items presented in other parts of this report including amounts related to continuing operations only.

Schibsted assesses the loss rates to be applied when estimating provisions for expected credit losses on a regular basis. During 2020 Schibsted has also reassessed the loss rates to be applied as a result of the COVID-19 pandemic and does not expect losses on trade receivables and contract assets to increase significantly. See also Note 26 Financial instruments by category for the accounting policy for impairment losses on trade receivables and contract assets.

Schibsted

Note 22 – Financial liabilities related to business combinations and increases in ownership interests

Principle

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

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

Significant judgement and estimation uncertainty

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

	Non-controlling interests' put options		Contingent considerations	
Development in net carrying amount	**2020**	**2019**	**2020**	**2019**
As at 1 January	61	1,039	173	-
Additions	-	8	35	169
Settlement	(38)	(975)	-	-
Change in fair value recognised in equity	-	8	-	-
Change in fair value recognised in profit or loss	-	-	(36)	-
Interest expenses	1	1	3	2
Reclassified as held for sale	(25)	-	(16)	-
Foreign exchange differences	1	(20)	17	2
As at 31 December	**-**	**61**	**177**	**173**
-of which non-current (Note 23)	-	*23*	*177*	*150*
-of which current (Note 23)	-	*38*	-	*24*
The maturity profile of the financial liabilities				
Maturity within 1 year	-	38	-	24
Maturity between 1 and 2 years	-	23	30	19
Maturity between 2 and 5 years	-	-	147	130

Amounts presented for items of profit or loss in the reconciliation above include amounts related to discontinued operations. The amounts may therefore deviate from similar line items presented in other parts of this report including amounts related to continuing operations only.
The requirement to settle the liability recognised for non-controlling interests' put options is contingent on the non-controlling interest actually exercising their options.
For agreements where an option can be exercised over a period, the actual settlement may occur in later periods than presented in the maturity profile.

The most significant liability related to contingent considerations in 2020 is related to shareholdings in Qasa AB.

Note 23 – Other non-current and current liabilities

Principle

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

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

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

Significant judgement and estimation uncertainty

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

	Non-current		Current	
	2020	**2019**	**2020**	**2019**
Financial liabilities related to non-controlling interests' put options (Note 22)	-	23	-	38
Contingent considerations business combinations (Note 22)	177	150	-	24
Deferred consideration related to business combinations	-	-	-	66
Liabilities to joint ventures and associates	16	16	5	-
Trade payables	-	-	360	735
Public duties payable	-	-	607	826
Accrued salaries and other employment benefits	2	22	652	899
Accrued expenses	-	-	460	666
Provision for restructuring costs	81	59	81	70
Financial derivatives (Note 26)	-	45	212	25
Other liabilities	41	40	160	312
Total	**317**	**355**	**2,537**	**3,660**

Note 24 - Financial risk management

Capital management and funding

After the listing of Adevinta in April 2019, financing is done on a stand-alone basis for both Schibsted excluding Adevinta and Adevinta. The financial strategy and dividend policy also differ somewhat between the two companies. The following description applies to Schibsted excluding Adevinta.

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

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

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile, see Note 25 Interest-bearing loans and borrowings. The most important funding sources are banks and the Norwegian bond market. Schibsted's objective is to be considered as an investment grade rated company over time (BBB- or better). Schibsted does not have a public credit rating but has been rated by lenders in the past. Due to new regulations Schibsted will consider whether to obtain a public rating going forward. The financial flexibility is good, and the refinancing risk is considered as low.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. According to the definition of the loan agreements, the ratios were 1.36 as at 31 December 2020 and 0.41 as at 31 December 2019 excluding the effects of IFRS 16. The target level is 1-3, but being in the higher end there should always be a plan on how to reduce the gearing.

Schibsted has been granted a temporary waiver of the existing covenant in relation to the closing of the acaquistion of eBay Denmark. The waiver will last from closing of the transaction until the Bridge funding is fully repaid. In this period the existing covenant will be replaced by an interest coverage ratio.

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

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

	2020	**2019**
Non-current interest-bearing loans and borrowings	3,090	4,729
Current interest-bearing loans and borrowings	678	1,089
Cash and cash equivalents	1,306	3,866
Net interest-bearing debt	**2,462**	**1,951**
Group equity	15,853	16,882
Net gearing (net interest-bearing debt/equity)	0.16	0.12
Undrawn long-term bank facilities (Note 25)	6,806	3,946

Financial risks

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

Currency risk

Schibsted has Norwegian kroner (NOK) as its base currency, but is through its operations outside Norway also exposed to fluctuations in the exchange rates of other currencies, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has currency risks linked to both balance sheet monetary items and net investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross currency swaps) to reduce this currency exposure. The loans in foreign currencies and the financial derivatives are managed actively in accordance with the Group's financial strategy. As at 31 December 2020 the Group had entered into several forward contracts and several interest rate and cross currency swap agreements.

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

As at 31 December 2020 and 31 December 2019 Schibsted has the following forward contracts, which all mature within 12 months:

		2020		2019	
	Currency	Amount	NOK	Amount	NOK
Forward contracts, sale	SEK	1,116	1,165	646	609
Forward contracts, sale	EUR	85	890	61	601
Forward contracts, sale	DKK	481	677	-	-
Forward contracts, buy	SEK	730	762	320	302
Forward contracts, buy	EUR	279	2,921	-	-

Forward contracts for the sale of SEK 1,116 million, DKK 481 million and EUR 85 million are at 31 December 2020 designated as a hedge of the foreign exchange risk of net investments in foreign operations. The corresponding amounts at 31 December 2019 were the sale of SEK 566 million and EUR 61 million. Gains or losses on such hedging instruments are recognised in other comprehensive income as an offset to gains or losses on translation of the foreign operations. There is an economic relationship between the hedged items and the hedging instruments as the net investments creates a translation risk matching the foreign exchange risk of the hedging instruments. The underlying risk of the hedging instrument is identical to the hedged risk component. Any hedge ineffectiveness will arise if the carrying amount of the net investments is lower than the amount of the hedging instruments.

Cash flows in foreign currencies relating to considerable investments or significant individual transactions are hedged by using financial instruments. At year-end the Group had forward contracts for the purchase of EUR 279 million that are related to hedging of the acquisition of eBay Denmark.

Fair value of all the contracts accounted for as hedges was NOK (72) million as at 31 December 2020 and NOK 5 million as at 31 December 2019. Fair value of other forward contracts was NOK 9 million as at 31 December 2020 and NOK 3 million as at 31 December 2019.

The Group's foreign exchange exposure relating to operations is low, since most of the cash flows take place in the individual businesses' local currency.

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

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

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The agreements are accounted for as hedges. The fair value of the agreements was NOK (68) million as at 31 December 2020 and NOK (60) million as at 31 December 2019.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. As at 31 December 2020, 44 percent of the Group's interest-bearing debt and derivatives was in EUR. Similarly, 11 percent of the Group's interest-bearing debt and derivatives was in SEK and 18 percent was in DKK. As at 31 December 2019, 66 percent of the Group's interest-bearing debt and derivatives was in EUR and 8 percent was in SEK.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10 percent compared to the actual rate as at 31 December 2020 for SEK, EUR and DKK, the carrying amount of the Group's net interest-bearing debt and currency derivatives in total will change by approximately NOK 245 million. Such currency effects will have a limited effect on Group profits since changes in value will be tied to instruments hedging the net foreign investments or matching interest-bearing loans to non-Norwegian subsidiaries.

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

Interest rate risk

Schibsted has floating interest rates on most of its interest-bearing loans and borrowings according to the financial strategy, see Note 25 Interest-bearing loans and borrowings, and is thereby influenced by changes in the interest market. An increase of 1 percentage point in Schibsted's floating interest rate means a change in net interest expenses of approximately NOK 22 million.

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

As at 31 December 2020 Schibsted has the following interest rate swap agreements in NOK million:

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

The fair value of the interest rate swap agreements was NOK 12 million as at 31 December 2020 and NOK 7 million as at 31 December 2019. The interest rate swaps involving fixed rates are accounted for as hedges with a corresponding loss related to the hedged item.

Credit risk

Trade receivables are diversified through a high number of customers, customer categories and markets. Trade receivables consist of a combination of prepaid subscription or advertisements and sales invoiced after delivery of the product. For some receivables there is no or very little credit risk (prepaid subscription and payments made by credit card at purchase date) and for other receivables the credit risk is higher. Credit risk will also vary among countries in which Schibsted operates. To some extent credit insurance is also used. In total the credit risk is considered as low. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31 December 2020 is disclosed in Note 26 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in Note 21 Trade receivables and contract assets.

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

Liquidity risk

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

As at 31 December 2020 Schibsted has a long-term liquidity reserve of NOK 8,112 million and net interest-bearing debt is NOK 2,462 million. The liquidity reserve corresponds to 63 percent of the Group’s turnover. At the end of 2019 Schibsted's long-term liquidity reserve was NOK 6,817 million, and net interest-bearing debt was NOK 667 million, where the liquidity reserve corresponded to 54 percent of the Group's turnover.

The above risk factors may be affected by the Corona pandemic. For further details, see Note 33 COVID-19.

