Adevinta

Q4 2021 Interim Report

February 24, 2022

Adevinta Highlights

Highlights of Q4 2021

Q4 2021 results performance

- **Revenue growth: 6%[1] despite Motors headwinds**
  - Total consolidated revenues of €394m (**€411m** including discontinued operations[2])
  - Strong growth in Consumer Goods (+16%), Real Estate (+12%) and Jobs (+28%)
  - Strong acceleration of number of Consumer Goods transactions, especially in France (+61%)
  - Motors flat year-on-year with supply shortage impact offset by ARPD growth
  - Advertising revenue flat year-on-year with strong performance from eBay Kleinanzeigen
- **JVs[3] revenue up 32%, driven by OLX Brasil**
- **Underlying EBITDA[4] of €139m**
  - Total consolidated EBITDA of €124m (**€127m** including discontinued operations[2])
  - Increased marketing effort vs low 2020 levels
  - Ramp-up of transactional and promotional campaigns

FY 2021 results performance

- **Total consolidated revenues and EBITDA[4] up 10% yoy**
- **Excluding motors, consolidated revenues up 12% yoy**
- **Underlying EBITDA[4] of €555m, representing a 37% EBITDA margin**

Progress in strategic plan execution

- **Portfolio optimization ongoing**
- **Reorganization initiated to drive Group-wide efficiencies**
- **Synergy target confirmed at €130m run rate EBITDA impact in year 3 and c.€35m in FY 2022**

Outlook

- **Core Markets mid-to-long targets confirmed**
  - c. 15% average annual revenue growth
  - 40-45% EBITDA margin
- **FY 2022 expectations in a temporarily challenging market environment**
  - Low double-digit revenue growth in core markets
  - Underlying EBITDA[4] in the range of €575m to €600m excluding discontinued operations[2] (*€585-610m including discontinued operations*[2])

Rolv Erik Ryssdal, CEO

"We ended 2021 with a solid financial performance. During the fourth quarter our marketplaces continued to deliver with accelerated growth in our core markets, despite our exposure to the motors industry which is facing temporary headwinds. We continued investment in building capacity and new competencies as we strengthen our product offerings especially with new models, and in marketing to increase visibility and drive further adoption of our products.

Following our merger with eCG last summer, we have been working at pace to bring the two companies together. In November we unveiled our five year "Growing at Scale" strategy, with ambitious and credible targets to create value for the Group and its stakeholders. We have now started to execute on our strategic goals.

We are progressing on our transformation into a more efficient integrated organisation. The money and time we will save from working at scale will be invested into our products and teams, adding value for our customers and ensuring we sustain our strong market positions in an ever-changing competitive landscape.

The current headwind in the motor market is temporary, therefore heading into 2022, we will continue building on the recovery momentum and progressively benefit from the motor market upside, as well as from further growth in other verticals and new business models. We remain confident that we are best positioned to capture the exciting long-term growth opportunities ahead."

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[1] Continuing operations, excluding disposals
[2] Australia and South Africa operations to be divested
[3] OLX Brasil and Willhaben
[4] Consolidated EBITDA before share-based compensation impact (€(15)m in Q4 2021 vs. €(9)m in Q4 2020; €(41)m in FY2021 vs. €(35) in FY2020). This metric will serve as key financial indicator from Q1 2022 onwards

Key figures

The segments disclosed in this section represent the revised reporting structure of Adevinta, following the acquisition of eBay Classifieds Group and, are therefore, those that will be presented in the consolidated annual financial statements for the year ended 31 December 2021, which will be included in the 2021 annual report.

Adevinta has identified France, Mobile.de, European Markets, International Markets and Headquarters and Others as the operating segments, mirroring the internal reporting structure. This reflects the review, management and assessment of the groups operating results by Group Management following the acquisition of eBay Classifieds Group.

Additionally, the segment information only presents a consolidated view and does not include Joint Ventures that are not 100% consolidated (namely OLX Brasil and Willhaben). Results from Joint Ventures are presented in the line "Share of profit (loss) of joint ventures and associates" in the profit and loss statement.

The information disclosed on a "combined" basis in this section reflects the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.

In accordance with Adevinta's decision to divest Australia (Gumtree AU, Autotrader and CarsGuide) and South Africa (Gumtree South Africa), these subsidiaries were classified as held for sale and as discontinued operations as of 31 December 2021. As a consequence, they are presented in the line "Profit (loss) from discontinued operation" in the profit and loss statement and do not contribute to the group's operating revenues and EBITDA.

Quarterly restated figures from Q1 2019 to Q4 2021 (on a "combined" basis, adjusted for comparability) are available under the following link: www.adevinta.com/investors/financial-results-publications.

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

Combined[1] Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2020	2021	€ million	2021	2020	yoy%	2021	2020
5%	**375**	**394**	**Operating revenues**	**1521**	**1382**	**10%**	**1139**	**673**
-9%	**137**	**124**	**EBITDA**	**514**	**467**	**10%**	**356**	**182**
	36.5%	31.6%	EBITDA margin	33.8%	33.8%		31.3%	27.1%
			Operating revenues per segment					
8%	110	119	France	453	393	15%	453	393
-6%	74	69	Mobile.de	283	280	1%	141	-
12%	154	173	European Markets	648	567	14%	470	250
-5%	33	31	International Markets	128	120	7%	67	8
-100%	4		Disposals	3	19	-83%	3	19
-10%	3	3	Other and Headquarters	9	9	0%	9	9
59%	(3)	(1)	Eliminations	(4)	(5)	15%	(4)	(5)
			EBITDA per segment					
0%	53	53	France	214	191	12%	214	191
-21%	47	37	Mobile.de	164	168	-2%	79	-
1%	70	71	European Markets	266	242	10%	171	69
-12%	13	11	International Markets	47	38	23%	21	(2)
>100 %	(6)		Disposals	(5)	(15)	63%	(5)	(15)
-19%	(40)	(47)	Other and Headquarters	(171)	(157)	-8%	(122)	(61)
			Non-consolidated JVs[2]					
32%	17	23	Proportionate share of revenue	83	54	54%	83	54
16%	2	2	Proportionate share of EBITDA	10	11	-6%	10	11

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*

[2] *Grupo Zap results are included in the figures presented as from its acquisition date (30 October 2020).*

Operating revenues by category

Combined[1] Fourth quarter			€ million	Combined[1] Year			IFRS Year	
yoy%[2]	2020	2021		2021	2020	yoy%[2]	2021	2020
0%	101	99	Advertising revenues	360	340	8%	241	118
7%	260	275	Online classifieds revenues	1094	999	11%	839	524
41%	10	14	Transactional revenues	46	25	86%	44	22
38%	5	6	Other operating revenues	21	19	11%	15	10
6%	**375**	**394**	**Operating revenues**	**1521**	**1382**	**11%**	**1139**	**673**

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*
[2] *Excluding disposals (Morocco, Dominican Republic, Colombia, Chile, UK)*

During 2021, Adevinta exited operations in the UK and in Chile, representing 4 million euros revenues in Q4 2020. Excluding the impact of those divestments, combined revenues from continuing operations were up 6% in the fourth quarter compared to the same period last year, demonstrating the resilience of our marketplaces despite further supply pressure in the motors vertical:

- Online classifieds revenues improved by 7% year-on-year, supported by double-digit revenue growth in Real Estate, Jobs and Consumer Goods. This was partially offset by Motors revenue performance, which was flat year-on-year. The volume impact was partly mitigated by successful price increases, higher client penetration and product development with high added-value for car dealers.
- Transactional revenues grew by 41%, with strong traction in France and Italy.
- Advertising revenues remained flat year-on-year with mixed performance across markets. Most markets were challenged by soft automotive display advertising. eBay Kleinanzeigen posted strong revenue growth (up +20% year-on-year), benefiting from increased performance in display.

Core Markets posted revenue growth of 7% in the quarter, despite the soft motors market:

- Online classifieds revenue improved by 7%;
- Transactional revenues grew by 42%;
- Advertising revenues were up 3%.

Gross operating profit (EBITDA) from continuing operations decreased by 9% compared to the fourth quarter of 2020, to 124 million euros. Revenue growth was offset by an anticipated increase in marketing investment (up 31% year-on-year, and back to pre-covid levels in some markets), notably in Mobile.de, Spain, Benelux and Italy, and in personnel costs due to higher charges related to share based compensation (up c.6 million euros year-on-year) and to the ramp-up in product and technology resources to fuel product innovation and new business models as outlined in the segment information. Costs from transactional services also increased as a result of higher transaction volumes, combined with promotional campaigns to drive increased adoption.

Underlying EBITDA[5] from continuing operations was 139 million euros in the fourth quarter, representing a 35% EBITDA margin.

[5] Consolidated EBITDA before share-based compensation impact (€(15)m in Q4 2021 vs. €(9)m in Q4 2020; €(41)m in FY2021 vs. €(35) in FY2020)

Segment information

France

Combined[1] Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2020	2021	€ million	2021	2020	yoy%	2021	2020
8%	**110**	**119**	**Operating revenues**	**453**	**393**	**15%**	**453**	**393**
-16%	(57)	(66)	Operating expenses	(240)	(202)	-19%	(240)	(202)
0%	**53**	**53**	**EBITDA**	**214**	**191**	**12%**	**214**	**191**
	48.3%	44.5%	EBITDA margin	47.1%	48.6%		47.1%	48.6%

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*

Traffic was broadly stable compared to last year and up 5% compared to the previous quarter. Listings were up 13% year-on-year, and up 7% compared to the previous quarter. This positive content development in the quarter was driven by Consumer Goods and Jobs, while Motors and Real Estate professional content continued to be impacted by market dynamics (down 9% and 12% respectively). P2P transaction payments saw very strong traction, with 3.8 million transactions in the period, up 61% year-on-year, supported by promotional campaigns as well as user experience improvements and product development such as the face-to-face payment solution (launched in the third quarter of 2021).

