Adevinta Annual Report 2022

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For the Norway Transparency Act, refer to pages: 58 – 60 and 66 – 69

OUR PURPOSE
We make a positive change by helping everything and everyone find new purpose...

OUR MISSION
by creating perfect matches on the world's most trusted marketplaces...

OUR VISION
with sustainable commerce shaping a healthy planet and society.

Adevinta at a glance

We are a leading online classifieds specialist, operating digital marketplaces in 11 countries and providing digital services to connect buyers with sellers and facilitate transactions.

Our portfolio spans more than 25 digital brands, attracting approximately 2.5 billion average monthly visits. Noted assets include top-ranked leboncoin in France, Germany's leading classifieds sites mobile.de and eBay Kleinanzeigen, Marktplaats in the Netherlands, Fotocasa, Habitaclia and InfoJobs in Spain, Subito in Italy and 50% of OLX Brasil. We employ around 5,700* people, including some 3,000 working in product and technology teams, committed to supporting users and customers daily.

Adevinta is a sustainability leader within the Dow Jones Sustainability Index (DJSI) Europe.

* Excluding Joint ventures and Contingent workers

Revenue

▲ €1,644m

2021: €1,521m[1]

EBITDA

▲ €548m

2021: €514m[1]

[1] In order to facilitate comparability, 2021 numbers are presented on a combined basis, reflecting the results of Adevinta as if the eBay Classifieds Group (acquired on 25 June 2021) had been part of the combined Group since 1 January 2021

About Adevinta

Our marketplaces

Our core markets:

France
leboncoin
Agriaffaires
L'argus
locasun
MachineryZone
avendrealouer
Truckscorner

Germany
ebay Kleinanzeigen
mobile.de

Spain
habitaclia
milanuncios
InfoJobs
fotocasa
motos.net
coches.net

Italy
InfoJobs
subito
automobile.it

Netherlands
Marktplaats

Belgium
2dehands
2ememain

Joint ventures:

Brazil
OLX
VivaReal
zap

Austria
WILLHABEN

Other markets:

Ireland
DoneDeal
ADVERTS.ie
daft.ie
Gumtree

Canada
kijiji

Hungary
Jófogás
Használtautó.hu
AUTÓNAVIGÁTOR.HU

ICONS
Generalist
Real Estate
Mobility
Jobs

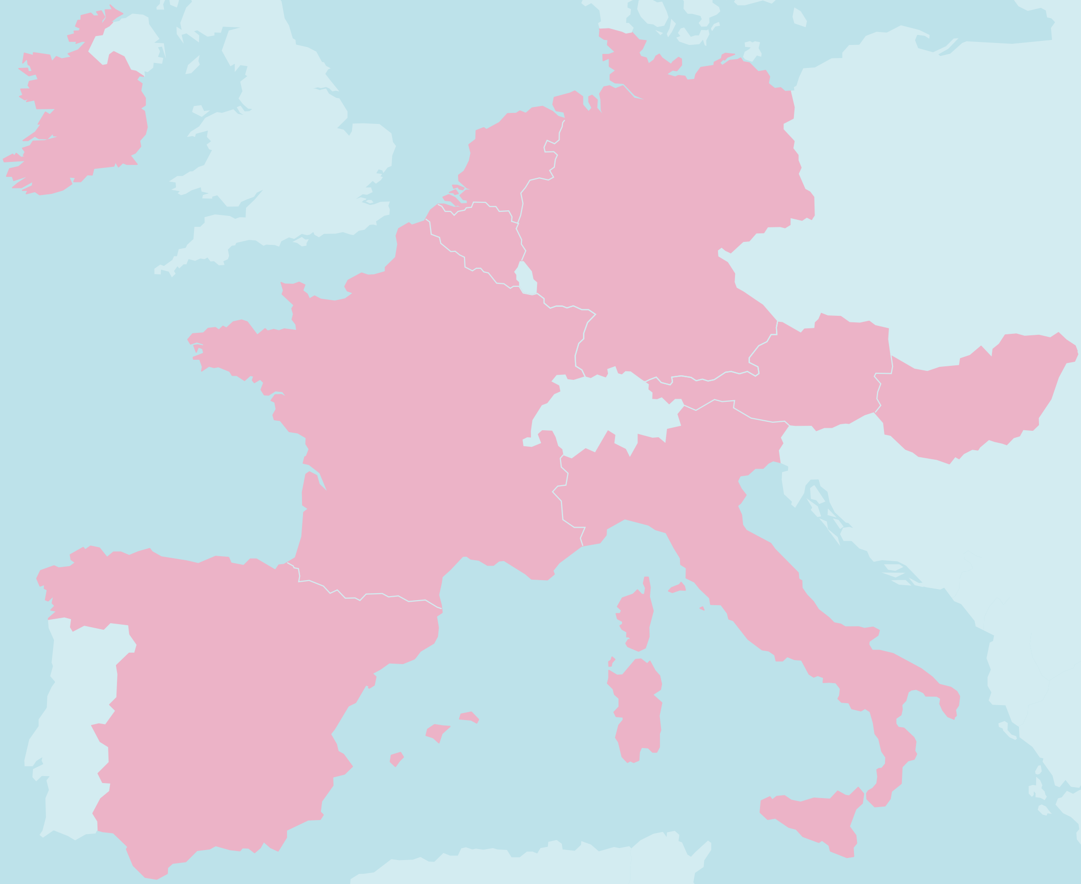
+5,700*
Employees globally including around 3,000 in Product & Tech

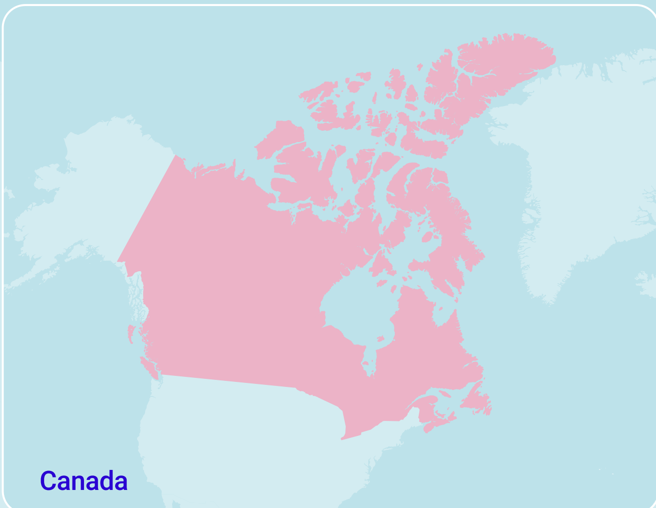
11
Countries where we operate digital marketplaces

160m
Classified ads live daily across European websites

2.5bn
Visits on average per month in 2022 (Global reach)

1.8bn
Visits on average per month in 2022 5 core markets (EU)





* Excluding Joint ventures and Contingent workers

Our brands

coches.net

Coches.net is Spain's leading classifieds site for second-hand cars and takes pride in consistently improving the experience for customers and users.

daft.ie

Ireland's number one destination for property searchers seeking to empower users through innovative product features and in-depth market analysis.