IBOR reform

Schibsted is following the progress of the IBOR reform - the global reform of interest rate bechmarks, which eventually will replace some interbank offered rates (IBOR) with alternative benchmark rates. Schibsted is exposed to the following base rates that potentially will affect the hedge accounting when the IBOR reform is implemented: EURIBOR, STIBOR, NIBOR. For FX swaps and forwards the reform will have limited impact. For interest rate swaps and cross-currency swaps that are hedged against loans, Schibsted will secure that the change will be implemented on both loan and derivative to prevent mismatch in the hedge.

Note 25 - Interest-bearing loans and borrowings

	Carrying amount		Fair value [1]			
Non-current interest-bearing liabilities	**2020**	**2019**	**2020**	**2019**	**Currency**	**Coupon**
Bonds						
ISIN NO0010667843 (2012-2022)	250	250	270	270	NOK	5.4%
ISIN NO0010667850 (2012-2022)	150	150	155	158	NOK	FRN: Nibor 3 months + 250 bps
ISIN NO0010710569 (2014-2021)	600	600	601	605	NOK	FRN: Nibor 3 months + 110 bps
ISIN NO0010786866 (2017-2024)	500	500	504	506	NOK	FRN: Nibor 3 months + 120 bps
ISIN NO0010797533 (2017- 2020)	-	1,000	-	1,003	NOK	FRN: Nibor 3 months + 100 bps
ISIN NO0010797541 (2017-2023)	600	600	609	613	NOK	FRN: Nibor 3 months + 145 bps
ISIN NO0010797558 (2017-2023)	300	300	311	301	NOK	2.825%
ISIN NO0010797558 (2017-2023)	1,000	-	1,041	-	NOK	FRN: Nibor 3 months + 240 bps
Total bonds	**3,400**	**3,400**	**3,490**	**3,455**		
- of this current interest-bearing liabilities	600	1,000	601	1,003		
Bank loans	280	2,302	280	2,302		
Other loans	10	26	10	26		
Total non-current interest-bearing liabilities	**3,090**	**4,729**	**3,179**	**4,781**		
Current interest-bearing liabilities						
Bonds, maturity <1 year	600	1,000	601	1,003		
Bank loans, overdrafts	77	74	77	74		
Other loans	1	15	1	15		
Total current interest-bearing liabilities	**678**	**1,089**	**679**	**1,092**		
Total interest-bearing liabilities	**3,768**	**5,817**	**3,858**	**5,872**		

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

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

	Interest-bearing liabilities	
	2020	**2019**
NOK	3,410	3,411
EUR	362	2,409
Other	1	1
Total contractual amount	**3,773**	**5,821**

Credit facilities

Schibsted has a long-term multi-currency revolving credit facility of EUR 300 million. The facility was not drawn at the end of 2020. In addition, Schibsted has entered into a Bridge facility of EUR 350 million related to the acquisition of eBay Denmark. For both facilities, the lenders consist of Nordic and international banks. The facilities have interest terms based on the relevant IBOR rate with the addition of a margin and a commitment fee to maintain the facility’s availability. The facilities are entered into on a stand-alone basis for Schibsted continued operations.

Schibsted

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

	Interest-bearing liabilities		Unutilised credit facilities	
	2020	**2019**	**2020**	**2019**
Maturity <3 months	-	-	-	-
Maturity 3 months-1 year	681	1,091	-	-
Maturity 1-2 years	481	695	6,806	-
Maturity 2-5 years	2,611	3,997	-	3,946
Maturity >5 years	-	38	-	-
Total contractual amount	**3,773**	**5,821**	**6,806**	**3,946**

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

Guarantees
The Group has provided guarantees of NOK 8 million. The Group has no mortgage debt.

Note 26 - Financial instruments by category

Principle

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes in fair value recognised in other comprehensive income is recognised in the line item Change in fair value of equity instruments.

Changes in fair value recognised in profit or loss are presented in the line items Financial expenses, Financial income and Other income and expenses.

Hedges

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

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

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

Significant judgement and estimation uncertainty

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

Estimation uncertainty is significantly reduced due to settlement of non-controlling interest put option in January 2019, see Note 22 Financial liabilities related to business combinations and increases in ownerships interests for further information.

Carrying amount of financial assets and liabilities divided into categories:

31 December 2020	Note	Financial assets and liabilities at fair value through profit (loss)[1]	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial liabilities at amortised cost	Total
Other non-current assets	20	-	28	72	-	101
Trade receivables and other current assets	20, 21	92	1,499	-	-	1,591
Cash and cash equivalents[2]		-	1,306	-	-	1,306
Total assets		**92**	**2,833**	**72**	**-**	**2,998**
Non-current interest-bearing loans and borrowings	25	-	-	-	3,090	3,090
Other non-current liabilities	23	177	-	-	140	317
Current interest-bearing loans and borrowings	25	-	-	-	678	678
Lease liabilities	19	-			1,788	1,788
Other current liabilities	23	212	-	-	1,704	1,916
Total liabilities		**389**	**-**	**-**	**7,401**	**7,790**

1) Including financial derivatives qualified for hedge accounting.
2) As at 31 December 2020 Cash and cash equivalents solely consists of bank depostis, including restricted cash of NOK 28 million related to client deposits.

31 December 2019	Note	Financial assets and liabilities at fair value through profit (loss)[1)]	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial liabilities at amortised cost	Total
Other non-current assets	20	5	67	154	-	225
Trade receivables and other current assets	20, 21	25	2,391	3	-	2,419
Cash and cash equivalents[2)]		-	3,866	-	-	3,866
Total assets		**30**	**6,324**	**157**	**-**	**6,510**
Non-current interest-bearing loans and borrowings	25	-	-	-	4,729	4,729
Other non-current liabilities	23	195	-	-	137	332
Current interest-bearing loans and borrowings	25	-	-	-	1,089	1,089
Lease liabilities	19	-			2,544	2,544
Other current liabilities	23	49	-	-	2,727	2,776
Total liabilities		**244**	**-**	**-**	**11,226**	**11,470**

1) Including financial derivatives qualified for hedge accounting.
2) As at 31 December 2019 Cash and cash equivalents solely consists of bank depostis, Including restricted cash of NOK 29 million related to client deposits.

The fair value of the Group’s financial derivatives:

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
Forward contracts	80	15	143	6
Interest rate and cross currency swaps	13	10	69	63
Warrants	-	5	-	-
Total	**92**	**30**	**212**	**70**

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

31 December 2020	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	72	72
Financial assets at fair value through profit or loss	-	92	-	92
Financial liabilities at fair value through profit or loss	-	389	177	566
Non-controlling interests' put options recognised in equity (Note 22)	-	-	-	-

31 December 2019	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	157	157
Financial assets at fair value through profit or loss	-	30	-	30
Financial liabilities at fair value through profit or loss	-	244	173	417
Non-controlling interests' put options recognised in equity (Note 22)	-	-	61	61

Changes in level 3 instruments:

	2020	**2019**
As at 1 January	(78)	(984)
Additions	66	(45)
Disposals	(13)	(27)
Settlements	35	975
Changes in fair value recognised in equity	-	(8)
Changes in fair value recognised in other comprehensive income	(27)	14
Changes in fair value recognised in profit or loss	32	(3)
Reclassified as held for sale	(118)	-
As at 31 December	**(104)**	**(78)**

Note 27 - Equity

Principle

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

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

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

The development in the number of issued and outstanding shares:

	Number of A-shares			Number of B-shares			Total number of shares		
	Shares outstanding	**Treasury shares**	**Issued**	**Shares outstanding**	**Treasury shares**	**Issued**	**Shares outstanding**	**Treasury shares**	**Issued**
As at 31 December 2018	107,747,388	256,227	108,003,615	130,581,729	102,644	130,684,373	238,329,117	358,871	238,687,988
Increase in treasury shares	(2,957,040)	2,957,040	-	(1,358,673)	1,358,673	-	(4,315,713)	4,315,713	-
Decrease in treasury shares	-	-	-	159,141	(159,141)	-	159,141	(159,141)	-
As at 31 December 2019	**104,790,348**	**3,213,267**	**108,003,615**	**129,382,197**	**1,302,176**	**130,684,373**	**234,172,545**	**4,515,443**	**238,687,988**
Increase in treasury shares	(330,390)	330,390	-	(135,000)	135,000	-	(465,390)	465,390	-
Decrease in treasury shares	-	-	-	142,261	(142,261)	-	142,261	(142,261)	-
As at 31 December 2020	**104,459,958**	**3,543,657**	**108,003,615**	**129,389,458**	**1,294,915**	**130,684,373**	**233,849,416**	**4,838,572**	**238,687,988**

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

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

The Annual Shareholder's Meeting has given the Board authorisation to acquire company's shares up to a total nominal value of NOK 11,713,051 as treasury shares. The authorisation was renewed at the Annual Shareholder's Meeting on 6 May 2020 for a period until the Annual Shareholder's Meeting in 2021. In July 2019, the Board resolved to initiate a buyback of up to 2 percent of the outstanding shares. The purpose of the buybacks was to adjust capital structure, increase the number of treasury shares available for use in connection with settlement in share based long-term incentive schemes and the employee share saving plan, as well as settlement in acquisitions. The buyback reached the desired level of 2 percent in March 2020. At the Annual Shareholder's Meeting on 5 May 2021 the Board is expected to propose a resolution to extend the authorisation for the Board to acquire and dispose of up to 10 percent of the share capital in Schibsted ASA according to the Norwegian Public Limited Liability Companies Act under the conditions evident from the notice of the Annual Shareholder's Meeting.