Reported revenues in France grew by 8% in the fourth quarter. Online classifieds revenues grew 10% year-on-year. This increase was mainly driven by Real Estate, with a double digit growth in revenues as a result of positive ARPA evolution (+18% year-on-year to €530) and product development with high added-value for professional clients. Motors revenues also grew in the quarter as the 9% ARPD increase (to €360) more than offset declining professional volumes. Advertising revenues were down 4% year-on-year, impacted by reduced activity from media agencies and OEMs. Revenues from transactions were up 29% year-on-year as consumer goods transaction volume growth was partially offset by discounting campaigns on shipping fees (amounting to c.1.5 million euros) that drove adoption of the service.

EBITDA remained stable compared to the fourth quarter of 2020. The cyber attack that took place in August continued to weigh on performance in the quarter with an estimated net EBITDA impact of c.2.5 million euros. This will however normalize in the first quarter of 2022. As expected, we continued to invest in marketing and product and technology resources for further product development.
We added new services in our Motors vertical, with the launch of the Mechanical breakdown warranty offer (in partnership with BNP Paribas) and the Vehicle history report (in partnership with Autoviza). The deployment of our market verticalization strategy continued, in Real Estate (eg: launch of an all-in-one mandate solution *"Pack Immo intégral"* including a lead generation offer, candidate profile for rental applications), Jobs (eg: multi-apply feature expansion, monetization and improvement of CV database) and Holiday Rentals (eg: improved calendar). In Consumer Goods, we optimized our face-to-face payment solution and improved the user experience (eg: display of user information, automatic push). We also saw an increase in transactional costs driven by higher volumes and by the promotional campaigns that supported acceleration in user adoption (volume not fully reflected in revenues, whereas 100% of the costs are reflected in EBITDA). EBITDA margin contracted 4 percentage points year-on-year accordingly.

Excluding the one-off impacts of cyber-attack and subsidized shipping in transaction services, EBITDA margin would have reached c. 47%.

Mobile.de

Combined[1] Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2020	2021	€ million	2021	2020	yoy%	2021	2020
-6%	**74**	**69**	**Operating revenues**	**283**	**280**	**1%**	**141**	**-**
-19%	(27)	(32)	Operating expenses	(120)	(112)	-7%	(62)	-
-21%	**47**	**37**	**EBITDA**	**164**	**168**	**-2%**	**79**	**-**
	63.6%	53.8%	EBITDA margin	57.8%	60.0%		56.0%	-

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*

Traffic was 9% lower than in the fourth quarter of 2020 but could be converted more successfully, resulting in a 17% year-on-year growth in leads, alongside sustained market share. Dealer listings continued to reduce in the period (-24% year-on-year) due to the low level of available inventory in the market, driven by low new car production as a consequence of the semiconductor shortage.

Revenues in mobile.de declined by -6% in the fourth quarter of 2021. Online classified revenues were down 4% year-on-year. The volume impact was partly mitigated by the successful 14% listing price increase across dealers in August (whilst maintaining our leading market position), by higher revenue per C2C listing and by higher revenues from our C2B lead generation product. Advertising revenues continued to be impacted by the low car production and its knock on effects on Advertising spend of OEMs, declining by -23% year-on-year.

EBITDA dropped by -21% in the fourth quarter due to the topline evolution combined with a 100% increase in marketing investment (new TV campaign to promote the mobile.de brand), when compared to the the fourth quarter of 2020, where spend levels were reduced to its lowest levels as a consequence of the pandemic.

Personnel expenses also increased in the fourth quarter (up 10% year-on-year), reflecting the ramp-up in product and technology resources to accelerate new product development. We launched two market tests in the quarter to understand demand and consumer behavior around built-to-order new car leasing (in partnership with Null-leasing) and around online buying and selling services (in partnership with InstaMotion). We continued to optimize our C2B proposition (eg: adjusted contracts, further development of integrated auctions, user-centric customer journey) and our financing solution (eg: automatic offer, extended contract), while further improving the experience for our users (eg: connected conversation between dealers and customers, "Mark as New" feature for private sellers) and professional clients (eg: improved vehicle insertion process).

Regarding our product and packaging strategy, an initiative was launched in the quarter moving towards more sophisticated packages and pricing models.

European Markets

The European Markets segment comprises primarily eBay Kleinanzeigen in Germany, Marktplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, Automobile.it and Kijiji in Italy; Daft, Done Deal and Adverts in Ireland; Hasznaltauto, Jofogas and Autonavigator in Hungary, Kufar in Belarus and Willhaben in Austria.

The segment information only presents a consolidated view and does not include Joint Ventures that are not 100% consolidated. Therefore, Willhaben financial results are not included in the numbers presented in the section. Results from Willhaben are presented in the line "Share of profit (loss) of joint ventures and associates" of the profit and loss statement.

Combined[1] Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2020	2021	€ million	2021	2020	yoy%	2021	2020
12%	**154**	**173**	**Operating revenues**	**648**	**567**	**14%**	**470**	**250**
-21%	(84)	(102)	Operating expenses	(382)	(324)	-18%	(299)	(181)
1%	**70**	**71**	**EBITDA**	**266**	**242**	**10%**	**171**	**69**
	45.4%	41.0%	EBITDA margin	41.1%	42.8%		36.4%	27.7%

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*

Revenues in the European markets segment increased by 12% in the fourth quarter of 2021, supported by very strong growth at eBay Kleinanzeigen (+20% year-on-year), in Spain (+14% year-on-year) and Italy (+19% year-on-year). Online classified revenues were up by 11% and display advertising revenue grew 10% year-on-year, driven by eBay Kleinanzeigen. Transactional revenues continued to grow, doubling during the period, in line with our strategy.

EBITDA increased by +1% compared to the fourth quarter of 2021. The positive topline evolution was partly offset by a c.50% increase in marketing spending, especially in Spain, Italy and Benelux, to reinforce our positions after several quarters of reduced investments in the covid context. Personnel expenses increased in the period, in line with business development and future revenue growth. EBITDA margin contracted 4.4 percentage points year-on-year accordingly.

eBay Kleinanzeigen revenues saw a strong growth in the quarter (+20% year-on-year) and reached 57 million euros. This was driven by a strong performance both in advertising and online classifieds, where Consumer Goods revenues were supported by a growing contribution from Small and Medium Businesses (SMBs). Real-Estate and Jobs revenues also saw a significant positive evolution, while Motors revenues declined slightly due to the market environment.
Listings increased by 12% year-on-year and by 6% compared to the previous quarter. We continued to develop our transactional services with the launch of a shipping solution with DHL and with new visibility features (eg: profile badge for sellers offering secure payment).

In **Spain**, revenues grew 14% compared to the fourth quarter of 2020 to 49 million euros, driven by strong performance in online classifieds, up 15% year-on-year. The Jobs vertical saw a 31% year-on-year growth in revenues, and reached an all time Q4 revenues and client record, mainly driven by small transactional clients. The Motors vertical continued to see strong revenue growth (+10% year-on-year) fueled by a higher dealer penetration, despite the motors market softness due to the semiconductor shortage. In Real Estate, revenues continued to recover, also driven by increased penetration. Display advertising revenues grew 2% year-on-year.
In the quarter, we continued to deploy our Product and Packaging offerings with triple bundle solutions in Real Estate, while we further enhanced the user experience in all verticals.

Benelux revenues were flat compared to the fourth quarter of 2020. Continued growth in Consumer Goods revenues, supported by higher revenues per listing and SMB outreach campaigns, was offset by a decline in Motors revenues due to the muted supply environment. Transactional services revenues were slightly up year-on-year while Advertising revenues were slightly down.
In the quarter we continued to optimize our offers for our professional clients (eg: improved lead management for car dealers) while reinforcing security and trust (eg: phone number verification, new security features during listing process).

In **Italy**, revenues grew 19% mainly driven by double digit growth in the Jobs and Motors verticals and by the strong momentum of transactional services (launched in August 2021). The number of transactions increased significantly when compared to the previous quarter, demonstrating increased traction of our payment & delivery solution.

In **Ireland**, revenues grew 2% year-on-year, demonstrating good resilience despite the stock shortage in both Real Estate and Motors.

In **Willhaben (not included in segment information)** we saw an acceleration in Jobs with 68% revenue growth year-on-year and in the transactional payment and delivery service which doubled the revenue compared to the third quarter. We continued to see a positive effect of the new pricing in motors and the new products launched.

International Markets

International Markets comprises Kijiji in Canada, Autotrader, Gumtree and Carsguide in Australia, Segundamano and Vivanuncios in Mexico, Gumtree in South Africa, and OLX and Infojobs Brazil in Brazil.

In accordance with Adevinta's decision to divest Australia (Gumtree AU, Autotrader and CarsGuide) and South Africa (Gumtree South Africa), these subsidiaries were classified as held for sale and as discontinued operations as of 31 December 2021. As a consequence, they are presented in the line "Profit (loss) from discontinued operation" in the profit and loss statement and do not contribute to the segment revenues and EBITDA.

The segment information only presents a consolidated view and does not include Joint Ventures that are not 100% consolidated. Therefore, OLX financial results are not included in the numbers presented in the section. Results from OLX are presented in the line "Share of profit (loss) of joint ventures and associates" of the profit and loss statement.