2dehands 2ememain

Belgian market leader in online classifieds with cars, clothes, construction materials and furniture as the most popular categories.

DoneDeal

Ireland's largest online classifieds site and number one destination to buy and sell cars online for both private and professional users.

ebay Kleinanzeigen

Is one of the most visited sites in Germany, with more than 36 million unique monthly visitors, and a leader in generalist online classifieds in terms of both awareness and usage.

fotocasa

One of the leading real estate portals in Spain with the objective to ensure users always feel safe when looking for a home.

Gumtree

Leading classifieds site in Ireland, bringing millions or buyers and sellers together to create thousands of success stories every day.

habitaclia

Habitaclia aggregates and presents the best real estate in Spain online, help people find their perfect home.

Használtautó.hu

Hungary's leading vehicle advertising site featuring a wide range of active ads including machinery, motorcycles, buses and even ships.

InfoJobs

Helps people find the best jobs and helps companies find the best talent, quickly becoming the market leader in online recruitment.

Jófogás

One of the leading online classifieds sites in Hungary, providing extra creative services like door-to-door delivery and parcel automats.

kijiji

Kijiji Canada is like an online village, connecting you with neighbours to buy, sell and find apartments, jobs and services on a local level.

L'argus

One of France's leading players in digital marketing services to the French automotive industry.

leboncoin

In France, leboncoin is the top generalist online classifieds site and covers a range of verticals.

Locasun

Holiday rental and travel specialist based in France that focuses on B2C online reservations of holiday properties across Europe.

MachineryZone

Specialises in the sale and purchase of used and new public works, transport and handling equipment in France.

Marktplaats

Netherlands' favourite online source for selling or buying anything you could possibly want, from boats and services to pets and houses.

milanuncios

Spanish generalist online classifieds website and app, connecting buyers and sellers to make secure transactions.

mobile.de

The most popular marketplace for vehicles in Germany for both private and professional dealers, mobile.de also reaches international buyers and sellers.

motos.net

Simplifies the process of buying and selling motorbikes with a focus on the optimal user experience, making them the market leader in Spain year after year.

OLX

Market leader in generalist online classifieds in Brazil, reinventing the consumption model and particularly popular for cars and real estate.

subito

Italy's leading online classifieds service is among the top 10 websites in the country, and the favourite app for buying products.

Truckscorner leboncoin

A classified ad portal specialising in the sale and purchase of used lorries and HGVs in France, Europe and on an international level.

VivaReal

VivaReal is an online real estate marketplace that connects buyers, sellers, and renters with properties in Brazil.

WILLHABEN

Austria's biggest digital marketplace with a focus on delivering a great customer experience.

zap

Zap develops products, intelligence, services and information within the real estate market all over Brazil.

Message from the CEO

Adevinta performed well against its strategic and financial objectives in 2022 despite tough macroeconomic conditions. We also progressed our goal to streamline our organisation and create more value for our users and professional clients.

We saw growth in our core markets accelerate, continued to optimise our cost base, and achieved strong cash generation and debt reduction. We increased monetisation of our Mobility and Real Estate verticals and continued to scale our transactional services. In advertising, we invested in first-party products to reduce reliance on third-party solutions in order to preserve revenue and adapt to the ongoing market evolution.

Operationally, we made steady progress in the integration of eBay Classifieds Group, following completion of the acquisition in 2021. We also announced a new executive leadership team following a review of our operating structure to align with our Growing at Scale strategy. By year end, our portfolio optimisation programme was close to completion with divestments finalised in Australia, Belarus, Mexico and South Africa.

Strong financial performance

Adevinta reported a strong 2022 financial performance despite market headwinds and delivered on all its key financial targets. Revenue growth was 10%[2] for core markets, and total revenues were up 8%[2] year-on-year at €1,644 million euros. This was mainly a result of strong performance in all three verticals in online classifieds and the continued strong ramp-up of transactional services. Group Underlying EBITDA, which corresponds to EBITDA before charges related to share-based compensation, reached €579 million, in line with the full-year guidance, despite the negative impact of the French Digital Services Tax. Group EBITDA increased by 7%[2] to €548 million, representing a 33.3% margin. Cash flow generation[1] in the period was €437 million.

Driving the Re-Commerce transition

As a leading marketplace and technology business, I believe we have an important role to play in the transition to sustainable commerce that is beneficial to both our planet and our society. This is a global undertaking, but we are committed to doing our part by facilitating and driving Re-Commerce at scale across our platforms, fuelling cross-sector and cross-country collaboration, and investing in the Re-Commerce ecosystem and skills that will enable the circular economy to thrive. Fundamentally, our ambition is to help our users to become better consumers by reusing, rather than adding to landfill. This is important to our leadership, our employees, our investors and society at large.

We also help our users navigate the cost-of-living crisis by making their hard-earned money go further. Adevinta's platforms increase purchasing power and help people find value, connecting them to the things they want, need and love. We are helping businesses to weather the storm by opening up new markets and cost-effectively connecting them with our users and customers.

Our platforms help people find value, either by selling to generate income or by buying second-hand instead of new. This applies not just to our Re-Commerce operations but to our Mobility and Real Estate verticals as well. We are the go-to destination to make or save money. That is the DNA of our platforms. Those two motivations – reusing things and boosting purchasing power – go hand in hand and enable our consumers to make choices that help themselves as well as the environment.

The rise of the second-hand economy

The second-hand economy is evolving at pace with the expectation that, in industries such as electronics or fashion, the second-hand market will soon overtake the equivalent market for new goods. Although the opportunity to buy used items has existed for a long time, Adevinta has accelerated its growth by increasing the flow of trade, democratising it and making it truly accessible to everyone. Our data shows that there are 160 million classified ads daily across our European websites. Across our five core geographic markets, there were 1.8 billion visits on average per month in 2022. It's not surprising there are such high levels of engagement. We offer fast and barrier-free access to tens of millions of products, with frictionless purchases completed in as little as two taps on a phone or two clicks of a mouse.

[1] Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments. Numbers are presented on a combined basis, reflecting the results of Adevinta as if the eBay Classifieds Group (acquired on 25 June 2021) had been part of the group during the full periods presented

[2] With 2021 on a combined basis

Photography: @Lea Crespi

Total revenue 2022

€1,644m

2021: €1,521m[3]

Verticalisation of our operations

Looking ahead, I see exciting new business opportunities. To capture these, we have started to verticalise our operations based on three key pillars: Re-Commerce, Mobility, and Real Estate & Emerging Verticals (including Jobs and Holiday Rentals). In all of these, we have identified a large monetisation runaway, with the potential to expand throughout the value chain, and a largely untapped second-hand commerce pool. Aligning our operations with our Growing at Scale strategy in this way will increase Adevinta's speed, efficiency and agility, sharpening our ability to meet evolving customer needs with innovative products and services. It also allows us to capture further opportunities within these vertical areas while enhancing our competitiveness and resilience.