In 2020, Schibsted acquired 330,390 treasury A-shares and 135,000 treasury B-shares at a total purchase price of NOK 112 million.

Schibsted has in 2020 transferred a total of 25,284 treasury B-shares to key managers in connection with share-based payment plans. Fair value of treasury shares transferred was NOK 5 million.

In 2020, 116,977 treasury B-shares were sold in connection with an employee share saving plan. Total consideration was NOK 23 million.

Hedging reserves

Hedging reserves as presented in the statement of changes in equity can be split as follows:

	2020	**2019**
Cash flow hedges	(1,010)	-
Hedges of net investment in foreign operations	(323)	(186)
Total hedging reserves	**(1,333)**	**(186)**

Note 28 - Non-controlling interests

		2020				2019			
Group	**Location**	**Non-controlling interest (%)**	**Profit (loss) attributable to NCI**	**Accumulated NCI**	**Dividends paid to NCI**	**Non-controlling interest (%)**	**Profit (loss) attributable to NCI**	**Accumulated NCI**	**Dividends paid to NCI**
Adevinta group	Oslo, Norway	40.72%	(85)	5,552	-	40.72%	179	6,260	36
Finn.no group	Oslo, Norway	9.99%	62	39	60	9.99%	67	53	55
Aftonbladet Hierta group	Stockholm, Sweden	9.00%	(2)	31	-	9.00%	-	31	13
Other		-	3	53	1	-	1	40	2
Total		**-**	**(22)**	**5,675**	**61**	**-**	**247**	**6,383**	**106**

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

As at 31 December 2020, Adevinta group is classified as held for sale. See Note 4 Changes in the composition of the Group.

The ownership share in Adevinta Spain S.L was increased from 90 percent to 100 percent in January 2019.

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

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

	Finn.no group	
	2020	**2019**
Cash and cash equivalents	646	727
Other current assets	235	227
Non-current assets excluding goodwill	407	398
Goodwill	488	488
Total assets	**1,776**	**1,839**
Current liabilities	1,007	1,009
Non-current liabilities	318	300
Total liabilities	**1,325**	**1,309**
Operating revenues	1,867	2,100
Gross operating profit (loss)	916	997
Profit (loss)	514	581
Comprehensive income	512	582
Net cash flow from operating activities	698	754
Net cash flow from investing activities	(78)	(24)
Net cash flow from financing activities	(701)	(757)
Net increase (decrease) in cash and cash equivalents	**(81)**	**(28)**

Note 29 - Supplemental information to the consolidated statement of cash flows

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

	2020	2019
Interest paid	(212)	(164)
Interest received	32	49
Dividends received	25	41

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

	2020	2019
Cash in acquired companies	86	164
Acquisition cost other current assets	18	114
Acquisition cost non-current assets	2,203	1,377
Aggregate acquisition cost assets	**2,308**	**1,654**
Equity and liabilities assumed	(257)	(371)
Contingent consideration deferred	(5)	(169)
Consideration deferred paid	67	-
Deferred consideration	(1)	(67)
Gross purchase price	**2,112**	**1,047**
Cash in acquired companies	(86)	(164)
Acquisition of subsidiaries, net of cash acquired	**2,025**	**884**

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

	2020	2019
Cash in sold companies	83	2
Carrying amount other current assets	68	1
Carrying amount non-current assets	456	-
Aggregate carrying amount assets	**607**	**3**
Equity and liabilities transferred	(237)	(2)
Gain (loss)	138	(1)
Gross sales price	**509**	**1**
Cash in sold companies	(83)	(2)
Proceeds from sale of subsidiaries, net of cash sold	**426**	**(1)**

Change in ownership interests in subsidiaries consists of:

	2020	2019
Decrease in ownership interest	-	3,022
Increase in ownership interest - from settlement of put options	(38)	(975)
Increase in ownership interest - from other transactions	(53)	(82)
Change in ownership interests in subsidiaries	**(91)**	**1,964**

Changes in liabilities arising from financing activities:

	Interest-bearing loans and borrowings	Put obligations	Lease liabilities
As at 1 January 2020	5,817	61	2,544
Change in accounting policies	-	-	-
Cash flow from financing activities			
- New interest-bearing loans and borrowings	6,463	-	-
- Repayment of interest-bearing loans and borrowings	(3,187)	-	-
- Payment of principal portion of lease liabilities	-	-	(419)
- Change in ownership interests in subsidiaries	-	(38)	-
Non-cash additions	11,439	-	693
Business combinations and loss of control	-	-	-
Reclassified as held for sale	(16,344)	(25)	(1,047)
Foreign exchange differences	(451)	1	35
Changes in fair value	-	-	-
Other	30	1	(17)
As at 31 December 2020	**3,768**	**-**	**1,789**

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

The consolidated statement of cash flows includes the following cash flow related to continuing operations:

	2020	2019
Profit (loss) before taxes from continuing operations	941	829
Depreciation, amortisation and impairment losses	890	848
Net effect pension liabilities	(44)	(98)
Share of loss (profit) of joint ventures and associates, net of dividends received	44	88
Taxes paid	(371)	(334)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(124)	2
Non-cash items and change in working capital and provisions	(45)	196
Net cash flow from operating activities from continuing operations	**1,292**	**1,532**
Development and purchase of intangible assets and property, plant and equipment	(602)	(429)
Acquisition of subsidiaries, net of cash acquired	(1,951)	(102)
Proceeds from sale of intangible assets, investment property and property, plant and equipment	116	13
Proceeds from sale of subsidiaries, net of cash sold	94	(1)
Net sale of (investment in) other shares	(173)	(353)
Net change in other investments	(138)	(16)
Net cash flow from investing activities from continuing operations	**(2,654)**	**(888)**
Net change in interest-bearing loans and borrowings	(2)	(395)
Payment of principal portion of lease liabilities	(285)	(312)
Change in ownership interests in subsidiaries	(69)	2,941
Capital increase	8	9
Net financing from (to) Adevinta	-	592
Net sale (purchase) of treasury shares	(90)	(1,069)
Dividends paid	(61)	(546)
Net cash flow from financing activities from continuing operations	**(498)**	**1,219**

Note 30 - Transactions with related parties

Schibsted ASA has direct and indirect control of around 260 entities in various parts of the world, including entities in Adevinta Group. Directly-owned subsidiaries are presented in Note 7 Subsidiaries and associates in Schibsted ASA's financial statements.

Schibsted has ownership interests in joint ventures and associates, see Note 5 Investments in joint ventures and associates. For loans to joint ventures and associates see Note 20 Trade receivables and other non-current and current assets. For loans from joint ventures and associates, see Note 23 Other non-current and current liabilities.

In January 2020, Schibsted closed the sale of the newspaper operations in Agder to Polaris Media. Schibsted has a 29 percent ownership in Polaris Media, which is accounted for as an associated company using the equity method. A gain of NOK 63 million is recognised, see Note 12 Other income and expenses.

In 2020 Adevinta issued a loan to OLX Brazil joint venture amounting to BRL 949.4 million (EUR 149.9 million at 31 December 2020) to finance the acquisition of Grupo Zap. The loan bears an interest of SELIC + 2 percent subject to 18 months grace period and has a tenor of 15 years.

Schibsted has also received grants of NOK 10 million from Blommenholm Industrier AS to strengthen Schibsted's editorial mission. Blommenholm Industrier AS is Schibsted's largest shareholder and holds the right to appoint a board member directly.

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

Note 31 - Auditors' remuneration

Details on fees to the Group's auditors for the fiscal year 2020 (excl. VAT):

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted Group					
EY	18	4	11	6	39
Other auditors	2	-	1	2	5
Total	**20**	**4**	**12**	**8**	**45**
Schibsted ASA					
EY	1	-	5	2	8

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

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

Note 32 - Assets held for sale and discontinued operations

Principle

An asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use.

A disposal group includes assets to be disposed of, by sale or otherwise, together in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

An asset or a disposal group classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell. Intangible assets, property, plant and equipment and right-of-use assets are not depreciated or amortised, and no share of profit (loss) of joint ventures and associates is recorded while classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A component of the Group that has either been disposed of or is classified as held for sale, is presented as a discontinued operation if it was or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations. The results of discontinued operations, comprising the total of post-tax profit (loss) and post-tax gain (loss) on remeasurement or disposal, are presented in a separate line item in the income statement.

Discontinued operations and assets and liabilities held for sale

Adevinta is classified as a disposal group held for sale and as a discontinued operation at the end of 2020 as disclosed in Note 4 Changes in the composition of the Group. Adevinta was previously reported as a separate operating segment.

The amounts presented as held for sale as per 31 December 2019 are related to the sale of the newspaper operations Fædrelandsvennen, Lindesnes Avis and Lister as well as the distribution business in Agder. For further information see Annual report 2019 Note 32 Held for sale.

Intra-group eliminations between continuing and discontinued operations are attributed to discontinued operations as that approach is considered to provide the most relevant information related to results of continuing operations on an ongoing basis. This attribution results in certain deviations in amounts presented for discontinued operations above and amounts previously reported for Adevinta as an operating segment.