Combined[1] Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2020	2021	€ million	2021	2020	yoy%	2021	2020
-5%	**33**	**31**	**Operating revenues**	**128**	**120**	**7%**	**67**	**8**
0%	(20)	(20)	Operating expenses	(81)	(82)	0%	(46)	(10)
-12%	**13**	**11**	**EBITDA**	**47**	**38**	**23%**	**21**	**(2)**
	38.3%	35.2%	EBITDA margin	36.5%	31.8%		30.8%	-28.6%

[1] *Combined: these figures reflect the results of Adevinta group as if the eBay Classifieds Group (acquired on 25 June 2021) has been part of the group during the full periods presented. These numbers are presented to facilitate comparability and are unaudited.*

The international markets revenues were down 5% year-on-year, driven entirely by a 17% contraction in advertising revenues. Online classified revenues were up 2% in the period.

EBITDA reduced by 12% compared to the fourth quarter of 2020, landing at 11 million euros as a result of the topline evolution. EBITDA margin contracted 3.1 percentage points year-on-year accordingly.

Canada revenues declined 6% compared to the fourth quarter of 2020 to 28 million euros due to soft advertising performance driven by continued vibrancy pressure and soft direct display revenues. Online classifieds were slightly up 1% in the quarter driven by Consumer Goods and Jobs, while Motors was impacted by lower volumes.

Mexico revenues increased by 6%, led by strength in the Real Estate vertical, with an increasing number of agent accounts.

OLX Brasil (not included in segment information) increased revenues by 41% year-on-year in local currency, including the contribution from Grupo ZAP, and 23% on a comparable basis. Revenue growth was driven by continued expansion of cross-selling the triple-bundle strategy across brands in Real Estate, and strength in Motors from both private and dealer revenues.
EBITDA decreased by 14% in local currency compared to the same period last year, including the contribution of Grupo ZAP, as we continued to invest in product and technology resources and in marketing.
In the quarter, we launched ZAPway+, our end-to-end transactional solution, which includes financial services.

Discontinued operations

In Australia, strength in online classifieds was driven by continued upselling of Motors dealers to our Autotrader group joint proposition and by local recruitment demand in our Jobs vertical. Soft advertising performance was driven by continued vibrancy pressure and soft display revenues.

In South Africa, softness in online classifieds was driven by continued pressure in the Motors vertical while Advertising was challenged by continued vibrancy pressure.

Other and Headquarters

Other and Headquarters costs comprise Adevinta's shareholder and central functions including central product and technology development.

The Other and Headquarters EBITDA deteriorated by 7 million euros year-on-year to (47) million euros in the fourth quarter of 2021. This evolution is mainly due to higher personnel-related costs with higher impact from share-based compensation and as the group continued to build-up global capacities to prepare for eBay TSA exits ahead of synergy realisation.

Integration progress

Over the period, we made good progress in the execution of our "Growing at Scale" strategy that we unveiled during our Capital Markets Day in November. We increasingly see the benefit of cross-markets collaboration thanks to the sharing of expertise and best practices within the centers of excellence, for example in pricing strategy in Motors or key learnings from transactional rollout in France to improve cost and time-to-market in Germany.

We have launched the sale process of Australian and South-African assets, while we continue to assess the options for non-core assets under strategic review.

The main synergy initiatives implemented over the period include:

- further progress in systems landscape implementation to prepare for TSA exits in the second quarter of 2022;
- the deduplication of roles and structures in overlapping geographies such as Italy and Mexico, and leadership roles following the acquisition of eBay Classifieds Group;
- the implementation of our new work policy and reduced physical office footprint;
- leveraging our scale, securing better terms with material core suppliers and partners;
- the deployment of our global procurement organization, with the progressive roll-out of our new global policy and of the local procurement team.

In the coming months, we will continue to implement our synergy initiatives, with the progressive roll-out of the operating models for functional teams (subject to Work councils discussions' outcomes). This will contribute to building a more efficient and scalable organisation.

Through these initiatives, we are confident that we can achieve our run-rate EBITDA synergy targets of 35 million euros in FY 2022 and 130 million euros in year 3.

Outlook

As outlined during our Capital Markets Day in November 2021, we see huge opportunities across all our businesses, with a large monetization runway in core Motors and Real Estate online classifieds, potential to expand throughout the transactional value chain with new business models, and a largely untapped second-hand commerce pool.

Our new strategy builds on our unparalleled scale, leadership positions and technology to accelerate sustainable growth. It is underpinned by the following key priorities:

- Focusing the portfolio, by investing in and growing our five Core markets of Germany, France, Spain, Benelux and Italy
- Concentrating on high-quality verticals: Motors and Real Estate, that present a significant opportunity to increase monetization
- Becoming fully transactional in consumer goods, expanding into a growing and profitable online commerce market; and
- Leveraging technology and transforming advertising to preserve revenue and adapt to the evolving market.

The integration of the businesses is progressing well and we remain on track to deliver on the previously-announced synergies that will progressively contribute to accelerated growth and EBITDA margin improvement.

As a result, we expect core markets revenue growth of approximately 15% on average per annum in the mid-to-long term, driving the EBITDA margin to 40-45%, notwithstanding the required investment.

In the short term, we are facing temporary headwinds with low production levels of new cars globally that have knock-on effects on used car listing volumes and on OEM marketing spend, with similar trends in the first quarter of 2022 as observed in the fourth quarter of 2021.
Throughout the year, the financial performance is expected to mirror the recovery trajectory in motors volumes, planned pricing initiatives and the ramp-up of synergies, resulting in progressive revenue growth acceleration and margin improvement quarter after quarter.
Overall this will lead to softer revenue growth in 2022 relative to our mid-to-long term ambition. Assuming a gradual recovery in the Motors market in the second half, we expect Core Markets revenue growth to be low double digit for the full year.
We will continue to invest in product development to capture future growth opportunities and to support further development in traditional online classifieds and new revenue streams such as transactional services.
Based on the above, we expect FY2022 underlying EBITDA[6] in the range of 575 to 600 million euros excluding discontinued operations. Including discontinued operations FY2022 targets would have been in the range of 585 to 610 million euros.

In France, we will continue to benefit from our resilient motors and real estate business models and our ability to drive ARPU growth through upselling and price increases. We are also seeing accelerated traction in transactional services on the back of investments in the last couple of years. As a result, we expect revenue growth to accelerate in the second half of the year.

In mobile.de, we expect further decline in listings in the first half of year. Given the current strong correlation between volumes and revenues, it will have a temporary negative impact on the top line and profitability. This will be mitigated by the implemented and planned price increases. In parallel we will continue to invest to improve our product offering and build new business lines e.g. online buying and selling.

Following the acquisition of eCG, we have built central functional capacity to prepare for the integration of the two companies. The run-rate was reached in the fourth quarter of 2021. The new operating model is expected to be implemented throughout 2022 and to drive medium-long-term efficiencies. In parallel, global Product and Technology and IT capabilities are expected to scale in 2022 in line with business growth and to drive future efficiencies and synergies, underpinning the achievement of the Group's long term targets.

[6] Consolidated EBITDA before share-based compensation impact. This metric will serve as key financial indicator from Q1 2022 onwards.

Group Overview

Operating profit

Revenue increased by 115% in the fourth quarter of 2021 to €394 million, compared to the same period last year, mainly due to the eCG acquisition. Barring the impact of the acquisition, revenues increased compared to the fourth quarter of 2020, demonstrating the resilience of our marketplaces, despite further supply pressure in the motors vertical. Online classifieds revenues improved (partially attributable to transactional services), partially offset by Motors revenue performance. Display advertising revenues were flat over the period.

Operating expenses increased by 102% in the fourth quarter of 2021 to €269 million mainly due to the eCG acquisition, €11 million relates to costs for share-based payment legacy plans. These plans were replaced by Adevinta following the closing of the transaction. On a comparable basis, there was an anticipated increase in marketing investment (back to pre-covid levels in some markets), notably in Spain and Italy, and in personnel costs due to the ramp-up in product and technology resources to fuel product innovation and new business models. Costs from transaction services also increased as a result of higher transaction volumes, combined with promotional campaigns to drive increased adoption.

Gross operating profit (EBITDA) increased by 151% to €124 million in the fourth quarter of 2021, compared to €50 million in the same period in 2020.

Depreciation and amortisation increased by €47 million in the quarter, where €49 million was driven by the eCG acquisition.

Share of profit (loss) of joint ventures and associates in the fourth quarter of 2021 decreased by €15 million compared to the same period in 2020. A gain of €17 million was recognised in 2020 in relation to the disposal of the investment in Silver Indonesia, which was swapped for cash and a 6% stake in the online marketplace Carousell operating in Asia.

Impairment loss of €(43) million in the fourth quarter of 2020 was mainly attributable to impairment of goodwill related to Yapo (Chile).

Other income and expenses increased to €(25) million in the quarter (fourth quarter of 2020 at €(10) million) mainly due to the increase in integration expenses mainly related to the eCG acquisition of €(10) million and the increase in restructuring costs of €(4) million. Other income and expenses are disclosed in note 4 to the condensed consolidated financial statements.

Operating profit (loss) in the quarter amounted to €33 million (€(6) million in the fourth quarter of 2020). Please also refer to notes 3 and 4 to the condensed consolidated financial statements.

Net profit and earnings per share

Negative impact from net financial items increased by €27 million in the quarter compared to 2020, mainly due to increased interest expenses related to the financing of the eCG acquisition. Net financial items included €7 million interest expense related to the bonds issued in November 2020 and €12 million interest expense related to Term Loans obtained in relation to the eCG acquisition as well as the revolving credit facilities. Net financial items are disclosed in note 5 to the condensed consolidated financial statements.