To leverage these opportunities and to ensure focus on delivery and execution, we have aligned our management structure and assigned accountability to these verticals with new appointments to Adevinta's executive leadership team in 2023.

Our new team brings together a unique combination of entrepreneurial spirit, industry knowledge and a proven record of success. Moreover, we share the same vision and ambition for Adevinta and we will focus relentlessly on acting for maximum impact. Paul Heimann continues his duties as the CEO of eBay Kleinanzeigen, while becoming the leader of the new Re-Commerce vertical. Román Campa, CEO of Adevinta Spain, combines his existing responsibilities for Adevinta Spain with a new accountability as Head of Real Estate & Emerging Verticals. Ajay Bhatia, CEO of mobile.de and an existing member of the

[3] In order to facilitate comparability, 2021 numbers are presented on a combined basis, reflecting the results of Adevinta as if the eBay Classifieds Group (acquired on 25 June 2021) had been part of the combined Group since 1 January 2021

> Our proven resilient business models allow us to deliver solid financial performance with high margins and healthy cash generation. We have experienced teams who are motivated to deliver our success, including exceptional product/technology and sales professionals.

Adevinta executive team, has taken on a new role as Head of the new Mobility vertical. Alexandre Collinet, former deputy GM of leboncoin and most recently responsible for the integration of eBay Classifieds Group into Adevinta, has also joined Adevinta's executive team in the newly created role of Chief Operations Officer (COO). Julien Jouhault, previously Chief Technology Officer (CTO) for leboncoin, has become Chief Product and Technology Officer (CPTO) for Adevinta. Nicki Dexter (People, Communications & Workplace) continues in her role, and Uvashni Raman (Chief Financial Officer) will remain in her role until autumn 2023 when she will leave the organisation.

Gianpaolo Santorsola (European Markets), Zac Candelario (International Markets) and Alex Alexander (Product & Technology) left Adevinta at the end of 2022. I would like to take the opportunity to thank them for their contributions and wish them all the best in their future endeavours.

Putting people at the centre

Our strengths across all our verticals mean we connect with people at some of the most important moments of their lives – including choosing a home, finding a job or buying a car. It is imperative to our users, our customers and our employees that we put people at the heart of what we do.

Our employees across all markets, operations and functional areas are key to our success, define who we are and are the major ingredient that helps us drive our operations and deliver on our ambitious goals. Therefore taking care of and developing our people remains core to our purpose. Adevinta always looks to retain and onboard new talent by providing exciting challenges in every role and giving employees new opportunities as they grow their careers and as we grow our business.

As we adapt to our new ways of working, especially during this exciting new verticalisation journey, I have ensured that the team participates in and contributes to defining the Adevinta of tomorrow. This collective effort is very important to me and ensures that everyone at Adevinta is fully aligned to our ambitions.

During 2022, I was immensely proud of my colleagues throughout the company for their valuable contribution to shaping the future of sustainable shopping in the face of many challenges. I thank them for their hard work over the past year and look forward to working with them as we continue on our journey.

Human-centred technology

With our innovative technology and talented workforce, we are building the marketplaces of the future and reinventing the way we all consume goods and services.

An example of this ethos in action was the successful launch in September of our pilot online buying solution for mobile.de, Germany's biggest online vehicle marketplace. This solution allows people to buy a car online and have it delivered to their doorstep within two weeks, including registration and insurance. Mobile.de acts as a partner for both the customer and the professional car dealer. A survey in Germany found that 42% of online shoppers would consider buying their next car online. We are excited about this new product offering and, once it is tested and proven, plan to scale it to other countries.

To ensure we foster more of this kind of innovation, we are optimising our product and technology resources. We are building shared capabilities across cloud, data, IT enterprise services and cyber security, and believe we can do even more to simplify our business, eliminating duplication, enhancing value and reducing time to market. Connecting globally allows us to win locally.

Outlook

For 2023, we expect core markets revenue to grow in the low double digit range and Group EBITDA to be in the range of €620 to €650 million. This implies a year-on-year expansion of the Group's reported EBITDA margin. We will also focus on deleveraging and further optimising our debt structure to mitigate the impact of rising interest rates as much as we can. We are targeting a reduced leverage ratio of below 3x net debt/EBITDA by the end of fiscal year 2023.

Our long-term ambition for our core markets remains strong with 2023-2026 annual revenue growth between 11% and 15%, and an EBITDA margin between 40% and 45% from 2026.

Thanks to the efforts of our teams, Adevinta has built solid foundations. Today it is a robust company with a focused strategy for the future. We are an outstanding group of platforms and brands, trusted by our users and customers. Our proven resilient business models allow us to deliver solid financial performance with high margins and healthy cash generation. We have experienced teams who are motivated to deliver our success, including exceptional product/technology and sales professionals.

Our focus now is to continue creating value for customers, professional clients and shareholders, enabled by technology and talent alike to drive sustainable innovation. To do this, we need to be even more customer- and business-focused, prioritise how and where we allocate our capital allocation and drive for even more efficiencies in our cost base.

I know we can execute our strategy and achieve our goals. We have the know-how, the financial resources, and most importantly we have the people. There will always be changes and challenges along the way, but we are a strong company with the potential to become even stronger as we move forward together.

Antoine Jouteau
CEO ADEVINTA

Growing at Scale strategy:

1. Focus on our five core geographic markets
2. Concentrate on high-quality verticals
3. Become fully transactional in Re-Commerce
4. Leverage technology and transform our advertising

Board of Directors Report

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Board of Directors of Adevinta ASA


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1

Orla Noonan

Board Chair

Orla Noonan has been Chair of the Board of Directors of Adevinta since 2018. She began her career in investment banking at Salomon Brothers in London, where she worked from 1994 to 1996. She then spent more than two decades working in content and media at Groupe AB in Paris, holding various management positions including Vice President and Company Secretary responsible for finance, M&A and regulatory affairs. She was CEO of Groupe AB from 2014 to 2018 and an independent Board member at Schibsted Media Group from 2017 to 2019. Orla Noonan was an independent Board member at Iliad for 12 years, between 2009 and 2021, as well as at Schibsted Media Group from 2017 to 2019. She has been an independent Board member at SMCP since 2017, at Agence France Presse (AFP) since 2019, Believe since 2021 and TF1 since 2022. She is a graduate of HEC Paris and has a BA in Economics from Trinity College, Dublin.