Adevinta was classified as a disposal group held for sale in July 2020. No depreciation, amortisation and impairment of non-current assets or share of profit of joint ventures and associates are consequently included in profit (loss) from discontinued operations subsequent to that classification. This affects profit (loss) from discontinued operations positively by NOK 605 million before taxes and by NOK 552 million after taxes in 2020.

The following assets and liabilities are included in the disposal groups presented separately in the statement of financial position as at 31 December:

	2020	2019
Assets		
Intangible assets	14,483	99
Property, plant and equipment and investment property	242	8
Right-of-use assets	1,000	18
Investment in joint ventures and associates	3,709	-
Deferred tax assets	17	14
Other non-current assets	1,918	-
Contract assets	62	-
Trade receivables and other current assets	12,572	18
Cash and cash equivalents	1,371	-
Assets held for sale	**35,375**	**157**
Liabilities		
Deferred tax liabilities	666	18
Pension liabilities	78	26
Non-current interest-bearing loans and borrowings	13,258	-
Non-current lease liabilities	854	22
Other non-current liabilities	49	1
Current interest-bearing loans and borrowings	3,087	-
Income tax payable	56	1
Current lease liabilities	193	11
Contract liabilities	612	27
Other current liabilities	3,181	32
Liabilities held for sale	**22,034**	**138**
Net assets directly associated with disposal group	**13,340**	**19**
Amounts included in accumulated other comprehensive income:		
Foreign currency translation reserve	326	-
Hedging reserves	(1,209)	-
Reserves of disposal group classified as held for sale	**(884)**	**-**

Profit (loss) after tax from discontinued operations can be analysed as follows:

	2020	2019
Operating revenues	7,133	6,422
Operating expenses	(5,189)	(4,493)
Gross operating profit (loss)	**1,944**	**1,929**
Depreciation and amortisation	(337)	(440)
Share of profit (loss) of joint ventures and associates	15	59
Impairment loss	-	(248)
Other income	76	5
Other expenses	(500)	(132)
Operating profit (loss)	**1,199**	**1,173**
Net financial items	(1,045)	(54)
Profit (loss) before taxes	**154**	**1,119**
Taxes	(387)	(477)
Profit (loss) after taxes from discontinued operations	**(233)**	**642**
Other comprehensive income from discontinued operations	(1,723)	(198)
Total comprehensive income from discontinued operations	**(1,956)**	**444**
Total comprehensive income from discontinued operations attributable to:		
Non-controlling interests	(728)	274
Owners of the parent	(1,228)	170
Earnings per share from discontinued operations in NOK:		
Basic	(0.63)	1.95
Diluted	(0.63)	1.95

Note 33 - COVID-19

During the first months of 2020 it became increasingly apparent that COVID-19 was not only causing a global medical crisis, but also a financial one, and the uncertainty of how the pandemic would affect our business increased throughout the first half of 2020. However, at the end of 2020 Schibsted's businesses are in good positions. While some parts of our businesses were negatively affected by the pandemic, others saw only a temporary decline or used opportunities from changed consumer behavior and trends to strengthen their positions and grow their customer base.

Print advertising and casual sales in News Media, the job verticals in Nordic Marketplaces and the travel vertical in Finn saw a significant decline in revenues due to the pandemic and the severe measures taken by governments to reduce the spread of the virus. The Motor and Real estate verticals in Nordic Marketplaces and digital advertising in News Media all managed a recovery throughout the year after the sharp decline following the outbreak of the pandemic in the first quarter. The same applied to the job vertical in Norway towards the end of the year.

Schibsted has made use of certain relief and support measures available from governments in different territories to mitigate the effects of COVID-19. Such measures primarily relate to reduced social security contributions, reimbursement of salaries to employees on sick leave or temporarily laid off and delays in payment terms of taxes and other levies. Government grants in Sweden (see Note 7) and reduced social security contributions in Norway and Sweden have had a positive effect on operating profit of NOK 79 million in 2020.

The outbreak of the COVID-19 pandemic in the beginning of 2020 increased the uncertainty associated with accounting estimates dependent on future revenue and cash flow projections and estimates dependent on assumptions about the development of risk-free rate. During the year, the uncertainty regarding the effects of the COVID-19 pandemic has significantly decreased. Please refer to Note 3 Significant accounting judgements and major sources of estimation uncertainty for an overview of major sources of estimation uncertainty in Schibsted.

The COVID-19 pandemic was also identified as an impairment indicator for certain cash generating units (CGUs) in News Media and Next and management has estimated the recoverable amount and compared this to the carrying amount. The uncertainty related to future cash flow projections have significantly decreased during the year and no impairments were identified for the relevant CGUs with effect for 2020. Please also refer to Note 16 Impairment assessments.

During the 2020 Schibsted has also reassessed the loss rates to be applied when estimating provisions for expected credit loss. Schibsted does not expect losses on trade receivables to increase significantly (see also Note 21 Trade receivables and contract assets).

Schibsted ASA has a well-diversified loan portfolio with loans from both the Norwegian bond market and the Nordic Investment bank. A new bond (FRN) of NOK 1 billion was issued in April 2020 and replaced the bond (FRN) of NOK 1 billion that expired in June. A new bridge loan facility of EUR 350 million was entered into during the third quarter. This facility will be used to finance the acquisition of the Danish eBay classifieds companies with expected closing in second quarter 2021. In addition, Schibsted has a revolving credit facility of EUR 300 million. None of the facilities are drawn as of 31 December 2020. Measures implemented, including reductions in costs and dividends, will reduce any negative effects on financial flexibility and covenants (see also Note 24 Financial risk management).

Definitions and reconciliations

The consolidated financial statements are prepared in accordance with international financial reporting standards (IFRS). In addition, management uses certain alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance and financial position alongside IFRS measures.

APMs should not be considered as a substitute for, or superior to, measures of performance in accordance with IFRS.

APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described and reconciled below.

As APMs are not uniformly defined, the APMs set out below might not be comparable to similarly labelled measures by other companies.

Operating segments were changed from 1 January 2020, and effected APMs are restated retrospectively to give comparable information. See Note 6 Operating segments for more information.

Alternative Performance Measures

Measure	Description	Reason for including
EBITDA	EBITDA is earnings before depreciation and amortisation, other income and other expenses, impairment, joint ventures and associates, interests and taxes. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss) / Operating revenues	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue.

Reconciliation of EBITDA	2020	2019
Gross operating profit (loss)	2,126	1,977
= EBITDA	2,126	1,977

Measure	Description	Reason for including
Underlying tax rate	Underlying tax rate is calculated as adjusted tax expense as a percentage of an adjusted tax base. The adjusted tax base excludes significant non-taxable and non-deductible items as well as losses for which no deferred tax benefit is recognised. Adjusted taxes exclude the effect of reassessing unrecognized deferred tax assets.	Management believes that the adjusted tax rate provides increased understanding of deviations between accounting and taxable profits and a more understandable measure of taxes payable by the Group.

Underlying tax rate	2020	2019
Profit (loss) before taxes from continuing operations	941	829
Share of profit (loss) of joint ventures and associates	44	58
Basis for changes in unrecognised deferred tax assets	173	266
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(124)	-
Impairment losses	31	19
Non-deductable transaction-related costs	77	-
Adjusted tax base	1,142	1,173
Taxes	(128)	275
Reassessment of unrecognised deferred tax assets	393	-
Adjusted taxes	265	275
Underlying tax rate	23.2 %	23.5 %

Measure	Description	Reason for including
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and Unutilised drawing rights on credit facilities.	Management believes that liquidity reserve shows the total liquidity available for meeting current or future obligations.

Liquidity reserve	2020	2019
Cash and cash equivalents	1,306	3,866
Unutilised drawing rights	6,806	3,946
Liquidity reserve	8,112	7,811

Measure	Description	Reason for including
Net interest-bearing debt	Net interest-bearing debt is defined as interest-bearing loans and borrowings less cash and cash equivalents and cash pool holdings. Interest-bearing loans and borrowings do not include lease liabilities.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. The use of net interest-bearing debt does not necessarily mean that the cash and cash equivalent and cash pool holdings are available to settle all liabilities in this measure.

Net interest-bearing debt	2020	2019
Non-current interest-bearing loans and borrowings	3,090	4,729
Current interest-bearing loans and borrowings	678	1,089
Cash and cash equivalents	(1,306)	(3,866)
Net interest-bearing debt	2,462	1,951

Measure	Description	Reason for including
Earnings per share adjusted (EPS (adj.))	Earnings per share adjusted for items reported as Other income, Other expenses and Impairment loss, net of any related taxes and non-controlling interests.	The measure is used for presenting earnings to shareholders adjusted for transactions and events not considered by management to be part of operating activities. Management believes the measure enables evaluating the development in earnings to shareholders unaffected by such non-operating activities.