The underlying tax rate decreased from 30.6% in 2020 to 29.2% in 2021. In 2021 the underlying tax rate was impacted by the decrease in the tax rate applicable in France. The reported tax rate is (212.7)% in the quarter in 2021, compared to 70.9% in the fourth quarter 2020. The reported tax rate is higher than the underlying tax rate mainly due to losses for which no tax benefit is recognized.

Basic earnings per share in the fourth quarter of 2021 is €0.02 compared to €(0.01) in the fourth quarter of 2020. Adjusted earnings per share in the fourth quarter of 2021 is €0.04 compared to €0.07 in the fourth quarter of 2020.

Financial position

The carrying amount of the Group's assets increased by €10,957 million to €14,281 million during 2021, mainly due to eCG acquisition (increase in assets amounting to €12,385 million, see details in note 2). This increase in assets has been partially compensated by a decrease of €1,060 million due to the release of the funds from the Notes issued on November 5, 2020 that were previously in an escrow account and recognised in "Other current assets". Those funds have been utilized to fund the eCG acquisition. In addition, the assets acquired in relation to Denmark amounting to €301 million were immediately sold to Schibsted after initial recognition.

The carrying amount of the Group's liabilities increased by €1,794 million to €3,895 million during 2021, mainly due to eCG acquisition (increase in liabilities amounting to €1,121 million, see details in note 2). In addition, immediately prior to completion of the acquisition of eCG, the Term Loan B of USD 506 million (€422 million) and €900 million were funded and Adevinta entered into a multicurrency revolving facility that was drawn by €150 million. These loans were registered net of their origination fees. The proceeds from the Term Loan B, the multicurrency credit facility and the Notes were mainly used to financing the eCG acquisition and repaying existing debt, mainly settling the existing term loan of NOK

2,150 million (€(210) million) and the existing revolving credit facility (€286 million).

The Group's equity ratio is 73% as at 31 December 2021 compared to 37% as at 31 December 2020. The increase is mainly due to the issuance of new shares in relation to eCG acquisition.

Cash flow

Net cash flow from operating activities was €67 million in the fourth quarter of 2021, compared to €15 million in the same period of 2020. The increase is mainly due to the increase in operating profit and positive impact of adjustments for changes in working capital and non-cash items, partly offset by the increase in tax payments.

Net cash flow from investing activities was €(62) million in the fourth quarter of 2021, compared to €(273) million in the same period of 2020. The decrease in cash outflow is mainly due to the acquisition of debt and equity instruments of joint ventures and associates of €(287) million in 2020.

Net cash flow from financing activities was €(6) million in the fourth quarter of 2021, compared to €60 million in the same period of 2020. The decrease in cash inflow is mainly due to the cash received from the bridge loan in 2020 partly set off by repayment of a revolving credit facility.

Digital services tax (DST)

The French DST was enacted during 2019. Due to the complexity of the law including the scope of the taxable services, the assessment of whether DST is applicable to Adevinta is surrounded by a high degree of uncertainty. However, management currently assesses that it is less likely than not that French DST is applicable to Adevinta and hence no provision has been recognized for DST as at 31 December 2021. Please see note 6 to the condensed consolidated financial statements for further information.

During 2020 Spain approved DST legislation applicable as from January 2021. The DST levy a 3% tax over certain digital services for groups with worldwide revenues above €750 million and Spanish revenues applicable to DST above €3 million, with the first payment made in 2021. Management has assessed that Spanish DST, which mainly differs in definition of group threshold from the French DST, is applicable to Adevinta and hence a provision is recognized as at 31 December 2021. Please see note 6 to the condensed consolidated financial statements for further information.

During 2019 Italy approved DST legislation applicable as from January 2020. The DST levy a 3% tax over certain digital services for groups with worldwide revenue above €750 million and Italian revenues applicable to DST above €5.5 million, with the first payment made in 2021. Management has assessed that Italian DST, which mainly differs in definition of group threshold from the French DST, is applicable to Adevinta and hence a provision is recognized as at 31 December 2021.

Completion of the acquisition of eBay Classifieds Group

On 25 June 2021, Adevinta acquired 100% of eBay Classifieds Group, a leading digital classifieds brand across 13 countries, including Germany, Denmark (subsequently sold immediately after closing), Canada, the Netherlands, Belgium, the United Kingdom and Australia. Headquartered in Amsterdam, the Netherlands, eBay Classifieds consists of multiple platforms offering online classifieds listings across motors, real estate and general classifieds. Germany, the Netherlands and Canada are eBay Classifieds' largest markets. eBay Classifieds' platforms operate under a number of brands, most significantly Mobile.de, eBay Kleinanzeigen, Marktplaats, Kijiji and Gumtree.The press release published on 25 June 2021 is available at www.adevinta.com.

Following the closing of the transaction, Adevinta is the world's largest online classifieds company (excluding China) based on revenues generated from online classifieds listings and advertisements. The Group connects buyers seeking goods or services with a large base of sellers.

Adevinta operates generalist (which cover consumer goods, often alongside motor, real estate and jobs) as well as vertical (which focus on one of the key monetizable categories: motors, real estate and jobs and typically rely heavily on professional sellers paying listing fees as an important revenue stream) online classifieds sites with leading market positions in 15 countries around the world, based on number of visits, that are accessible via desktop, mobile and dedicated apps. Adevinta and eBay Classifieds are highly complementary businesses and Adevinta expects to benefit from synergies, including across vertical and generalist online classifieds sites.

The consideration was paid in cash and shares of Adevinta (representing a 44% stake in pro forma Adevinta (of which c. 33.3% voting shares and the remainder non-voting shares)). At signing the acquisition agreement, Adevinta entered into deal contingent forwards to fix the euro equivalent of the consideration to be paid in US$ at closing.

In connection with closing of the transaction, Adevinta published on 23 December 2020 a listing prospectus for the listing of the new shares that were issued to eBay and admitted to trading and listed on the Oslo Stock Exchange following the completion of the transaction. The prospectus is available at www.adevinta.com.

Effective from the time the share capital increase for the consideration shares issued to eBay were registered in the Norwegian Registry of Business Enterprises, the Adevinta's Articles of Association were amended in accordance with the amendments approved at the Adevinta's extraordinary general meeting on 29 October 2020. The amended Articles of Association are available at www.adevinta.com.

The gross proceeds from Notes (€1,060 million) issued in November 2020 were released from escrow and Term Loan B (€1,322 million) was funded, immediately prior to completion of the acquisition. The Term Loan B and the Notes are guaranteed by certain subsidiaries of Adevinta and eCG and secured by shares of certain of the guarantors as well as certain material bank accounts and the intercompany receivables of Adevinta.

UK CMA and Austrian regulator approvals

As a part of remedies proposed in response to the competition concerns raised by the UK Competition and Markets Authority on 16 February 2021, Adevinta committed to dispose of Shpock (subsidiary of Adevinta), Gumtree UK and Motors.co.uk (both acquired from eBay Classified Group). On 2 June 2021 Shpock was sold to Russmedia Equity Partners. On 25 June 2021, on the closing of the eCG acquisition, Gumtree (UK) and Motors.co.uk were classified as held for sale. On 30 November 2021 Gumtree (UK) and Motors.co.u were sold to Classifieds Group Limited. Further information can be found in note 2 to the condensed consolidated financial statements.

On 18 June 2021, the Austrian Federal Competition Authorities (the FCA) approved the remedies proposed by Adevinta and eBay to resolve the competition concerns raised in relation to Adevinta's acquisition of eBay Classifieds Group. The commitments include a reduction by eBay of its financial interest in Adevinta to at least 33% within 18 months following closing of the transaction, so as to reduce its indirect economic interest in willhaben. Additionally, Adevinta has agreed to prevent the flow of information about willhaben to eBay, as well as to restrict eBay's potential influence over the strategic operations of willhaben. eBay has subsequently reduced ownership to 33%.

Repurchase of shares by Adevinta ASA

On 3 March 2021 a buy-back programme to settle the 2021 long term incentive obligation was announced. Adevinta ASA acquired 1,700,000 treasury shares in March 2021 amounting to €22 million. Further information with respect to this programme is published on our website.

In April and May of 2021 213,193 own shares were transferred to employees in connection with share based Incentive Plans and 168,991 own shares were sold through a broker in the open market to cover the participant's tax liabilities in relation to the Incentive Programme. In December of 2021 employees of Adevinta received a total of 46,696 gross Adevinta treasury shares. After withholding tax, the number of shares transferred to the employees was 21,985 shares. This transaction was related to bonus matching shares given to employees who enrolled in the Employee Share Saving Plan for Q3 of 2019.

Covid pandemic

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Adevinta will continue to assess the impact to the business should the pandemic extend beyond our current estimates and will update the appropriate assumptions for calculating the recoverable amounts of CGUs should this be required.

The Group had at 31 December 2021 net interest-bearing debt of €2,324 million and €531 million total liquidity available (see specification in Definitions and Reconciliations below).