Shares held in Adevinta: 20,030

2

Fernando Abril-Martorell Hernández

Board member

Fernando Abril-Martorell Hernández has held various leadership positions in industrial and financial companies. He was Chairman and CEO of Indra (2015 to 2021), CEO of Grupo Prisa (2011 to 2014), CEO of Credit Suisse in Spain and Portugal (2005 to 2011), and CFO and later CEO of Grupo Telefonica (1996 to 2003). His earlier experience includes 10 years in different positions at JP Morgan. He has been a member of the Board of Directors of Energía y Celulosa, S.A. since 2007. Fernando Abril-Martorell Hernández graduated in Law and Business Administration from ICADE (Madrid).

Shares held in Adevinta: 23,000

3

Sophie Javary

Board member

Sophie Javary has over 30 years of experience in investment banking, both within M&A and ECM. She is currently Vice-Chairman CIB EMEA with BNP Paribas. Her experience includes roles as Head of Corporate Finance Europe Middle East Africa (EMEA) at BNP Paribas (2014 to 2018), Senior Banker at BNP Paribas (2011 to 2013) and 16 years at Rothschild & Co (1994 to 2011), where she was appointed as General Partner in 2002. She was Director, Head of ECM Origination in France, at Baring Brothers France, from 1993 to 1994, and held various positions at Banque Indosuez in Paris (1989 to 1992) and at Bank of America (1981 to 1986). She is a Board member of the Elior Group and of the think tank EuropaNova, and she has been decorated with the French Légion d'honneur. Sophie Javary is a graduate from HEC Paris with a certificate from the international management programme following six months at the Fundação Getulio Vargas of São Paulo (Brazil) and six months at New York University (USA) Graduate School of Business Administration.

Shares held in Adevinta: 0

4

Peter Brooks-Johnson

Board member

Peter Brooks-Johnson has been CEO of Rightmove, the UK's largest property portal, since 2017. He began his career at Accenture UK Ltd, where he worked from 1995 to 2000, and then spent five years at Berkeley Partnership LLP from 2000 to 2005 as a consultant. He joined Rightmove in 2006 and held the position of Head of the Agency business from 2008 to 2011, Managing Director from 2011 to 2013 and COO from 2013 to 2017. Peter Brooks-Johnson graduated with a MEng in Microelectronics from Newcastle University.

Shares held in Adevinta: 1,938

5

Michael Nilles

Board member

Michael Nilles has been Chief Digital & Information Officer of Henkel KGaA since 2019. He has more than 20 years of experience spearheading digital innovation and large-scale transformations for multi-billion-dollar global companies and has extensive knowledge of building asset-light digital operating models and platform businesses. Before joining Henkel, he was a member of the Group Executive Board and Chief Digital Officer (CDO) for Schindler, as well as the CEO of Schindler Digital Business AG. Prior to Schindler, Michael held various international leadership positions at Mannesmann and Bosch Rexroth in China, the US and Europe. He began his career as a software engineer and consultant at SAP. Michael has also served on private and public supervisory boards such as FogHorn Systems Inc. and Deutsche Lufthansa AG. He holds a Master's Degree in Business Administration and Computer Science from the University of Cologne and is an alumnus of Kellogg School of Management, Northwestern University, USA.

Shares held in Adevinta: 30,000, as of the 27 April 2023

6

Julia Jäkel

Board member

Julia Jäkel is an executive with over 20 years experience in media and publishing. She has held various leadership positions in Bertelsmann SE & Co KGaA, and has served as a member of Bertelsmann's Group Management Committee since 2013. From 2012 to 2021, Julia was CEO of Gruner + Jahr, one of Europe's leading media and publishing companies. In addition, she was Chairwoman of the Bertelsmann Content Alliance (2019 to 2021), which coordinates the Bertelsmann content activities in Germany (Mediengruppe RTL, UFA, Penguin Random House, Gruner + Jahr and the music company BMG). She also serves as a member of the Supervisory Board of Holtzbrinck Publishing Group and of the Hamburg Elbphilharmonie, is a member of the Board of Trustees of the University Medical Center, Hamburg-Eppendorf, a member of the Board of Trustees of the DFL Foundation (Bundesliga) and of the Supervisory Board of the Deutsche Presse-Agentur. She holds an MPhil in International Relations from the University of Cambridge.

Shares held in Adevinta: 0

7

Kristin Skogen Lund

Board member

Kristin Skogen Lund has been CEO of Schibsted ASA since 1 December 2018. Her previous positions include Director General of the Confederation of Norwegian Enterprise (NHO) from 2012 to 2018, EVP of the Nordic region and digital services at Telenor, CEO at the Schibsted companies Aftenposten, Scanpix and Scandinavia Online, several roles at the Coca-Cola Company, serving as Director from 1997 to 1998, as well as Unilever and the Norwegian Embassy in Madrid. Kristin has previously served as president of the Confederation of Norwegian Enterprise and as a member of the Board of Ericsson and Orkla among others. Since 2015, she has been a member of the Global Commission on the Economy and Climate, and the ILO Global Commission on the Future of Work. Kristin is President of the European Tech Alliance and also Chair of the Board at Oslo-Filharmonien. She has an MBA from INSEAD and a BA in International Studies and Business Administration from the University of Oregon.

Shares held in Adevinta: 0

8

Aleksander Rosinski

Board member

Aleksander Rosinski has held the position of Vice President & Senior Advisor to Schibsted Management since September 2019. He has more than 20 years experience in online marketplaces management, including in his roles as Vice President at Telenor ASA where he oversaw online classifieds investments in Asia and South America, Vice President of Vacation Rentals at TripAdvisor, and Managing Director of Travel and General Goods at FINN.no. Aleksander has also served on the Board of Directors of several companies including Inkclub AB, Blocket.se and OLX Brasil. He holds a Master's Degree in International Business from the Gothenburg School of Economics.

Shares held in Adevinta: 0

9

Marie Oh Huber

Board member

Marie Oh Huber has served as Senior Vice President, Chief Legal Officer, General Counsel and Secretary of eBay since July 2015. In her current role, she leads the global legal, government relations and public policy functions for eBay. Prior to joining eBay, Marie spent 15 years at Agilent Technologies, a technology and life sciences company, most recently as Senior Vice President, General Counsel and Secretary. Prior to Agilent, she spent 10 years at Hewlett-Packard Company in various positions. She started her career at large law firms in New York and San Francisco. Marie Oh Huber also serves as a board member of Portland General Electric Company (NYSE) and recently served on the board of the Silicon Valley Community Foundation. Marie has a BA in Economics from Yale, studied at the London School of Economics and received her JD from the Northwestern Pritzker School of Law.

Shares held in Adevinta: 0

10

Mark Solomons

Board member

Mark Solomons is Vice President of Strategic Investments Portfolio at eBay. Before taking on this role in 2022, he served for six years as eBay's VP of Corporate and Business Development, overseeing M&A, investments, M&A integration and various business development activities. Prior to joining eBay, Mark spent 19 years as an Investment Banker at Morgan Stanley and J.P. Morgan. Mark's most recent role at Morgan Stanley was Head of West Coast Technology M&A, based in Menlo Park, California. Prior to his Investment Banking career, Mr. Solomons worked for Deloitte in various positions for three years. Mark has a Bachelor of Commerce in Economics from the University of Melbourne (Australia) and was admitted as a member of the Institute of Chartered Accountants in Australia. He also served in the Australian Army Reserve.