Earnings per share - adjusted - total	2020	2019
Profit (loss) attributable to owners of the parent	858	949
Other income	(223)	(16)
Other expenses	736	293
Impairment loss	61	283
Taxes and Non-controlling interests related to Other income, Other expenses and Impairment loss	(214)	(183)
Profit (loss) attributable to owners of the parent - adjusted	1,218	1,327
Earnings per share – adjusted (NOK)	5.21	5.59
Diluted earnings per share – adjusted (NOK)	5.20	5.58

Earnings per share - adjusted - continuing operations	2020	2019
Profit (loss) attributable to owners of the parent	858	949
-of which continuing operations	*1,006*	*486*
-of which discontinued operations	*(148)*	*463*
Profit (loss) attributable to owners of the parent - continuing operations	1,006	486
Other income	(146)	(11)
Other expenses	237	162
Impairment loss	61	35
Taxes and Non-controlling interests related to Other income, Other expenses and Impairment loss	(37)	(32)
Profit (loss) attributable to owners of the parent - adjusted	1,120	640
Earnings per share – adjusted (NOK)	4.79	2.70
Diluted earnings per share – adjusted (NOK)	4.78	2.69

Measure	Description	Reason for including
Revenues adjusted for currency fluctuations and effect of sale certain regional and local newspapers	Revenues in News Media segment adjusted for revenues in operations disposed of (Fædrelandsvennen, Lindesnes Avis and Lister), adjusted for currency similarly as in the APM Revenues adjusted for currency fluctuations.	Enables comparability of development in revenues over time excluding the effect of operations disposed of and currency fluctuations.

Sale of certain regional and local newspapers	2020	2019
Operating revenues News Media	7,383	7,465
Operating revenues in certain regional and local newspapers	-	(285)
Operating revenues News Media adjusted for effect of disposal of certain regional and local newspapers	7,383	7,180
Currency effect	(287)	-
Currency adjusted revenues in News Media adjusted for effect of disposal of certain regional and local newspapers	7,096	7,180
Currency adjusted revenue growth adjusted for effect of disposal of certain regional and local newspapers	(1%)	
Advertising revenues News Media	2,257	2,559
-of which digital	*1,575*	*1,634*
Advertising revenues in certain regional and local newspapers	-	(118)
-of which digital	-	*(37)*
Advertising revenues News Media adjusted for effect of disposal of certain regional and local newspapers	2,257	2,441
-of which digital	*1,575*	*1,597*
Subscription revenues News Media	2,654	2,550
-of which digital	*1,088*	*901*
Subscription revenues in certain regional and local newspapers	-	(148)
-of which digital	-	*(42)*
Subscription revenues News Media adjusted for effect of disposal of certain regional and local newspapers	2,654	2,403
-of which digital	*1,088*	*859*

Measure	Description	Reason for including
Revenues adjusted for currency fluctuations	Growth rates on revenue adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year.	Enables comparability of development in revenues over time excluding the effect of currency fluctuation.

Reconciliation of currency adjusted revenue growth	Nordic Marketplaces	News Media	Financial Services	Growth	Other / Headquarters Eliminations	Total
Revenues 2020	3,181	7,383	1,100	2,613	(1,369)	12,908
Currency effect	(112)	(287)	(83)	(65)		
Currency adjusted revenues	3,069	7,096	1,016	2,548		
Currency adjusted revenue growth	0%	(5%)	(4%)	18%		
Revenues 2019	3,062	7,465	1,054	2,165	(1,093)	12,653

Currency rates used when converting profit or loss	2020	2019
Swedish krona (SEK)	1.0226	0.9306
Euro (EUR)	10.7250	9.8503

Financial statements for parent company

Income statement for the year ended 31 December

(NOK million)	Note	2020	2019
Operating revenues	16	165	98
Personnel expenses	4	(156)	(134)
Depreciation and amortisation		(6)	(5)
Other operating expenses	3, 16, 17	(322)	(210)
Operating profit (loss)		**(319)**	**(251)**
Financial income	5	3,032	3,958
Financial expenses	5	(612)	(178)
Net financial items		**2,420**	**3,780**
Profit (loss) before taxes		**2,101**	**3,529**
Taxes	6	(50)	(124)
Profit (loss)		**2,051**	**3,405**

Statement of financial position as of 31 December

(NOK million)	Note	2020	2019
ASSETS			
Deferred tax assets	6	96	69
Intangible assets		42	17
Property, plant and equipment		15	4
Investments in subsidiaries	7	17,801	17,451
Investments in associates	7	127	128
Other non-current assets	8	6,656	1,745
Non-current assets		**24,737**	**19,414**
Current assets	8	1,063	921
Cash and cash equivalents	9	983	2,937
Current assets		**2,046**	**3,858**
Total assets		**26,783**	**23,272**
EQUITY AND LIABILITIES			
Share capital	10	119	119
Treasury stocks	10	(2)	(2)
Other paid-in capital	10	5,086	5,071
Retained earnings	10	8,949	7,474
Equity		**14,151**	**12,662**
Pension liabilities	12	299	251
Other non-current liabilities	13, 14	4,577	3,448
Non-current liabilities		**4,876**	**3,699**
Current liabilities	13, 14	**7,755**	**6,910**
Total equity and liabilities		**26,783**	**23,272**

Statement of cash flows for the year ended 31 December

(NOK million)	Note	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		2,101	3,529
Taxes paid	6	(95)	(154)
Depreciation, amortization and impairment losses		6	5
Group contributions included in financial income	5	(751)	(789)
Gain on sale of non-current assets		(17)	(2,134)
Change in non-current assets and liabilities	8, 13	(21)	(25)
Net effect pension liability	12	22	(8)
Change in working capital and provisions	8, 13	(40)	(191)
Net cash flow from operating activities		**1,203**	**232**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant and equipment		(41)	(8)
Change in subsidiaries receivables and liabilities in cash pool (net)	8, 13	(1,756)	(1,535)
Group contributions (net)		562	798
Acquisitions of and capital increase in subsidiaries	7	(8,087)	(138)
Net payment of non-current loans to/from subsidiaries	8	(2,802)	7
Sale of shares and capital decrease in subsidiaries	7	7,912	3,040
Net cash flow from investing activities		**(4,211)**	**2,162**
Net cash flow before financing activities		**(3,008)**	**2,394**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings from group companies	13	1,233	650
Repayment of other interest-bearing loans and borrowings	13	(104)	(367)
Dividends paid	10	-	(477)
Net purchase (sale of treasury shares)	10	(74)	(1,045)
Cash and cash equivalents added as a part of the demerger*		-	645
Net cash flow from financing activities		**1,055**	**(594)**
Net increase (decrease) in cash and cash equivalents		**(1,955)**	**1,799**
Cash and cash equivalents as at 1 January		**2,937**	**1,138**
Cash and cash equivalents as at 31 December	9	**983**	**2,937**

* The cash and cash equivalents added as a part of the demerger in 2019 includes the settlement of the claim against Adevinta ASA established through the demerger, less transaction cost recognised as a reduction of equity.

Note 1 – Company information

Schibsted ASA is the parent company of the Schibsted Group. The financial statements of the holding company cover the head office activities. Activities at head office include the Group´s executive management and the corporate and common functions within finance, HR, legal, M&A, communication, learning and development.

The financial statements for Schibsted ASA for the year 2020 were approved by the Board of Directors on 23 March 2021 and will be proposed to the General Meeting 6 May 2021.

Note 2 – Significant accounting policies

The financial statements for Schibsted ASA have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

All amounts are in NOK million unless otherwise stated.

Cash and cash equivalents
Schibsted ASA is the ultimate parent of Schibsted's multi-currency corporate cash pool system. Schibsted ASA's funds in the cash pool are classified as Cash and cash equivalents. The subsidiaries positions in the cash pool are recognised as receivables and liabilities in Schibsted ASA's balance sheet. Liabilities are classified in their entirety as current. The classification of receivables as current or non-current depends on agreement with each subsidiary.

Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

Revenue recognition
Revenues are recognised in the period when the services are rendered.

Classification
An asset or liability is classified as current when it is part of a normal operating cycle, held primarily for trading purposes, falls due within 12 months or when it consists of cash or cash equivalents on the statement of financial position date. Other items are classified as non-current.

Shares
Subsidiaries are all entities controlled, either directly or indirectly, by Schibsted ASA. For further information concerning evaluation whether Schibsted ASA controls an entity, please see Note 2 Basis for preparing the financial statements in the consolidated financial statements.

Shares are classified as investment in subsidiaries from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

An associate is an entity that Schibsted ASA, directly or indirectly through subsidiaries, has significant influence over. Significant influence is normally presumed to exist when Schibsted controls 20 percent or more of the voting power of the investee.

Subsidiaries and associates are recognised according to the cost method and yearly tested for impairment.

Group contributions and dividends received are recognised as financial income, provided that it does not represent a repayment of capital invested. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

Property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant and equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Impairment losses are reversed if the basis for the impairment is no longer present.

Leases
Leases are classified as either finance leases or operating leases. Leases that transfers substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases. All of the company´s leases are considered to be operational. Lease payments related to operating leases are recognised as expenses over the lease term.

Foreign currency
Foreign currency transactions are translated into the functional currency on initial recognition by using the spot exchange rate at the date of the transaction. Foreign currency monetary items are translated with the closing rate at the balance sheet date. Foreign currency gains and losses are reported in the income statement in the lines Financial income and Financial expenses, respectively.

Trade receivables
Trade receivables are recognised at nominal value less provision for expected loss.

Treasury shares
Acquisition and proceeds from sale of treasury shares are accounted for as equity transactions.

Pension plans
Schibsted ASA has chosen, in accordance with NRS 6, to use measurement and presentation principles according to IAS 19R – Employee Benefits.

The accounting principles for pension are consistent with the accounting principles for the Group, as described in Note 11 Pension plans in the consolidated financial statements.