Condensed Consolidated Financial Statements

Condensed consolidated income statement

	Fourth quarter		Year	
€ million	**2021**	**2020**	**2021**	**2020**
Operating revenues	**394**	**183**	**1,139**	**673**
Personnel expenses	(120)	(68)	(368)	(258)
Other operating expenses	(149)	(66)	(415)	(233)
Gross operating profit (loss)	**124**	**50**	**356**	**182**
Depreciation and amortisation	(64)	(17)	(156)	(61)
Share of profit (loss) of joint ventures and associates	(0)	15	(8)	16
Impairment loss	(2)	(43)	(22)	(43)
Other income and expenses	(25)	(10)	(140)	(39)
Operating profit (loss)	**33**	**(6)**	**29**	**56**
Net financial items	(28)	(1)	(65)	(95)
Profit (loss) before taxes	**5**	**(7)**	**(35)**	**(39)**
Taxes	16	5	(19)	(31)
Profit (loss) from continuing operations	**21**	**(2)**	**(54)**	**(70)**
Profit (loss) from discontinued operation	**6**	**-**	**7**	**-**
Profit (loss) attributable to:				
Non-controlling interests	1	2	6	2
Owners of the parent	26	(4)	(54)	(72)
Earnings per share in €:				
Basic	0.02	(0.01)	(0.06)	(0.10)
Diluted	0.02	(0.01)	(0.06)	(0.10)

Condensed consolidated statement of comprehensive income

€ million	Fourth quarter 2021	Fourth quarter 2020	Year 2021	Year 2020
Profit (loss)	**27**	**(2)**	**(48)**	**(70)**
Remeasurements of defined benefit pension liabilities	**0**	0	**0**	0
Income tax relating to remeasurements of defined benefit pension liabilities	**(0)**	(0)	**(0)**	(0)
Net gain/(loss) on cash flow hedges	0	(88)	56	(144)
Change in fair value of financial instruments	15	-	16	(0)
Items not to be reclassified subsequently to profit or loss	**15**	**(88)**	**72**	**(145)**
Exchange differences on translating foreign operations	8	18	22	(102)
Net gain/(loss) on cash flow hedges	0	(2)	7	(4)
Items to be reclassified subsequently to profit or loss	**8**	**17**	**29**	**(106)**
Other comprehensive income	**23**	**(71)**	**101**	**(251)**
Comprehensive income	**50**	**(73)**	**53**	**(321)**
Comprehensive income attributable to:				
Non-controlling interests	1	2	5	4
Owners of the parent	49	(75)	48	(325)

Condensed consolidated statement of financial position

	31 December	31 December
€ million	**2021**	**2020**
Intangible assets	12,852	1,322
Property, plant and equipment and right-of-use assets	118	108
Investments in joint ventures and associates	370	369
Other non-current assets	375	185
Non-current assets	**13,715**	**1,984**
Trade receivables and other current assets	247	1,208
Cash and cash equivalents	231	131
Assets held for sale	87	-
Current assets	**565**	**1,339**
Total assets	**14,281**	**3,323**
Equity attributable to owners of the parent	10,368	1,203
Non-controlling interests	18	19
Equity	**10,385**	**1,222**
Non-current interest-bearing borrowings	2,312	1,266
Other non-current liabilities	1,019	153
Non-current liabilities	**3,331**	**1,420**
Current interest-bearing borrowings	152	295
Other current liabilities	383	387
Liabilities directly associated with the assets held for sale	29	-
Current liabilities	**565**	**682**
Total equity and liabilities	**14,281**	**3,323**

Condensed consolidated statement of cash flows

	Fourth quarter		Year	
€ million	**2021**	**2020**	**2021**	**2020**
Profit (loss) before taxes	11	(7)	(28)	(39)
Depreciation, amortisation and impairment losses	67	60	180	103
Share of loss (profit) of joint ventures and associates	0	(15)	8	(16)
Dividends received from joint ventures and associates	-	-	3	2
Taxes paid	(30)	(19)	(92)	(42)
Sales losses (gains) on non-current assets and other non-cash losses (gains)	(1)	(4)	33	(6)
Net loss on derivative instruments at fair value through profit or loss	-	3	3	79
Other non-cash items and changes in working capital and provisions	19	(4)	77	23
Net cash flow from operating activities	**67**	**15**	**184**	**105**
Development and purchase of intangible assets and property, plant & equipment	(38)	(11)	(77)	(43)
Acquisition of subsidiaries, net of cash acquired	(16)	0	(2,181)	(7)
Acquisition of debt and equity instruments of joint ventures and associates	-	(287)	-	(287)
Proceeds from sale of intangible assets and property, plant & equipment	-	(0)	0	0
Proceeds from sale of subsidiaries, net of cash sold	(7)	31	274	31
Net sale of (investment in) other shares	(0)	(3)	3	(7)
Net change in other investments	-	(3)	(3)	(3)
Net cash flow from investing activities	**(62)**	**(273)**	**(1,983)**	**(317)**
Net cash flow before financing activities	**5**	**(258)**	**(1,799)**	**(213)**
New interest-bearing loans and borrowings	-	267	2,440	491
Repayment of interest-bearing loans and borrowings	(1)	(205)	(493)	(205)
Net sale (purchase) of treasury shares	-	-	(22)	(2)
IFRS 16 lease payments	(5)	(3)	(20)	(12)
Dividends paid to non-controlling interests	-	-	(8)	-
Net cash flow from financing activities	**(6)**	**60**	**1,898**	**272**
Cash and cash equivalents relating to the disposal group	-	2	-	-
Effects of exchange rate changes on cash and cash equivalents	1	1	1	(0)
Net increase (decrease) in cash and cash equivalents	**(0)**	**(196)**	**100**	**59**
Cash and cash equivalents at start of period	232	327	131	72
Cash and cash equivalents at end of period	**231**	**131**	**231**	**131**

Condensed consolidated statement of changes in equity

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2020	**1,524**	**14**	**1,539**
Comprehensive income	(324)	4	(320)
Transactions with the owners	3	1	3
Capital increase	-	*0*	*0*
Share-based payment	*3*	-	*3*
Change in treasury shares	*(0)*	-	*(0)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 December 2020	**1,203**	**19**	**1,222**
Comprehensive income	48	5	53
Costs of hedging transferred to the carrying amount of goodwill acquired in a business combination	88	-	88
Transactions with the owners	9,029	(7)	9,022
Issue of ordinary shares as consideration for a business combination	*9,023*	-	*9,023*
Capital increase	-	*0*	*0*
Share-based payment	*23*	-	*23*
Dividends paid to non-controlling interests	-	*(8)*	*(8)*
Change in treasury shares	*(17)*	-	*(17)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 December 2021	**10,368**	**18**	**10,385**

Notes

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

The Adevinta Group was established on 9 April 2019 following the demergers of Schibsted Multimedia AS and Schibsted ASA and the consequential transfer of Schibsted's online classifieds operations outside the Nordics to Adevinta ASA. The company was listed on the Oslo Stock Exchange on 10 April 2019. Schibsted has retained a majority interest of 59.28% in Adevinta ASA until 25 June 2021. Pursuant to the acquisition of eCG, economic interest held by Schibsted decreased to 33% and eBay Inc obtained an economic interest of 44% and neither party has control over the Adevinta Group. In July 2021, an agreement between eBay Inc. and Permira was signed, which committed eBay to sell approximately 125 million shares in Adevinta (10.2% stake) to funds advised by Permira. On 29 July 2021, Permira exercised the 30-day option granted by eBay to purchase an additional 10 million Class A shares at the same price. The transaction between eBay Inc. and Permira was completed on 18 November 2021, and eBay sold 134,743,728 Class A Shares in Adevinta, representing an 11% stake in Adevinta, to Permira. After this transaction, voting rights held by Schibsted, eBay and Permira are 35%, 30% and 12%, respectively.

Adevinta Group reports consolidated financial statements according to IFRS 10. The consolidated financial statements comprise the Group and the Group's interests in joint ventures and associates. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies adopted are consistent with those followed in preparing the Group's annual consolidated financial statements for 2020.

The condensed consolidated interim financial statements are unaudited. All amounts are in € million unless otherwise stated. Tables may not summarise due to rounding.

Operating segments

Management has assessed operating segments according to IFRS 8 Segments. After the eCG acquisition, based on the new internal reporting structure, Adevinta has identified France, Mobile.de, European Markets and International Markets as reportable operating segments, which is in line with how the business will continue to be developed and managed by the chief operating decision maker, defined as the CEO.

Disposals comprise Adevinta's divestments in 2020 and up until June 2021. Other/Headquarters comprises Adevinta's shareholder and central functions including central product and technology development. Eliminations comprise reconciling items related to intersegment sales.

Note 2. Changes in the composition of the Group

Disposal of Yapo

On 24 February 2021, Adevinta signed an agreement to sell its subsidiary Yapo (Chile) to Frontier Digital Ventures (FDV), a company specializing in online marketplaces in emerging markets. The disposal was in line with Adevinta's portfolio optimization strategy. The sale was recognised on 24 February 2021.

The disposal of Yapo resulted in a loss of €11 million, of which €10 million is reclassification of foreign currency translation reserve, with no impact on income tax. The carrying amount of total assets and net assets as at the date of sale were €20 million and €17 million respectively, of which €18 million was intangible assets and €1 million cash.

Disposal of Shpock

From March 2021, the carrying amount of Shpock was expected to be recovered principally through a sales transaction. Shpock was available for immediate sale in its present condition and its sale was highly probable. Therefore, the disposal group was classified as held for sale until its disposal date. On 2 June 2021 Shpock was sold to Russmedia Equity Partners.

The disposal group was measured at the lower of its carrying amount and fair value less costs to sell. In relation to this, an impairment loss was recognised amounting to €(20) million YTD June 2021, which was allocated to goodwill (€2 million) and other intangible assets (€18 million). Related deferred tax liabilities were derecognised amounting to €(5) million.