Shares held in Adevinta: 0

11

Dipan Patel

Board member

Dipan Patel is Head of Consumer at Permira, a global investment firm that backs growth at scale. He serves on both the Permira Investment Committee and Executive Committee. He serves on the boards of Axiom, Boats Group, Catawiki, LegalZoom and The Knot Worldwide. Prior to joining Permira, Dipan worked for Gores Group, a special situations private equity fund and earlier at Lehman Brothers. Dipan holds a BA in Economics from Cambridge University, England.

Shares held in Adevinta: 0

Building solid foundations for long-term growth

Adevinta moved into a new phase of execution on its Growing at Scale strategy in 2022. The Group continued to lay solid foundations by creating a more integrated and efficient company, leveraging Adevinta's scale and liberating resources to deliver long-term profitable growth.

Adevinta's new CEO

In July, following a comprehensive selection process that considered both internal and external candidates, the Board appointed Antoine Jouteau to succeed Rolv Erik Ryssdal as CEO. Antoine has a deep understanding of the global marketplaces industry and a clear track record of successfully building and scaling local brands. He was a key figure in developing leboncoin into one of the most visited websites in France, with over 27 million monthly users[2], and he has played an instrumental role in growing LBC to the business it is today. Antoine has a proven ability to lead, innovate and execute during a period of rapid consumer change, industry disruption and technological advancement. The Board therefore believes Antoine's appointment as CEO comes at exactly the right time for the Group as it embarks on the next phase of its Growing at Scale strategy, which seeks to build on Adevinta's leadership and unlock its full potential.

The Board was fully aligned in its evaluation of the qualities and experience that the successful CEO candidate would need. The final decision to appoint Antoine was therefore unanimous and the Board successfully orchestrated a smooth transition. Under Rolv Erik's leadership, Adevinta became the world's leading classifieds business, successfully spinning off Adevinta from Schibsted and leading the acquisition of eBay Classifieds Group (eCG). The Board expresses its warm gratitude for his years of dedicated service and visionary leadership and wishes him well for the future.

Executing our Growing at Scale strategy

The integration of Adevinta's operations and those of eCG proceeded according to plan during the year. The Group has focused even more on rigorous financial discipline and using resources more efficiently to improve profitability and operating leverage. Antoine Jouteau's talent for bringing people together is proving to be invaluable as this work progresses.

Throughout the year, Adevinta continued to execute its Growing at Scale strategy first announced in 2021. As part of this, our portfolio optimisation progressed well with sales to new owners of InfoJobs Brazil, Kufar in Belarus, Gumtree in South Africa and Gumtree Australia, CarsGuide and Autotrader Australia, and all our operations in Mexico.

To align itself more closely to the Growing at Scale strategy, Adevinta announced its intentions to operate the business in a more vertical and efficient manner and simplify the organisation further by creating three new vertical teams: Mobility, Re-Commerce and Real Estate & Emerging Verticals. Adevinta will adapt its operating model and organisation to focus on those verticals across its five core markets of Germany, France, Spain, Benelux and Italy. Antoine Jouteau says more about the Group's verticalisation plans in his CEO Message.

Sustainability

We continued to do the groundwork in 2022 that will support our aim to set and meet ambitious sustainability targets in coming years. We completed our initial high-level strategy at the end of 2021 and appointed a Head of Sustainability in the first half of the year under review. Adevinta is building a team that is creating core sustainability processes and capabilities. Adevinta is at the heart of the second-hand economy and we have become an important European circular economy contributor. As we develop new

> "The Group has focused even more on rigorous financial discipline and using resources more efficiently to improve profitability and operating leverage.

[2] Source: Médiamétrie

Our Materiality Matrix has identified three key areas on which the Group is concentrating:

Environment
Lead the transition towards circular and responsible consumption

Social
Ensure we are a purpose-driven and inclusive marketplace for everyone

Governance
Embed ESG governance data and fraud protection throughout the organisation

transactional capabilities that connect buyers and sellers, we are facilitating more and more trade in second-hand goods. By making it easier for people to reuse things, we are helping our users trade differently at a time when consumers are seeking more sustainable and cost-efficient ways to buy products.

At the end of 2022, Adevinta was recognised for the second consecutive year as a sustainability leader in the Dow Jones Sustainability Index (DJSI) Europe, making us one of only six companies listed in the Media & Entertainment industry group. The DJSI recognised that the Group had advanced in 2022 in the areas of business ethics, risk management, cybersecurity processes and infrastructure as well as indirect greenhouse gas emissions reporting.

Looking ahead

The Group has made solid progress in simplifying its operations geographically and from an organisational perspective. Having successfully exited some markets as planned, it is largely focused on five core European markets with an experienced management team that can continue to execute our Growing at Scale strategy. We have built our position as a European technology champion and the nature of our business gives us strong roots in many local communities.

The Board is confident that with the leadership, drive and energy of Adevinta's CEO, we will continue to help develop the circular economy. We are extremely well placed to deliver the innovation required to facilitate the continued rapid growth in online trade in second-hand goods and the Group recognises the enormous scale of this opportunity.

While the continuing conflict in Ukraine, high inflation, high interest rates and lower consumer confidence all make for a challenging macroeconomic environment, the Group has shown clear resilience. This resilience is something that sets us apart from a number of other technology-led companies.

Adevinta is streamlining its operations, successfully integrating the 2021 acquisition of eCG, and delivering a simplified organisation around key verticals. These initiatives will allow the Group to pursue major opportunities in developing cutting-edge online marketplaces for second-hand goods, all on a foundation of rich supporting transactional services that allow consumers to complete sales and purchases online. There has been excellent progress in building these transactional capabilities. For example, in mobile.de, we now facilitate the purchase of a used car completely online, supporting both buyers and sellers. We will continue to expand these transactional capabilities across the Group in order to improve the user experience, which in turn will leverage additional revenue opportunities.

There is significant underlying potential at Adevinta and our CEO has taken the reins at a time when his strong track record on execution will serve the Group's needs exceptionally well. Adevinta is moving into an exciting new era where it can reap the benefits of the far-reaching improvements it is making across the business. The Group's evolving strategy provides a robust platform for achieving its ambitions and the Board is confident that all the solid work in strengthening the foundations and capabilities of Adevinta will deliver long-term growth and profitability.

The Group's financial results

Consolidated revenues in 2022 amounted to €1,644 million compared to €1,139 million in 2021, an increase of 44%, mainly due to the eCG acquisition. Barring the impact of the acquisition, revenues increased compared to 2021, demonstrating the resilience of our marketplaces, despite the continued supply softness in the Mobility segment and the weaker market environment.