Share-based payment
Schibsted ASA accounts for share-based payment in accordance with NRS 15A Share-Based Payment. NRS 15A requires share-based payments to be accounted for as required by IFRS 2 Share-based Payment. See Note 10 Share-based payment to the consolidated financial statements for additional information.

Taxes
Tax expense (tax income) comprises current tax payable and changes to deferred tax assets/liabilities. Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the financial statements and the tax basis of tax losses carried forward. Deferred tax assets are recognised only when it is probable that the asset will be utilized against future taxable profit. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Contingent liabilities
Contingent liabilities are recognised when it is more probable than not that future uncertain events will result in outflow of economic resources. The best estimate of the amount to be paid is included in other provisions in the balance sheet. Other obligations, for which no liability is recognised, are disclosed in notes to the financial statements.

Dividend
Dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability as at 31 December.

Statement of cash flows
The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and cash on hand.

Note 3 - Other operating expenses

	2020	2019
Rent and maintenance	9	7
Office and administrative expenses	22	25
Restructuring costs	13	43
Professional fees	267	106
Travel, meetings and marketing	11	29
Total operating expenses	**322**	**210**

Restructuring costs are mainly related to the reorganisation of Schibsted ASA.

Note 4 - Personnel expenses

	2020	2019
Salaries and wages	105	90
Social security costs	16	15
Net pension expense (Note 12)	14	12
Other personnel expenses	10	10
Share-based payment	12	7
Total personnel expenses	**156**	**134**
Number of full time equivalents	82	74

Including trainees

Remuneration to management
See Note 9 Personnel expenses and remuneration and Note 10 Share-based payment to the consolidated financial statements for information concerning remuneration to management and share-based payment.

Note 5 - Financial items

Financial income consists of:

	2020	2019
Interest income	45	42
Interest income cash pool	142	58
Group contributions received	751	789
Dividends from subsidiaries	1,860	809
Dividends from associates	-	26
Foreign exchange gain (agio)	215	98
Gains on sales of subsidiaries	17	2,134
Total	**3,032**	**3,958**

Financial expenses consist of:

	2020	2019
Interest expenses	96	72
Interest expenses cash pool	86	62
Interest expenses on pension plans (Note 12)	5	6
Foreign exchange loss (disagio)	402	28
Other financial expenses	22	10
Total	**612**	**178**

Interest expenses relates to bonds and bank loans, as well as financial derivatives.

All material foreign exchange gains and losses relates to financial derivatives, loans and bank balances. See Note 13 Non-current and current liabilities for further details. Foreign exchange gains must be seen in connection with foreign exchange losses.

Schibsted ASA undertake treasury operations to offset currency exposure for the Group as a result of foreign investments.

Schibsted ASA received a dividend of NOK 1,860 million from SPT Nordics Ltd.

Note 6 - Income taxes

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2020	2019
Profit (loss) before taxes	2,101	3,529
Dividends and tax-free group contributions received	(1,860)	(836)
Group contributions payable	(224)	(52)
Other permanent differences	4	4
Gain on sale of subsidiaries	(17)	(2,134)
Change in temporary differences	122	(76)
Effect of unrecognised actuarial gain (loss) in the pension liability	(26)	9
Effect of demerger costs, recognised in equity (Note 10)	-	(8)
Taxable income	**98**	**437**
Tax rate	22%	22%

Taxes payable and taxes charged to expenses are calculated as:

	2020	2019
Calculated taxes payable	22	96
Change in net deferred tax asset	(27)	17
Tax related to demerger costs, recognised in equity (Note 10)	-	2
Tax related to unrecognised actuarial gain (loss) in the pension liability	6	(2)
Tax related to Group contributions payable	49	11
Tax expense	50	124

Effective tax rate is a result of:

	2020	2019
Profit (loss) before taxes	2,101	3,529
Tax charged based on nominal rate	462	776
Tax effect permanent differences	(412)	(650)
Tax of demerger costs, recognised in Equity (Note 10)	-	(2)
Taxes	50	124

The net deferred tax liability (asset) consists of the following:

	2020	2019
Temporary differences related to:		
Property, plant and equipment	(1)	(2)
Pension liabilities	(299)	(250)
Other current liabilities	(138)	(61)
Total basis for deferred tax liability (asset)	**(437)**	**(313)**
Tax rate	22%	22%
Net deferred tax liability (asset) with applicable year's tax rate	(96)	(69)
Net deferred tax liability (asset)	**(96)**	**(69)**

Note 7 - Subsidiaries and associates

Schibsted ASA is the ultimate parent company in the Schibsted Group with operations worldwide. For more information about these operations, see Note 6 Operating segments to the consolidated financial statements.

Shares in subsidiaries directly owned by Schibsted ASA:

	Ownership and voting share	Location	Carrying amount 2020	Carrying amount 2019
Schibsted Tillväxtmedier AB	100%	Stockholm, Sweden	75	-
Schibsted Norge AS	100%	Oslo, Norway	2,502	-
Schibsted Sverige AB	100%	Stockholm, Sweden	701	-
Schibsted ePayment AS	100%	Oslo, Norway	-	14
Schibsted Eiendom AS	100%	Oslo, Norway	120	120
Schibsted Nordic Marketplaces AS	100%	Oslo, Norway	4,627	3,227
Schibsted Marketplaces Sweden AB	100%	Stockholm, Sweden	-	2,468
Schibsted Enterprise Technology AB	100%	Stockholm, Sweden	12	2
Finn.no AS	90%	Oslo, Norway	-	1,454
Schibsted Vekst AS *	100%	Oslo, Norway	-	34
Adevinta ASA	59%	Oslo, Norway	9,301	9,301
Schibsted Product & Technology AS	100%	Oslo, Norway	292	-
Kapaza Belgium NV	100%	Brussel, Belgium	-	4
Schibsted Classified Media Suomi Oy	100%	Helsinki, Finland	-	598
SPT Nordics Ltd	100%	London, UK	3	56
Lendo AS	100%	Oslo, Norway	169	92
Nettbil AS	67%	Oslo, Norway	-	82
Schibsted Tech Polska	1%	Krakow, Poland	-	-
Total			**17,801**	**17,451**

*Direct ownership and voting shares in Schibsted Vekst AS 60.00 percent. For Schibsted Vekst AS the table includes shares in subsidiaries where Schibsted ASA has indirect control.

2020

1. Group contributions payable (net) is capitalized as part of investments, with a total of NOK 171 million.

2. Schibsted ePayment AS was liquidated during 2020.

3. The ownership of the entities Schibsted Marketpaces Sweden AB, Finn.no AS, Schibsted Suomi Oy, Nettbil AS was transferred from Schibsted ASA to Schibsted Nordic Marketplaces AS.

4. The ownership of Schibsted Vekst AS was transferred to Schibsted Tillväxtmedier AB.

5. Kapaza Belgium NV was liquidated during 2020.

6. Schibsted Product & Technology AS was transferred from SPT Nordics Ltd. As part of the transaction most of the assets of SPT Nordics Ltd was transferred to Schibsted Product & Technology AS, SPT Nordics Ltd is thus in the process of being liquidated.

7. The increased carrying amount in entities Lendo AS and Schibsted Nordic Markedplaces AS is due to group contributions.

	Ownership and voting share	Location	Carrying amount 2020	Equity
Polaris Media ASA	28.97%	Trondheim, Norway	127	830
Total			127	

Fair value of the shares in Polaris Media ASA is NOK 765 million as at 31 December 2020.

Note 8 - Non-current and current receivables

	Non-current		Current	
	2020	**2019**	**2020**	**2019**
Group companies' liabilities in cash pool	3,831	1,743	-	-
Other receivables from Group companies	2,824	-	819	848
Other receivables	2	2	31	59
Financial derivatives	-	-	212	15
Total	**6,656**	**1,745**	**1,063**	**921**

The non-current receivables from group companies in 2020 consisted of a loan to Lendo Part of Schibsted AS and Schibsted Nordic Marketplaces AS.

Note 9 - Cash and cash equivalents

	2020	**2019**
Net assets in cash pool	977	683
Net assets outside the cash pool	6	2,253
Total Cash and cash equivalents	**983**	**2,937**

Schibsted ASA has a multi-currency cash pool with Danske Bank, in which almost all the Schibsted excl. Adevinta subsidiaries are included. The cash pool has been established to optimize liquidity management for Schibsted.

The Group has an overdraft facility of NOK 400 million linked to the cash pool with Danske Bank. At year-end 2020 the facility was not drawn.

Excess liquidity is placed in our relationship banks, in the cash pool or in the short-term money market.

Payroll withholding tax is not restricted cash as Schibsted holds a tax guarantee for the purpose, for further details see Note 15 Guarantees.

Note 10 - Equity

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
Equity as at 31 December 2019	**119**	**(2)**	**5,071**	**7,474**	**12,662**
Change in treasury shares	-	-	4	(78)	(74)
Share-based payment	-	-	11	-	11
Unrecognized actuarial gain (loss) in pension plans	-	-	-	(20)	(20)
Dividend	-	-	-	(477)	(477)
Profit (loss)	-	-	-	2,051	2,051
Equity as at 31 December 2020	119	(2)	5,086	8,949	14,151

The share capital of Schibsted ASA is NOK 119,343,994 divided on 108,003,615 A-shares of NOK 0.50 par value and 130,684,373 B-shares of NOK 0.50 par value. Treasury shares as at 31 December 2020 comprise 3,543,657 A-shares and 1,294,915 B-shares.