The disposal of Shpock resulted in a loss of €(33) million in Q2 2021, with no impact on income tax, due to the restructuring required in Q2 2021 to execute the terms of the sales agreement. The carrying amount of total assets and net assets as at the date of sale were €38 million and €33 million respectively, of which €9 million was intangible assets and €27 million cash.

eBay Classifieds Group acquisition

On 25 June 2021, the Group acquired 100% of eBay Classifieds Group, a leading digital classifieds brand across 13 countries, including Germany, Denmark (subsequently sold immediately after closing, see below), Canada, the Netherlands, Belgium, the United Kingdom and Australia. Headquartered in Amsterdam, the Netherlands, eBay Classifieds consists of multiple platforms offering online classifieds listings across motors, real estate and general classifieds. Germany, the Netherlands and Canada are eBay Classifieds' largest markets. eBay Classifieds' platforms operate under a number of brands, most significantly Mobile.de, eBay Kleinanzeigen, Marktplaats, Kijiji and Gumtree.

Following the closing of the transaction, Adevinta is the world's largest online classifieds company (excluding China) based on revenues generated from online classifieds listings and advertisements. The Group connects buyers seeking goods or services with a large base of sellers.

Adevinta operates generalist (which cover consumer goods, often alongside motor, real estate and jobs) as well as vertical (which focus on one of the key monetizable categories: motors, real estate and jobs and typically rely heavily on professional sellers paying listing fees as an important revenue stream) online classifieds sites with leading market positions in 15 countries around the world, based on number of visits, that are accessible via desktop, mobile and dedicated apps. Adevinta and eBay Classifieds are highly complementary businesses and Adevinta expects to benefit from synergies, including across vertical and generalist online classifieds sites.

Detail of the purchase consideration, the net assets acquired and goodwill were as follows:

	€ million
Purchase consideration	
Cash	2,140
Adevinta' s shares issued	9,023
Cash flow hedge reserve released	88
Total purchase consideration	**11,251**

The purchase consideration includes cash consideration of USD 2,500 million, 539,994,479 Adevinta shares, and a closing cash adjustment of USD 54 million.

The fair value of the 539,994,479 shares issued as part of the consideration paid for eBay Classified Group (€ 9,023 million) was based on Adevinta's Norwegian Krone closing share price on 24 June 2021 of NOK 170 per share translated into Euro at 24 June 2021 closing rate of NOK/EUR 10.174. Issue costs of €0.3 million which were directly attributable to the issue of the shares have been netted against the deemed proceeds.

The total cash consideration is equal to the amount of USD 2,554 million translated on 24 June 2021 closing rate of USD/EUR 1.1936.

On 24 June 2021 the valuation of the deal contingent forwards with an aggregate notional amount of USD 2,500 million was negative €95 million of which €88 million was recognised in equity as a hedge reserve including a gain of €56 million recognised in 2021. When the hedging instruments were settled immediately prior to the acquisition, the hedge reserve accumulated in equity was included as part of the consideration.

The provisionally determined fair values of the assets and liabilities of eCG as at the date of acquisition are as follows:

	€ million
Cash	66
Trade and other receivables	111
Corporate income tax receivable	7
PPE and right-of-use assets	35
Intangible assets: trademarks	3,544
Intangible assets: customer contracts	450
Intangible assets: technology	272
Intangible assets: others	4
Long-term investments	15
Deferred tax asset	1
Assets classified as held for sale	388
Current liabilities	(145)
Deferred tax liability	(1,128)
Other non-current liabilities	(11)
Liabilities of a disposal group classified as held for sale	(25)
Net identifiable assets acquired	**3,584**
Add: goodwill	7,667
Total purchase consideration	**11,251**

During the third and fourth quarter of 2021, Adevinta has retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The adjustments to provisional amounts recognised in the third and fourth quarter of 2021 are as follows:

				€ million
	Provisional amounts determined at the date of acquisition	**Adjustment in Q3 2021**	**Adjustment in Q4 2021**	**Provisional amounts at 31 December 2021**
Trade and other receivables	111	(1)	(2)	108
Corporate income tax receivable	7	-	--	7
Intangible assets: trademarks	3,544	-	(38)	3,506
Long-term investments	15	-	(15)	0

Deferred tax asset	1	147	-	148
Assets classified as held for sale	388	(55)	-	333
Deferred tax liabilities	(1,128)	186	11	(931)
Current liabilities	(145)	(13)	4	(154)
Net identifiable assets acquired	**3,584**	**264**	**(40)**	**3,808**
Add: goodwill	7,667	(264)	53	7,456
Total purchase consideration	**11,251**	**-**	**13**	**11,264**

During the quarter, cash consideration of USD 16 million (€13 million) was transferred in accordance with the post-closing cash adjustment of the share purchase agreement.

The goodwill is attributable to the workforce, future customer growth and synergies, including across vertical and generalist online classifieds sites.

Acquisition-related costs of €28 million and €40 million were included in other income and expenses in the consolidated income statement in the reporting period ending 31 December 2020 and 31 December 2021, respectively.

At the time the interim consolidated financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of eCG. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about each class of acquired receivables and any contingent liabilities of the acquired business.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma operating revenues and profit (loss) for continuing operations for 2021 would have been €1,525 million and €(47) million, respectively.

The transaction was completed on 25 June 2021 with consolidation in practice commencing at the end of June 2021.

Purchase consideration – cash outflow

Cash outflow to acquire eCG, net of cash acquired is as follows:

	€ million
Cash consideration	2,153
Settlement of deal contingent forward contracts	88
Less balances acquired:	
Cash	66
Net cash outflow - investing activities	**2,175**

Per Adevinta instructions, part of the consideration for eCG was paid to the seller by the banks providing new financing. The banks were acting as agents of Adevinta and the payments are assessed to be cash payments made by Adevinta.

Acquisition-related costs

Acquisition-related costs that were not directly attributable to the issue of shares are included in operating cash flows in the statement of cash flows for the year ending 31 December 2020 and 31 December 2021, respectively.

Disposal of eBay Denmark

The assets and liabilities of Danish businesses of eCG ('eBay Denmark') were at closing of the eCG transaction classified as held for sale and presented as such within the net identifiable assets of eCG acquired. Immediately after closing, eCG Denmark was sold to a subsidiary of Schibsted for a consideration of €295 million corresponding to the carrying amount of the net assets sold and hence no gain or loss or income tax were recognized related to the sale.

At the date of sale, the fair value less costs of disposal of eBay Denmark was €295 million, the fair value of total identifiable liabilities and the ascertained value of total assets were €6 million and €301 million, respectively.

Operations in the UK, Australia and South Africa classified as held for sale and discontinued operations and disposal of operations in the UK

As a part of remedies proposed in response to the competition concerns raised by the UK Competition and Markets Authority on 16 February 2021, Adevinta committed to dispose of Gumtree UK and Motors.co.uk. Gumtree UK and Motors.co.uk were classified as subsidiaries acquired with a view to resale upon acquisition on 25 June 2021. These businesses' net assets were measured at estimated fair value less costs to sell. Furthermore, these subsidiaries were classified as discontinued operations.

On 23 November 2021, Adevinta signed an agreement to sell its subsidiaries Gumtree UK and Motors.co.uk. to Classifieds Group Limited. The sale was recognised on 30 November 2021.

The disposal of Gumtree UK and Motors.co.uk. resulted in a gain of €2 million, with no impact on income tax. The gain has been presented within the profit from discontinued operation in the fourth quarter of 2021. The carrying amount of total assets and net assets as at the date of sale were €34 million and €5 million respectively, of which €3 million was right-of-use assets, €2 million was deferred tax assets, €13 million was trade and other current receivables, €3m was current tax assets and €12 million cash.

Following the decision to divest the businesses in Australia and South Africa in November 2021, the carrying amount of Carsguide Autotrader Media Solutions Australia PTY Ltd, Gumtree Australia PTY Ltd and Gumtree South Africa (PTY) Ltd is expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa are available for immediate sale in its present condition and its sale is highly probable. Therefore, these subsidiaries have been classified as held for sale as at 31 December 2021 and are measured at the lower of its carrying amount and fair value less costs to sell. Furthermore, these subsidiaries were classified as discontinued operations.

The financial performance and cash flow information related to the discontinued operations for Q4 2021 and for the period from 25 June to 31 December 2021 (2021 column) are disclosed below:

	Q4 2021 €million	**2021 €million**
Revenue	32	71
Operating expenses	(23)	(59)
Gross operating profit / (loss)	**9**	**12**
Operating profit / (loss)	**8**	**10**
Profit / (loss) after income tax	**8**	**10**
Gain / (loss) on sale of the subsidiary after income tax and fair value measurement adjustments	**(2)**	**(3)**
Profit / (loss) from discontinued operation	**6**	**7**
Exchange differences on translation	2	0

	Q4 2021 €	2021 €
Basic	0.00	0.00
Diluted	0.00	0.00

	Q4 2021 € million	2021 € million
Net cash flow from operating activities	(2)	7
Net cash flow from investing activities (includes an inflow of €4 million and a cash outflow of €(12) million both related to the sale of these subsidiaries)	(8)	(8)
Net cash flow from financing activities	(1)	(1)
Net cash (outflow) / inflow	**(10)**	**(2)**

Issue of new shares by Adevinta ASA

On 24 June 2021 the company issued 539,994,479 ordinary shares (of them 342,474,251 Class A shares and 197,520,228 Class B shares). The issue of Class A shares was registered with Oslo Bors on 28 June 2021.

New financing

Immediately prior to completion of the acquisition of eCG the proceeds of the Notes of €1,060 million were released from escrow, and the Term Loan B of USD 506 million and €900 million was funded. Adevinta entered into a multicurrency revolving facility of €450 million. On 24 June 2021 the facility was drawn by €150 million.

The proceeds from the Term Loan B, the multicurrency credit facility, and the Notes were mainly used to fund a portion of the cash consideration for the acquisition of eCG and repay existing debt. On 24 June 2021 Adevinta settled the existing term loan of NOK 2,150 million and the revolving credit facility of €290 million with Nordic and international banks.