Consolidated EBITDA amounted to €548 million (compared to €356 million in 2021), an increase of 54% compared to 2021, mainly due to the eCG acquisition (see the section on each business area for more detail).

Depreciation and amortisation amounted to €(300) million (compared to €(156) million in 2021), mainly driven by the eCG acquisition but also due to the reassessment of useful lives of certain trademarks.

Share of profit of joint ventures and associates decreased from €(8) million in 2021 to €(121) million in 2022, mainly driven by lower results in Brazil due to an impairment loss amounting to €(80) million, mostly attributable to revised growth trajectory of the business accompanied by increased market interest rates affecting the WACC applied for the impairment assessment, and a decrease in deferred tax assets amounting to €(16) million after reassessing their recoverability.

Impairment loss in 2022 was €(1,722) million (€(22) million in 2021) and was mainly attributable to Canada (€(802) million), eBay Kleinanzeigen (€(489) million), mobile.de (€(411) million) and Hungary (€(17) million) with the loss being distributed to goodwill (€(1,492) million) and other intangible assets (€(228) million). Adevinta acquired the businesses in Canada, eBay Kleinanzeigen and mobile.de as part of the eCG acquisition in June 2021, where 80% of the purchase amount was paid in Adevinta shares with the share price increasing 48% from the signing to the closing date of the transaction (share price was NOK 170 at closing), which significantly increased the goodwill attributable to the businesses.

The macroeconomic uncertainties and increasing inflation during 2022 triggered a significant increase in market interest rates and equity risk premiums. This significantly increased the weighted average cost of capital (WACC) that Adevinta uses for discounting cash flows when estimating the recoverable amounts of its cash-generating units (CGUs), which has resulted in the impairment loss for Canada, eBay Kleinanzeigen and mobile.de. In eBay Kleinanzeigen and mobile.de the impact of the WACC was partly offset by better mid-to-long-term business performance, while for Hungary and Canada there was a negative impact considering the revised growth trajectory of the businesses.

In 2022, the Group's other income and expenses amounted to €(112) million (€(140) million in 2021). This is primarily due to integration-related costs, mainly arising from the acquisition of eCG, the Digital Services Tax (DST) in France for the period 2019 to 2021 and a restructuring provision recognised due to reorganisation in France.

Operating profit in 2022 amounted to €(1,707) million (€29 million in 2021).

Financial position and cash flow

The carrying amount of the Group's assets decreased by €(2,262) million to €11,984 million during 2022, mainly due to the impairment of goodwill and other intangible assets (€(1,722) million), the depreciation and amortisation (€(300) million), the decrease in cash and cash equivalents (€(161) million), the sale of the assets that were presented as held for sale as of 31 December 2021 (€(115) million), the decrease in deferred tax assets (€(149) million) and the share of profit (loss) of joint ventures and associates (€(121) million). These were partially offset by CAPEX (€89 million), the increase in receivables related to the sales of subsidiaries (€60 million) and by the exchange gain in the period driven by the appreciation of the exchange rate of the BRL against the EUR, increasing both the investments in joint ventures and associates (€39 million) and the value in EUR of the loan in BRL (increase of €20 million) granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture). Also contributing was the interest accrued in relation to this loan (€24 million) as well as the increase in fair value of the cross-currency interest rate swap contracts due to USD appreciation versus EUR (€49 million).

The carrying amount of the Group's liabilities decreased by €(425) million to €3,436 million during 2022, mainly due to the repayment of the multicurrency revolving facility (€(150) million) and the repayment of the EUR Term Loan B (€(165) million) as well as a decrease in deferred tax liabilities (€(140) million), mainly due to amortisation of intangible assets and impairment of intangible assets, that was partly offset by the increase in the USD TLB due to the exchange rate of the USD against the EUR (€27 million).

The Group's equity ratio was 71% as at 31 December 2022, compared to 73% as at 31 December 2021.

The Group had at 31 December 2022 net interest-bearing debt of €2,199 million and €520 million total liquidity available. Management 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.

Net cash flow from operating activities was €352 million for the year, compared to €193 million in 2021. The increase is primarily related to the increase in gross operating profit as well as a decrease in tax payments being partially compensated by a negative impact from DST payments in France amounting to €(33) million, including €(22) million in respect of DST for prior years, and increased integration and interest expenses. Net cash flow from investing activities was €(92) million for the year, compared to €(1,983) million in 2021. Although in 2022 the investment in development and purchase of intangible assets and property, plant and equipment in other shares has increased compared to 2021, the decrease in cash outflow is mainly due to the cash consideration paid for the eCG acquisition (net of cash acquired) partly offset by proceeds received from disposal of subsidiaries (net of cash sold) in 2021 being much higher. Net cash flow from financing activities was €(429) million for the year, compared to €1,898 million in 2021. The decrease is primarily related to the repayments of interest-bearing loans and borrowings during 2022, whereas in 2021 there was an increase due to the cash received from the new financing obtained in 2021 related to the eCG acquisition. Other movements were the acquisition of treasury shares to meet the long-term incentive obligations for 2022 and 2021 (10,000,000 and 1,700,000 treasury shares respectively).

Group Performance (on a combined basis)

In order to facilitate comparability, the comments on how our assets performed compared to 2021 are on a combined basis reflecting the performance of Adevinta as if the eBay Classifieds Group (acquired on 25 June 2021) had been part of the group since 1 January 2021.

Group

Adevinta reported a strong 2022 financial performance despite market headwinds and delivered on all its financial targets. Revenue growth was 10% for core markets, and total revenues were up 8% year-on-year at €1,644 million. This was mainly a result of strong performance in all three verticals in online classifieds and the continued strong ramp-up of transactional services. Group underlying EBITDA, which corresponds to EBITDA before charges related to share-based compensation, reached €579 million, in line with the full-year guidance, despite the negative impact of the DST. Group EBITDA increased by 7% to €548 million, representing a 33.3% margin. Cash flow generation in the period was strong, at €437 million.

France

Leboncoin is the leading online classifieds platform in France with over 62 million online ads and 27 million[3] unique monthly visitors on average. In addition to its generalist offering, leboncoin operates across several verticals. The Group has strengthened its vertical positions in France through acquisitions, such as A Vendre A Louer, MB Diffusion, Kudoz, Vide Dressing, PayCar, the Argus Group, Locasun, and Pilgo SAS. Leboncoin started investing in transactional capabilities in 2018 and now offers efficient transactional services in consumer goods, mobility and holiday rentals. In 2022, overall revenue increased by 9%, benefiting from a high single-digit growth in online classifieds and the continued strong ramp-up of transactional solutions. Advertising revenues were down 3% compared to the year before, due to the impact of reduced activity from media agencies and programmatic. EBITDA was up 6% year-on-year and EBITDA margin decreased by one percentage point, mainly due to the impact of the French DST legislation.