The par value of treasury shares is presented on a separate line within other paid-in capital with a negative amount. For more information on number of shares, see Note 27 Equity to the consolidated financial statements.

Note 11 - Shareholder structure

The 20 largest shareholders as at 31 December 2020

	Number of A-shares	Number of B-shares	Toal number of shares	Ownership	Voting share
Blommenholm Industrier AS	28,541,262	30,013,354	58,554,616	24.5 %	26.1 %
Folketrygdfondet	9,100,282	11,720,898	20,821,180	8.7 %	8.5 %
State Street Bank and Trust Comp	3,198,053	8,008,933	11,206,986	4.7 %	3.3 %
The Bank of New York Mellon SA/NV	3,006,951	3,489,845	6,496,796	2.7 %	2.8 %
NWT Media AS	3,200,000	3,200,000	6,400,000	2.7 %	2.9 %
Alecta Pensionsforsakring, oms.	-	5,193,000	5,193,000	2.2 %	0.4 %
Schibsted ASA	3,543,657	1,294,915	4,838,572	2.0 %	3.0 %
State Street Bank and Trust Comp	1,511,036	1,806,765	3,317,801	1.4 %	1.4 %
Morgan Stanley & Co. Int. Plc.	115,724	3,183,141	3,298,865	1.4 %	0.4 %
The Northern Trust Comp, London Br	1,828,585	1,205,091	3,033,676	1.3 %	1.6 %
JPMorgan Chase Bank, N.A., London	1,553,950	1,420,193	2,974,143	1.2 %	1.4 %
JPMorgan Chase Bank, N.A., London	2,281,543	-	2,281,543	1.0 %	1.9 %
Brown Brothers Harriman & Co.	2,268,489	-	2,268,489	1.0 %	1.9 %
JPMorgan Chase Bank, N.A., London	1,172,679	1,009,349	2,182,028	0.9 %	1.1 %
JPMorgan Chase Bank, N.A., London	1,956,700	168,602	2,125,302	0.9 %	1.6 %
State Street Bank and Trust Comp	1,175,510	878,046	2,053,556	0.9 %	1.0 %
State Street Bank and Trust Comp	854,541	1,173,012	2,027,553	0.8 %	0.8 %
BNP Paribas Securities Services	666,923	1,296,908	1,963,831	0.8 %	0.7 %
Goldman Sachs International	7,052	1,933,719	1,940,771	0.8 %	0.2 %
Verdipapirfondet KLP Aksjenorge IN	469,142	1,450,075	1,919,217	0.8 %	0.5 %
Total 20 largest shareholders	**66,452,079**	**78,445,846**	**144,897,925**	**60.7 %**	**61.4 %**

The list of shareholders is based on the public VPS list. For further information regarding the underlying ownership, see the chapter Share information in Schibsted's annual report.

Number of shares owned by the Board of Directors and the Group Management:

	Number of A-shares	Number of B-shares	Total number of shares
Ole Jacob Sunde (Chairman of the Board)	40,000	100,000	140,000
Birger Steen (Member of the Board)	520	-	520
Christian Ringnes (Member of the Board)	40,000	40,000	80,000
Philippe Vimard (Member of the Board)	-	-	-
Eugénie Van Wiechen (Member of the Board)	-	-	-
Anna Mossberg (Member of the Board)	-	-	-
Satu Huber (Member of the Board)	1,500	-	1,500
Karl-Christian Agerup (Member of the Board)	4,400	-	4,400
Finn Våga (Employee representative)	96	96	192
Ingunn Saltbones (Employee representative)	416	1,107	1,523
Torbjörn Ek (Employee representative)	133	851	984
Kristin Skogen Lund	-	290	290
Christian Printzell Halvorsen	-	113	113
Ragnar Kårhus	-	73	73
Mette Krogsrud	63	233	296
Sven Størmer Thaulow	-	983	983
Siv Juvik Tveitnes	507	4,346	4,853
Raoul Grünthal	**17,484**	**32,195**	**49,679**
Total Board of Directors and Group Management	105,119	180,287	285,406

The total number of issued shares in Schibsted ASA is 108,003,615 A-shares and 130,684,373 B-shares as at 31 December 2020. The number of shareholders as at 31 December 2020 is 6,166. Foreign ownership is 53.1 percent (54.4 percent in 2019). See Note 27 Equity to the consolidated financial statements for more information regarding number of shares.

The Chairman of the Board, Ole Jacob Sunde is also member of the Board in Blommenholm Industrier.

Note 12 - Pension plans

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2020 the pension plans covered 18 working members and 22 retirees (total 39 as at 31 December 2019). Note 11 Pension plans to the consolidated financial statements contains further description of the pension plans and the principal assumptions applied.

Amounts recognised in profit or loss:

	2020	2019
Current service cost	5	7
Net interest on the net defined benefit liability	5	6
Net pension expense - defined benefit plans	**10**	**13**
Pension expense defined contribution plans	5	4
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	1	1
Net pension expense	**16**	**18**
-of which included in Profit or loss - Personnel expenses	*14*	*12*
-of which included in Profit or loss - Financial income	*(3)*	*-*
-of which included in Profit or loss - Financial expenses	*5*	*6*

Amounts recognised in the balance sheet:

	2020	2019
Present value of funded defined benefit liabilities	35	28
Fair value of plan assets	(29)	(22)
Present value (net of plan assets) of funded defined benefit liabilities	**6**	**6**
Present value of unfunded defined benefit liabilities	292	245
Net pension liabilities	**298**	**251**
Social security tax included in present value of defined benefit liabilities	37	31

Changes in pension liabilities:

	2020	2019
As at 1 January	**251**	**269**
Net pension expense	10	13
Contributions / benefits paid	(13)	(20)
Impact of acquisition/disposals	25	(1)
Unrecognized actuarial gain (loss) recognized in equity (incl. tax)	26	(9)
As at 31 December	**299**	**251**

New measurement of defined benefit obligation includes:	**2020**	**2019**
Actuarial gains and losses arising from changes in financial assumptions	31	(6)
Other effects of remeasurement (experience deviation)	(5)	(3)
Remeasurement of defined benefit liabilities	**26**	**(9)**

Note 13 - Non-current and current liabilities

The non-current liabilities to group companies consist of a loan from Svenska Dagbladet Holding AB.

	Non-current		Current	
	2020	2019	2020	2019
Liabilities to credit institutions (Note 14)	282	341	81	76
Bond issues (Note 14)	2,800	2,400	600	1,000
Financial derivatives	-	45	212	25
Dividends accrued	-	-	477	-
Group companies' receivables in cash pool	-	-	5,914	5,582
Other liabilities to group companies	1,494	661	242	70
Taxes payable	-	-	22	96
Other liabilities	1	2	209	62
Total	**4,577**	**3,448**	**7,755**	**6,910**

Note 14 - Financial risk management and interest-bearing borrowings

Financial risk management

Funding and control of refinancing risk is handled by Group treasury in Schibsted ASA. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks.

For management of interest rate risk and currency risk, see Note 24 Financial risk management to the consolidated financial statements.

Interest-bearing borrowings, composition and maturity profile:

	Non-current		Current	
	2020	**2019**	**2020**	**2019**
Bonds issued	2,800	2,400	600	1,000
Bank loans	282	341	81	76
Total carrying amounts	**3,082**	**2,741**	**681**	**1,076**
-of which maturity beyond 5 years		*38*		

For more details on bond issues, bank loans and credit facilities, see Note 25 Interest-bearing loans and borrowings to the consolidated financial statements.

Note 15 - Guarantees

	2020	**2019**
Guarantees on behalf of Group companies	284	338
Other guarantees	2	-
Total	**286**	**338**

A guarantee of up to NOK 278 million to Danske Bank is included in Guarantees on behalf of Group companies. This amount primarily relates to guarantees for tax withholdings.

Schibsted ASA has issued parent company guarantee as security for payment of office rent in some subsidiaries.

Note 16 - Transactions with related parties

Schibsted ASA has business agreements with companies in the Group. The pricing of all transactions with Group companies are based on arm's length principle.

Schibsted ASA charge their subsidiaries for their share of costs related to Group services (management fee). In addition, revenues consist of consultant fees, income from lease of office premises as well as fees for subsidiaries' participation in programmes for management and organisational development. All Schibsted ASA´s operating revenues are from Group Companies.

	2020	**2019**
Sale of services to Group companies	165	98
Purchase of goods and services from Group companies	128	68

Note 17 - Lease agreements

Schibsted ASA has lease obligations related to off-balance sheet operating assets.

Rental expenses were NOK 16 million in 2020 and NOK 19 million in 2019. The most significant leases relate to lease of office premises and software/IT-services. For more details on lease of office premises, see Note 19 Leases to the consolidated financial statements.