Note 3. Operating segment disclosures

The operating 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 geographical location.

After the eCG acquisition, based on the new internal reporting structure, Adevinta identified France, Mobile.de, European Markets and International Markets as reportable operating segments.

- France comprises primarily leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun, PayCar, L'Argus and Pilgo.
- Mobile.de comprises Mobile.de in Germany.
- European Markets comprises primarily eBay Kleinanzeigen in Germany, Markplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, Automobile and Kijiji in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary and Kufar in Belarus. Furthermore, Adevinta's share of the net profit (loss) of willhaben in Austria is included in operating profit (loss).
- International Markets comprises Segundamano and Vivanuncios in Mexico, Kijiji and Kijijiautos in Canada, Infojobs Brazil in Brazil and Gumtree in other countries (Poland, Ireland, Singapore and Argentina). Furthermore, Adevinta's share of the net profit (loss) of Silver Brazil joint venture (including OLX, Anapro and Grupo Zap) is included in operating profit (loss).

Disposals comprises Adevinta's divestments in Corotos in Dominican Republic (sold in Q2 2020), Tayara in Tunisia (sold in Q4 2020), Avito in Morocco (sold in Q4 2020), Fincaraiz in Colombia (sold in Q4 2020), Yapo in Chile (sold in Q1 2021) and Shpock in Austria, Germany and United Kingdom (sold in Q2 2021).

Other/Headquarters comprises Adevinta's shareholder and central functions including central product and technology development.

Eliminations comprise reconciling items related to intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

In the operating segment information presented, gross operating profit (loss) is used as a measure of operating segment profit (loss). For internal control and monitoring, both gross operating profit (loss) and operating profit (loss) are used as measures of operating segment profit (loss).

Operating revenues and profit (loss) by operating segments

Fourth quarter 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	118	75	167	31	-	3	-	394
Operating revenues from other segments	1	(5)	6	0	-	(0)	(1)	-
Operating revenues	**119**	**69**	**173**	**31**	**-**	**3**	**(1)**	**394**
Gross operating profit (loss)	53	37	71	11	-	(47)	-	124
Operating profit (loss)	**46**	**16**	**39**	**6**	**-**	**(74)**	**-**	**33**

Year 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	451	151	458	67	3	9	-	1,139
Operating revenues from other segments	2	(11)	13	0	-	(0)	(4)	-
Operating revenues	**453**	**141**	**470**	**67**	**3**	**9**	**(4)**	**1,139**
Gross operating profit (loss)	214	79	171	21	(5)	(122)	-	356
Operating profit (loss)	**192**	**38**	**106**	**2**	**(73)**	**(236)**	**-**	**29**

Fourth quarter 2020 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	109	-	67	2	4	1	-	183
Operating revenues from other segments	0	-	0	0	0	2	(3)	-
Operating revenues	**110**	**-**	**67**	**2**	**4**	**3**	**(3)**	**183**
Gross operating profit (loss)	53	-	17	(1)	(6)	(14)	-	50
Operating profit (loss)	**47**	**-**	**13**	**(6)**	**(46)**	**(14)**	**-**	**(6)**

Year 2020 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	392	-	250	7	19	5	-	673
Operating revenues from other segments	1	-	0	0	0	4	(5)	-
Operating revenues	**393**	**-**	**250**	**8**	**19**	**9**	**(5)**	**673**
Gross operating profit (loss)	191	-	69	(2)	(15)	(61)	-	182
Operating profit (loss)	**166**	**-**	**54**	**(7)**	**(56)**	**(101)**	**-**	**56**

Operating revenues by category:

	Fourth quarter		Year	
€ million	**2021**	**2020**	**2021**	**2020**
Advertising revenues	99	36	241	118
Classifieds revenues	288	145	883	546
- of which transactional	14	9	44	22
Other operating revenues	6	2	15	10
Operating revenues	**394**	**183**	**1,139**	**673**

Disaggregation of revenues by category:

Fourth quarter 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Advertising revenues	19	8	61	10	-	1	99
Classified revenues	97	64	105	22	-	0	288
Other revenues	1	3	0	0	-	2	6
Revenues from contracts with customers	**118**	**75**	**166**	**31**	**-**	**3**	**393**
Revenues from lease contracts, government grants and others	(0)	-	0	0	-	0	0
Operating revenues from external customers	**118**	**75**	**167**	**31**	**-**	**3**	**394**

Year 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Advertising revenues	69	15	132	19	2	4	241
Classified revenues	379	130	324	48	2	0	883
Other revenues	3	6	1	0	-	4	14
Revenues from contracts with customers	**451**	**151**	**457**	**67**	**3**	**8**	**1,138**
Revenues from lease contracts, government grants and others	0	-	1	0	0	1	2
Operating revenues from external customers	**451**	**151**	**458**	**67**	**3**	**9**	**1,139**

Fourth quarter 2020 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Advertising revenues	21	-	13	0	2	-	36
Classified revenues	87	-	54	2	2	0	145
Other revenues	1	-	0	(0)	0	1	2
Revenues from contracts with customers	**109**	**-**	**67**	**2**	**4**	**1**	**182**
Revenues from lease contracts, government grants and others	0	-	0	-	0	0	0
Operating revenues from external customers	**109**	**-**	**67**	**2**	**4**	**1**	**183**

Year 2020 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Advertising revenues	66	-	43	1	8	-	118
Classified revenues	323	-	206	6	11	0	546
Other revenues	4	-	0	0	0	3	7
Revenues from contracts with customers	**392**	**-**	**249**	**7**	**19**	**3**	**670**
Revenues from lease contracts, government grants and others	0	-	0	-	0	2	3
Operating revenues from external customers	**392**	**-**	**250**	**7**	**19**	**5**	**673**

Note 4. Other income and expenses and impairment loss

	Fourth quarter		Year	
€ million	**2021**	**2020**	**2021**	**2020**
Restructuring costs	(5)	(1)	(5)	(2)
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	1	4	(37)	7
Gain (loss) on sale of intangible assets, property, plant & equipment	(1)	(1)	(1)	(1)
Acquisition-related costs	(4)	(6)	(49)	(32)
Integration-related costs	(15)	(5)	(47)	(6)
IPO-related costs	(1)	(1)	(2)	(3)
Other	0	(1)	0	(1)
Total other income and expenses	**(25)**	**(10)**	**(140)**	**(39)**

Restructuring costs of €(5) million in Q4 2021 consisted primarily of costs from restructuring processes in International Markets and Other/Headquarters.

Acquisition-related costs of €(4) million and integration-related costs of €(15) million in Q4 2021 mainly relate to the acquisition of eBay Classifieds Group.

Impairment loss of €(43) million in Q4 2020 was mainly attributable to impairment of goodwill related to Yapo (Chile).

Note 5. Net financial items

	Fourth quarter		Year	
€ million	**2021**	**2020**	**2021**	**2020**
Net interest income (expenses)	(17)	(6)	(51)	(9)
Net foreign exchange gain (loss)	(4)	3	(2)	(84)
Net other financial income (expenses)	(7)	2	(11)	(1)
Net financial items	**(28)**	**(1)**	**(65)**	**(95)**

Net interest expenses in Q4 2021 are mainly due to new financing obtained in connection to the eCG acquisition (please see note 2).

Net foreign exchange loss in Q4 2021 is mainly due to the depreciation of the exchange rate of the BRL against the EUR, decreasing the value in EUR of the loan in BRL granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture).

Net other financial expenses in Q4 2021 are mainly due to amortisation of the costs directly attributable to the issue of the new financing (please see note 2) using the effective interest method.

Note 6. Contingent liabilities

Digital Services Tax in France

The French digital services tax legislation (DST) was enacted in July 2019 and applicable retroactively from 1 January 2019.

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

• The supply, by electronic means, of a digital interface that allows users to contact and interact with other users, in particular in view of delivering goods or services directly between those users.

• Services provided to advertisers or their agents enabling them to purchase advertising space located on a digital interface accessible by electronic means in order to display targeted advertisements to users located in France, based on data provided by such users.

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

• €750 million of worldwide revenue; and,

• €25 million of revenue generated in France.

The DST applies to digital services revenue for 2019, 2020 and 2021. If applicable to Adevinta, the DST will negatively impact Adevinta Group's EBITDA. The DST amount payable is deductible for corporate income tax purposes.

Due to the complexity of the law the assessment of whether DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. However, management currently assesses that it is less likely than not that French DST is applicable to Adevinta Group and hence no provision has been recognized for DST as at 31 December 2021.

The main uncertainties relate to whether the services which Schibsted Group (for 2019 and 2020) and Adevinta Group provided to its users in France and other countries are to be considered within the scope of DST. The current interpretation points to the non-inclusion of some of the said services which means the applicable worldwide revenues within the scope of DST should be below €750 million.

Should the interactions with the French Tax Authorities and other actions conclude differently, the DST amounts applicable to Adevinta are not expected to exceed €29 million in total for 2019, 2020 and 2021. Management will continue to work with the French tax authorities to obtain further clarification on this matter.

Digital Services Tax in Spain

The DST in Spain levies a 3% tax over certain digital services and is effective from January 2021 for groups with worldwide revenue above €750 million and Spanish revenues applicable to DST above €3 million, with the first payment made in 2021.

The assessment of the extent that Spanish DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. The main uncertainties relate to whether the services which Adevinta Group provided to its users in Spain are to be considered within the scope of DST. The current interpretation points to the non-inclusion of some of the said services and hence the provision for DST in Spain recognized as at 31 December 2021 has been based on such interpretation. Should the interactions with the Spanish Tax Authorities and other actions conclude differently, the additional DST amounts applicable to Adevinta are not expected to exceed €5 million in total for 2021.