[3] Source: Médiamétrie

[4] Source: Agof

Mobile.de

Mobile.de is the biggest vehicle marketplace in Europe and the undisputed market leader in Germany. Mobile.de has around 40,000 dealer customers across Germany, 1.1 million average live dealer listings, an average of 10 million[4] unique monthly visitors and a top-of-mind share of 25% in 2022. The site features the largest range of cars, commercial vehicles and motorcycles in Germany. Mobile.de also helps its users find financing and it offers highly efficient online advertising options. In 2022, mobile.de made significant investments in product development following the acquisition of Null-Leasing.com in March and the launch of its online buying and selling service in September, which allows customers to buy or finance selected used cars online, setting the stage for further monetisation opportunities and expanding mobile.de's transactional footprint. In 2022, mobile.de overall revenue increased by 12%, benefiting from the successful implementation and execution of dealer price adjustments in the second half of 2021 and in April 2022, in combination with increasing value for customers. Mobile.de's performance also benefited from the recovery of dealer listings towards year end. EBITDA was up 7% year-on-year, and EBITDA margin decreased by three percentage points, mainly due to an increase in internal resources as we continued to invest in product enhancements and in sales and customer care operations to support new business models (online buying and selling, and leasing). Marketing expenses also increased compared to the previous year due to very low comparables and marketing efforts related to pricing initiatives and new model and product launches.

European Markets

Adevinta's European Markets comprise a portfolio of European online classifieds sites with well-recognised brands across Germany (eBay Kleinanzeigen), Benelux (Marktplaats, 2ememain and 2dehands), Spain (InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios), Italy (Subito, Infojobs and Automobile.it), Austria (willhaben), Ireland (Daft, Done Deal and Adverts) and Hungary (Hasznaltauto, Jofogas and Autonavigator).

Adevinta exited Kufar (Belarus) in May 2022, and announced in February 2023 the launch of the sale process for Hungary, which was the last remaining business under strategic review.

eBay Kleinanzeigen is one of the most visited sites in Germany, with more than 36 million[4] unique monthly visitors, and a leader in generalist online classifieds in terms of both awareness and usage. eBay Kleinanzeigen is a destination for German consumers to connect and fulfil the core need of finding immediate value across a range of categories – consumer goods, jobs, real estate and more.

The Group's business in Spain is the country's largest online classifieds business based on revenues and audience, and comprises a leading group of complementary online classifieds sites. These include InfoJobs, in the jobs vertical, Coches.net, in the motors vertical, Fotocasa and Habitaclia in real estate and Milanuncios, one of the largest general classifieds sites in Spain, and a further source of content for real estate and motor vehicles. In Spain, the Group has number-one positions in cars and jobs and the number-two position in real estate and consumer goods.

Benelux comprises the Netherlands (Marktplaats) and Belgium (2dehands and 2ememain). Marktplaats is a leading classifieds platform in the Netherlands. It successfully launched transactional services in 2017, and has continued to improve the solution ever since, with the launch of shipping in 2019, and of buyer protection and the integration of a second shipping company in 2022. The group's operations in Belgium have leading generalist classifieds positions in both the Flemish regions (2dehands) and the Walloon regions (2ememain).

The Group carries out its operations in Italy through a leading set of complementary online classifieds sites. These include Subito, one of the largest general classifieds sites in Italy, InfoJobs, which is a leading site for jobs, and Automobile.it, which is the second largest site for motor classifieds in the country.

The Group operates one brand in Austria: willhaben, which is a 50/50 joint venture that was founded by Schibsted and Styria Medien AG in 2006. A fast-growing generalist online classifieds site, willhaben is also a market-leading operator in the motors and real estate verticals.

In Ireland, the Group operates three online classifieds sites as part of Distilled SCH: Done Deal is a generalist online classifieds site with a strong presence and is part of our Mobility vertical; Daft is a market leader in our Real Estate vertical; Adverts is a generalist online classifieds site with a strong market position, particularly in the Dublin area.

The Group online classifieds sites in Hungary consist of Jófogás and Használtautó. Jófogás is a market leading generalist online classifieds site, and Használtautó is market leader within our Mobility vertical.

In 2022, European Markets[5] revenue increased by 10% year-on-year, (excluding Kufar), supported by double-digit growth at eBay Kleinanzeigen, in Spain and in Italy. EBITDA was up 9% year-on-year while EBITDA margin was broadly stable, despite unfavourable business mix evolution.

[5] The numbers presented in this section do not include willhaben (50/50 joint-venture, not consolidated)

International Markets

International Markets comprises a portfolio of online classifieds outside Europe with brands in Canada (Kijiji and Kijiji Autos) and in Brazil (OLX and Infojobs).

Adevinta exited InfoJobs Brazil in March 2022 and also exited other operations in the fourth quarter of 2022 as follows: Australia (Autotrader, Gumtree and Carsguide); Mexico (Segundamano and Vivanuncios); and South Africa (Gumtree).

The Group operates in Canada through Kijiji Canada, a leading generalist classifieds platform with strengths in mobility, real estate and re-commerce. In 2018, we introduced Kijiji Autos alongside the existing Kijiji generalist platform.

The Group's online classifieds in Brazil consists of OLX Brazil, which is a generalist online classifieds site and a market leader, with 91 million buyers and sellers trading on the platforms in 2022. In October 2020, OLX Brazil acquired Grupo Zap (which includes the ZAP and VivaReal brands), a key player in the nation's online real estate classifieds market.

In 2022, International Markets[6] revenue, at constant scope, were down 6% year-on-year, driven by Canada. EBITDA was down 3% year-on-year and EBITDA margin improved by five percentage points.

Investing in technology

Our 3,000 Product and Technology specialists are dedicated to providing the most customer-centric and best-in-class products and services for our users. Working in support of Adevinta's new verticalised structure, they collaborate across borders and across our marketplaces to ensure users have access to different types of expertise. This way of working accelerates delivery time of new solutions to address the needs of our customers. By using the best elements of each local marketplace in a scalable way across all of Adevinta, we provide for faster transactions and revenue growth at a global level while making a bigger positive impact on the end user.

We are also highly active and vigilant in the field of data privacy and protection. Our security teams ensure the appropriate level of security and we embed security into all of our products. In 2022, we put several new policies, processes and systems into place and we monitor these to identify and report on key areas of risk and compliance. This work is governed by policy and operationalised through a new process and a dedicated technical solution. Incident and breach management reporting processes, and relevant technical solutions, have been updated and rolled out across the company.

Cloud and infrastructure

Cloud and infrastructure will continue to be a major focus as we continue to consolidate our infrastructure landscape, and drive towards our vision of becoming 100% cloud-native by 2025. In 2023, the main focus for our five core markets will be to move all our "on premise" workloads to AWS. As we do this, our teams will partner closely with AWS to provide standardised common tooling and global capabilities for all engineers in Adevinta. Other markets are following a similar modernisation strategy with Cloud, albeit not limited to the adoption of AWS.