Declaration by the Board of Directors and CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2020 have been prepared in accordance with applicable accounting standards and give a true and fair view of assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole and that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Oslo, 23 March 2021

Schibsted ASA's Board of Directors

Ole Jacob Sunde
Board Chair

Karl-Christian Agerup
Board member

Torbjörn Ek
Board member

Satu Huber
Board member

Anna Mossberg
Board member

Christian Ringnes
Board member

Ingunn Saltbones
Board member

Birger Steen
Board member

Philippe Vimard
Board member

Finn E. Våga
Board member

Eugénie van Wiechen
Board member

Kristin Skogen Lund
CEO

Schibsted

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Schibsted ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Schibsted ASA comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2020, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, the income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Accounting for Discontinued operations

In July 2020, Schibsted announced that its subsidiary Adevinta ASA had signed an agreement to acquire 100% of eBay Classified Group. The consideration is partly shares in Adevinta and Schibsted's ownership interest in Adevinta will therefore be reduced. The transaction is expected to close in the second quarter of 2021. Adevinta is classified as a disposal group held for sale and as discontinued operations with effect from signing the agreement. The assets and liabilities of Adevinta are presented separately within current items in the statement of financial position. No depreciation, amortization or impairment losses are recognized for non-current assets while being part of a disposal group held for sale. The post-tax profits of discontinued operations are presented in a separate line item in the income statement. Previous periods are re-presented. Accounting for discontinued operations requires management's judgment and estimates in identifying and separating the financial effects on continuing and discontinued operations, as well as assessing if the criteria are fulfilled. The accounting for discontinued operations has a significant impact on the financial statements of Schibsted and is a key audit matter.

We obtained and reviewed the purchase agreement and assessed the conditions. We assessed management's evaluation of classification as discontinued operations of Adevinta. We discussed with management and assessed the methods used to identify and separate the financial effects of the discontinued operations, and that the effects were correctly separated from continuing operations. We met with the Board of Directors, Audit Committee and management representatives on a regular basis to understand the status of the acquisition by Adevinta. We also assessed the Group's disclosures regarding the assets held for sale and discontinued operations.

We refer to note 32 Assets held for sale and discontinued operations and note 4 Changes in the composition of the Group in the financial statements for additional information.

Revenue recognition and cut-off

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. A good or service is considered transferred when the customer obtains control. Schibsted has products and services with various contractual terms and different pricing elements in contracts with customers throughout the Group. Some revenue is recognized over a period whilst others at a certain point in time. Several IT-systems provide input to the revenue recognition processes and there have been changes to these processes in recent years. Due to the complexity of the revenue models and the supporting IT-systems, there is a risk of revenue not being recognized in the correct period. Hence, cut-off of revenue was a key audit matter.

We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. Further, we considered the Group's accounting policies for revenue recognition. We have on a sample basis compared sales transactions, recognized before and after the balance sheet date to customer contracts and performance obligations and assessed whether the revenue recognition criteria is in compliance with the group accounting policies.

We refer to note 7 Revenue recognition in the financial statements for additional information.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 25 March 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

Share information

Schibsted is listed on Oslo Børs, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a sound financial position and be ensured through long-term growth in the share price and a dividend. The company's share price should reflect the company's long-term value creation.

The strategy and vision adopted by Schibsted's Board of Directors implies that the Group's operations must adapt and develop rapidly. Schibsted's capital structure must be sufficiently robust to take advantage of value-enhancing opportunities in the context of the competitive dynamic as well as fluctuations in general and economic conditions. The share is split into an A-share with 10 voting rights and a B-share with 1 voting right. These two share classes enhance Schibsted's long-term financial flexibility by enabling the company more freely to access the equity market.

Shareholders

	31 December 2020	31 December 2019
Number of registered shareholders	6,166	5,032
Share of non-Norwegian shareholders	53%	54%
Average daily trading volume (SCHA/SCHB)	262k / 168k	274k / 179k
Average daily trading value (SCHA/SCHB)	NOK 79 m / NOK 45 m	NOK 67 m / NOK 40 m
Turnover velocity (SCHA/SCHB)	61% / 30%	57% / 30%
Turnover velocity Oslo Børs	60%	41%

	31 December 2020	31 December 2019
Norway	46.9%	45.6%
USA	20.8%	20.8%
UK	13.6%	13.1%
Ireland	4.2%	3.5%
Sweden	3.6%	3.2%

The trading data in the table above is based on data from Oslo Børs.

Schibsted conducts a quarterly analysis of shareholders registered at nominee accounts. A list of Schibsted's shareholders including those registered at nominee accounts is presented below. The list is updated as of 18 January 2021.

RANK	NAME	A-SHARES	B-SHARES	TOTAL	% OF CAPITAL
1	Blommenholm Industrier AS	28,541,262	30,013,354	58,554,616	25.0%
2	Folketrygdfondet	9,026,454	11,677,570	20,704,024	8.9%
3	Baillie Gifford & Co.	6,673,899	7,093,448	13,767,347	5.9%
4	Fidelity Management & Research Company LLC	8,705,859	4,072,052	12,777,911	5.5%
5	Adelphi Capital LLP	2,459,484	4,240,040	6,699,524	2.9%
6	NYA WERMLANDS-TIDNINGENS AB	3,200,000	3,200,000	6,400,000	2.7%
7	UBS AG London	2,515,505	3,630,718	6,146,223	2.6%
8	The Vanguard Group, Inc.	3,089,441	2,850,123	5,939,564	2.5%
9	Alecta pensionsförsäkring, ömsesidigt	0	5,193,000	5,193,000	2.2%
10	BlackRock Institutional Trust Company, N.A.	2,012,354	2,774,558	4,786,912	2.0%
11	Pelham Capital Ltd	0	3,314,916	3,314,916	1.4%
12	KLP Forsikring	490,450	2,618,984	3,109,434	1.3%
13	DNB Asset Management AS	614,224	2,492,054	3,106,278	1.3%
14	Marathon Asset Management LLP	1,675,814	1,332,571	3,008,385	1.3%
15	Storebrand Kapitalforvaltning AS	1,046,186	1,918,256	2,964,442	1.3%
16	Mitsubishi UFJ Trust and Banking Corporation	1,457,753	1,201,114	2,658,867	1.1%
17	Goldman Sachs International	43,138	2,531,928	2,575,066	1.1%
18	Fidelity Institutional Asset Management	1,376,997	649,973	2,026,970	0.9%
19	Danske Bank (Custodian)	1,792,071	120,000	1,912,071	0.8%
20	Handelsbanken Asset Management	173,598	1,689,576	1,863,174	0.8%

The shareholder identification data is provided by Nasdaq OMX. The data is obtained through an analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Schibsted share register. Whilst every reasonable effort is made to verify all data, neither Nasdaq OMX nor Schibsted can guarantee the accuracy of the analysis.

For an overview of the 20 largest shareholders as of 31 December 2020 from the public VPS register, refer to the annual accounts for Schibsted ASA, Note 11 Shareholder structure.

Dividend and buyback of shares

Distribution of dividend and opportunity to buy back shares are regarded as suitable ways to adapt the capital structure. The Group's dividend policy is to place emphasis on paying a stable to increasing dividend amount over time. In years when there is an economic slowdown, or for other reasons weaker cash flows in the company, the company may reduce or decide not to pay dividends.

The Board of Directors has decided to propose to the Annual General Meeting on 6 May 2021 to pay a dividend for 2020 of NOK 2.00 per share. Subject to the decision of the Annual General Meeting, the dividend will be paid on 18 May 2021 to those registered as shareholders on the date of the Annual General Meeting.

Pursuant to an authorization granted by the Annual General Meeting in 2020 the Board of Directors is currently authorized to repurchase up to 10 percent of the company's share. Potential repurchases will take place over time and should be viewed in connection to Schibsted's dividend policy, investment opportunities, and long-term perspectives for its capital structure.

Shareholder structure

Blommenholm Industrier, which is controlled by the Tinius Trust, is Schibsted's largest shareholder, giving the Group long-term ownership stability. As a consequence, the number of A-shares issued will normally remain stable over time. B-shares may, together with debt, be used as a source of financing for growth in the form of acquisitions or organic investments.

Schibsted's shares are freely marketable. The wording of the company's Articles of Association reflects the Group's publishing responsibilities and role in society as a media company. Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights in Article 6 of the Articles of Association. No shareholder may own or exercise voting rights for more than 30 percent of the shares represented at the Annual General Meeting.

Any shareholder owning 25 percent or more of Schibsted's A-shares is entitled to appoint one director directly. Blommenholm Industrier, which owns 26.4 percent of the A-shares, is currently the only shareholder to hold this right. The Tinius Trust has a controlling interest in Blommenholm Industrier.

Return

The Schibsted shares are listed on Oslo Børs with the ticker codes SCHA and SCHB. Both share classes are among the most traded in Norway. The A-shares were included in the OBX index throughout 2020. The OBX index comprises the 25 most liquid stocks on the Oslo Børs.

Schibsted is covered by sell-side analysts in Scandinavia and London. At year-end 2020, 17 sell-side institutions, 8 of them based outside Scandinavia, officially covered the Schibsted share.

In 2020, the Schibsted A-share produced a total return for shareholders of 38.1 percent. The Schibsted B-share produced a total return for shareholders of 27.0 percent. By comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a return of 4.6 percent.

Share price development for Schibsted compared to various indices and peers can be accessed at www.schibsted.com/ir/.

Stavanger Aftenblad
VG
FINN
GoodOnes
hygglo
klart
Bergens Tidende
The Mindfulness App
Aftenposten
habity
MÖTESPLATSEN
Add Health Media
Communicating health for life
Morgenlevering
Lendo
homely
SVOSJ
mittanbud
PodMe
vinguiden.
let's deal
Hjemmelegene
FUNDING PARTNER
AFTONBLADET
servicefinder
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*Brands that Schibsted owns or has invested in

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