Note 7. Other matters

Covid pandemic

The Covid outbreak is currently affecting the world economy negatively and has increased the uncertainty on estimating the recoverable amounts for certain CGUs. The recoverable amount of a CGU 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. Reference is made to the carrying amounts, principles and estimation uncertainty and sensitivity for impairment testing in note 15 in

Adevinta's Annual Report for 2020.

The risk of changes in expected cash flows that affect the consolidated financial statements will naturally be higher in markets in an early phase, such as Mexico, than in established markets. Furthermore, the risk of changes will be significantly higher in periods with an uncertain macroeconomic environment as is the case during the Covid pandemic.

Based on the current estimates, no impairments have been identified in the fourth quarter of 2021. Adevinta will continue to assess the impact to the business should the pandemic extend beyond our current estimates and will update the appropriate assumptions for calculating the recoverable amounts should this be required.

The Group had at 31 December 2021 net interest-bearing debt of €2,324 million (see specification in Definitions and Reconciliations below) and €531 million total liquidity available. Management still considers Adevinta's liquidity and refinancing risk to be acceptable considering the cash generation projections as well as the cash conversion rate of the business.

Note 8. Events after the balance sheet date

CEO succession

Rolv Erik Ryssdal informed and agreed with the Board that he will retire as CEO and leave the business by February 2023 when the Group will release its 2022 annual results. With him turning 60 this year, he believes that now is the right time to start to plan his departure from the company.

Rolv Erik has been with the business since 1991, successfully leading the spinoff of Adevinta from Schibsted and the acquisition of the eBay Classifieds. He will continue to execute on Adevinta's strategy as presented at the Capital Markets Day and lead the integration of the eBay Classifieds business through the separation from eBay.

The Board has commenced the process of identifying and appointing a new CEO and intends to run an extensive search that will include both internal and external candidates.

Share buyback

On 24 February 2022 Adevinta ASA announced the decision to initiate a buyback of up to 10 million of its own shares. The share buy-back programme will be structured into two tranches.

A first tranche of the buyback will be for up to 4 million shares, and will be made in accordance with the authorization granted to the Board of Directors by the Company's General Meeting held on 29 June 2021. The authorisation is valid until the Ordinary General Meeting in 2022. The first tranche of the buyback will commence following this announcement and is expected to end no later than on June 28th 2022.

A second tranche of the buyback of up to 6 million shares will be launched subsequent to the 2022 AGM, and subject to renewal of the shareholder authorisation at the annual general meeting to be held on 29 June 2022. The second tranche is expected to end no later than January 31st, 2023.

The purpose of the buyback is to acquire shares to be used as settlement in the Company's share-based incentive plans over the next 3 years. The shares shall be purchased on Oslo Børs. Adevinta is entering into a non-discretionary agreement with DNB Markets (part of DNB Bank ASA), to carry out the share buyback on behalf of the Company. DNB Markets will make its trading decisions independently of the Company.

The execution of any repurchases will depend on market conditions, the buyback programme may be discontinued at any time and the Company may resolve to terminate the buyback programme before the threshold set out above is reached.

The execution of further tranches of the share buy-back programme for 2022 will be notified to the market.

In the first tranche in 2022, shares will be purchased on the Oslo Stock Exchange. Transactions will be conducted in accordance with applicable safe harbour conditions, and as further set out i.a. in the Norwegian Securities Trading Act of 2007, EU Commission Regulation (EC) No 2016/1052 and the Oslo Stock Exchange's Guidelines for buy-back programmes and price stabilisation February 2021.

Adevinta owned 654,736 shares in the Company as of February 24.

Covid pandemic

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Disclosures on the potential impacts that this uncertainty may have on reported figures in future periods have been included in note 3 in Adevinta's Annual Report for 2020 and in the Group Overview section and note 7 to the condensed consolidated financial statements.

Other than the matters described above, no further matters have arisen since 31 December 2021 which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

Definitions and Reconciliations

The consolidated financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the Group presents alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the Group's performance.

APMs should not be considered as a substitute for or superior 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 below. As APMs are not uniformly defined, the APMs set out below might not be comparable with similarly labelled measures by other companies.

After the eCG acquisition, the following APMs are no longer considered significant for understanding the Group's performance and, hence, are not included in Adevinta's external financial reporting as from Q3 2021:

- EBITDA excl. Investment phase
- Operating revenues incl. JVs
- EBITDA incl. JVs
- EBITDA margin excl. Investment phase
- EBITDA margin incl. JVs

Measure	Description	Reason for including
EBITDA/Gross operating profit (loss)	EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss) / Operating revenues.	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
Underlying tax rate	Underlying tax rate is defined as tax cost excluding effects that do not result in current tax payables.	Management believes that adjusted tax rate represents a more understandable measure of what is tax payable by the Group.
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and unutilised drawing rights on credit facilities.	Management believes that the liquidity reserve shows the total liquidity available for meeting current or future obligations.
Interest-bearing debt/Total debt	Interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities. Total debt is defined as interest-bearing debt.	Management believes that it is a useful indicator of the Group's debt profile and its ability to meet its debt obligations.
Net interest-bearing debt/Total net debt	Net interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities less cash and cash equivalents, proceeds from borrowings placed in the escrow account and cash pool holdings. Total net debt is defined as net interest-bearing debt.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the Consolidated 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 includes proceeds of the Senior Secured Notes held in escrow until closing of transaction.
Earnings per share adjusted (EPS (adj.))	Earnings per share adjusted for other income and expenses, impairment loss, non-controlling interests related to other income and expenses and impairment loss and taxes.	The measure is used for comparing earnings to shareholders adjusted for income and expenses related transactions and events net of tax not considered by management to be part of operating activities. Management believes the measure enables an evaluation of value created to shareholders excluding effects of non-operating events and transactions.
Revenues adjusted for currency fluctuations	Growth rates on revenue adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year.	Enables comparability of development in revenues over time excluding the effect of currency fluctuation.
Organic revenue growth	Revenue growth adjusted for the effects of currency movements and changes in the scope of consolidation.	Enables comparability of development in revenues over time excluding the effect of currency fluctuation and changes in consolidation scope.

Reconciliation of EBITDA (before other income and expenses, impairment, joint ventures and associates) (€ million)	Fourth quarter 2021	Fourth quarter 2020	Year 2021	Year 2020
Gross operating profit (loss)	**124**	**50**	**356**	**182**
= EBITDA (before other income and expenses, impairment, JVs and associates)	124	50	356	182

Underlying tax rate (€ million)	Fourth quarter 2021	Fourth quarter 2020	Year 2021	Year 2020
Profit (loss) before taxes	5	(7)	(35)	(39)
Share of profit (loss) of joint ventures and associates	0	(15)	8	(16)
Other losses for which no deferred tax benefit is recognised	(31)	26	87	178
(Gain) loss on sale and remeasurement of subsidiaries, joint ventures and associates	(1)	(4)	37	(7)
Other non-taxable gains	-	(3)	(3)	(3)
Impairment losses	2	42	4	42
Adjusted tax base	**(24)**	**39**	**97**	**155**
Taxes	(16)	(5)	19	31
Reassessment of previously unrecognised deferred tax assets	-	18	-	18
Other non-recurring tax items	9	4	9	4
Capital gain tax	-	(5)	-	(5)
Adjusted taxes	**(6)**	**12**	**28**	**48**
Underlying tax rate	**26.9%**	**29.9%**	**29.2%**	**30.6%**

Other non-recurring tax items in the fourth quarter of 2021 mainly include adjustment of the tax rates applicable to deferred tax assets and liabilities. The decrease in the fourth quarter of 2021 of other losses for which no deferred tax benefit is recognized is mainly due to the recognition of tax benefit from integration related costs.

Liquidity reserve	31 December 2021	31 December 2020
Cash and cash equivalents	231	131
Unutilised drawing rights on credit facilities	300	335
Liquidity reserve	**531**	**466**

Net interest-bearing debt	31 December 2021	31 December 2020
Non-current interest-bearing borrowings	2,312	1,266
Lease liabilities, non-current	73	82
Total non-current liabilities	**2,384**	**1,348**
Current interest-bearing borrowings	152	295
Lease liabilities, current	19	18
Total current liabilities	**171**	**313**
Total interest-bearing debt	**2,555**	**1,661**
Proceeds from the borrowings placed in the escrow account	-	(1,060)
Cash and cash equivalents	(231)	(131)
Net interest-bearing debt	**2,324**	**470**

	Fourth quarter		Year	
Earnings per share - adjusted	**2021**	**2020**	**2021**	**2020**
Profit (loss) attributable to owners of the parent	26	(4)	(54)	(72)
Other income and expenses	25	10	140	39
Impairment loss	2	43	22	43
Taxes and non-controlling interests related to other income and expenses and impairment loss	(7)	0	(15)	(1)
Profit (loss) attributable to owners of the parent - adjusted	**46**	**49**	**93**	**10**
Earnings per share – adjusted (EUR)	0.04	0.07	0.10	0.01
Diluted earnings per share – adjusted (EUR)	0.04	0.07	0.10	0.01

	Fourth quarter		Year	
Currency rates used when converting profit or loss	**2021**	**2020**	**2021**	**2020**
Pound sterling (GBP)	1.1794	1.1070	1.1629	1.1253
Brazilian Real (BRL)	0.1567	0.1555	0.1569	0.1721

P.O. Box 490 Sentrum
NO-0105 Oslo
Tel: +47 23 10 66 00
Fax: +47 23 10 66 01
E-mail: ir@adevinta.com
www.adevinta.com
Investor information:
www.adevinta.com/investors