Enterprise platforms and technology operations

In 2022, we enabled, protected and supported our finance, legal and people, communications and workplace functions through the development and roll out of purpose-built technology platforms and capabilities. Designed with the end user in mind, we were able to directly impact global ROI by reducing complexity and delivering an enhanced user experience.

Data

In 2023, we'll continue our efforts to ensure data is treated as a product across Adevinta and that all business domains and teams autonomously maximise value from this for both our users and the business.

For 2023, the focus areas will be:

- KPI and metrics standardisation for our verticals and main business domains to accelerate business and product decisions.
- Scaling of common data platform capabilities across Adevinta with focus on self-serve to accelerate value extraction from data especially for non-data profiles.
- Driving acceleration programmes that combine specific training with more accessible tooling on analytics, experimentation and machine learning, focused on reducing time to get value out of machine learning models to a max of two sprints.
- Continue scaling and improving our image recognition and natural language-processing capabilities across our markets with a Machine Learning as a Service (MLaaS) approach to accelerate user experience automation and improvements across all areas of the user journey (ad insertion, transactions, personalisation, etc).

[6] The numbers presented in this section do not include OLX Brasil (50/50 joint-venture, not consolidated)

Risk Overview

Adevinta operates in a highly dynamic environment with exposure to a wide range of operational, strategic and external risks. Adevinta's Enterprise Risk Management (ERM) framework facilitates the process of identifying threats and opportunities and determining the appropriate response.

The ERM framework enables senior management within the organisation to make risk-informed decisions while executing the organisation's strategic objectives. Through a combined top-down and bottom-up risk assessment process, the ERM framework supports the identification and mitigation of the most material risks that could hinder the achievement of these objectives.

Roles and responsibilities

The Board of Directors holds responsibility for oversight of the Adevinta ERM framework. They delegate authority to the Audit and Risk Committee (ARC) to carry out oversight activities on their behalf. On a bi-annual basis, the ARC receives a risk report highlighting the principal risks (risks that could have the biggest impact for Adevinta) and detailing how they are trending, and where they sit within our risk appetite. Specific principal risks undergo a deep-dive assessment that brings together information from across the risk management cycle to provide confidence around how the risk is being managed. A calendar for deep dives is agreed with the ARC on an annual basis (at least one per quarter) and the assessments are presented to the ARC by the risk owners with the support of the Risk Team.

The executive leadership team holds responsibility for the day-to-day running of the Adevinta ERM framework. Their roles and responsibilities include monitoring exposure against the principal risks, reviewing risk assessments and providing input into the top-down risk process, and utilising risk information to inform strategy development and ensuring the risk landscape is appropriately monitored.

Vertical, Market and Functional leadership is responsible for risk management within its respective areas, driving a risk culture and ensuring that risks are identified, captured and monitored as part of the bottom-up risk process.

The central Risk Team is responsible for facilitating the risk management process and maintaining an appropriate framework. The Risk Team reports to the Chief Financial Officer of Adevinta.

ERM Framework

Following the acquisition of eCG, a revised version of the ERM framework was developed to set out a holistic and coordinated approach to manage risks within the organisation. The framework supports the risk assessment process and helps drive consistency between top-down and bottom-up risk data. The framework and its related procedures are available to all employees on the company's intranet.

Adevinta identifies three main risk categories:

- → Strategic Risks – Risks that may impact the strategic vision or ability to execute key strategic objectives and investments.
- → External Risks – External environment risks that the business is exposed to (e.g. macroeconomic / geopolitical risks or competition).
- → Operational / Functional Risks – Risks that may impact the day-to-day operations of the marketplaces and corporate functions.

Emerging risks are identified and reported as part of the regular reporting process to the Audit and Risk Committee (ARC). In addition, the Risk Team is responsible for managing ad-hoc coordination responses to certain situations or crises, e.g. the establishment and chairing of a Crisis Management Committee on the Russian invasion of Ukraine. The committee provides regular updates of the risk status to the executive leadership team and the ARC.

Adevinta Principal Risks

Risk Category	Risk and Risk Elements	Risk Mitigation
Strategic	Execution Risk → inability to execute on key elements of Adevinta's strategy	→ strong governance over key transformation programmes → progress against business goals measured and monitored
	ESG Strategy Implementation → failure to deliver on ESG strategy, as a result of an inability to meet the needs of its stakeholders → failure to develop a sustainability culture → lack of appropriate governance around ESG	→ dedicated sustainability function and sustainability strategy → processes in place to improve data accuracy and availability in relation to sustainability → looking into ways to incorporate green tech into products and internal operations
	Adevinta-eCG Integration Risk → unrealised cost/revenue synergies → budget overspend → increased attrition rates, as the workload and uncertainty related to the integration may impact on the engagement and retention of key talent, and employees suffering from change fatigue → risk of de-focus on business as usual vs integration efforts may lead to pauses in our development and may disrupt customer-facing business → difficulties in transforming the Product & Technology model → increased pressure from some shareholders to rethink strategy → rebranding of eBay Kleinanzeigen	→ strong governance in place to provide oversight and monitor progress → use of external specialists where appropriate
External	Macroeconomic and Competition Risk → widespread changes in the political, social or macroeconomic landscape → competition from established industry players → new trends and business models	→ monitor key changes at a marketplace and group level → diversify offerings to respond to changes and remain competitive → consider broader impacts of macroeconomic and geopolitical events (e.g. cybersecurity)
Operational/ Functional	Legal and Regulatory Risk → legal compliance breaches → speed of regulatory change → compliance with new regulations	→ legal function coordinates activity across regulatory domains → representation in individual marketplaces → dedicated resource for key focus areas e.g. data privacy or antitrust → strong relationships with external counsels and regulators
	Information and Cyber Security Risk → cyber attacks → information security breaches → data loss	→ awareness campaigns across the business e.g. phishing → monitor performance against the cybersecurity strategy → policies rolled out across key area in line with the NIST[7] cybersecurity framework
	Talent Access and Retention Risk → limited resources to meet the expectations of today's workforce → competitive advantage of other companies in terms of accessing talent → understanding and forecasting talent needs in a reactive manner rather than proactive → compromising the level of talent acquired as a result of the speed of recruitment to fulfil Adevinta's growth targets and mitigate attrition levels	→ improving employee data access and accuracy to support decision making and improve talent/retention risk management activities → monitoring the external environment to continue being competitive as an employer → identifying training and development opportunities to develop employees internally and empower new leadership
	Operational Risk → governance, focus and capital allocation → lack of appropriate process controls and ethics and compliance framework → management of third parties	→ introduction of new frameworks, policies and procedures, including training to support roll-out → alignment of annual budgeting, review and decision-making processes to the operating model and delegation of authority → key policies in place to support supplier risk management
	Financial Risk → liquidity risk → foreign exchange risk → interest rate risk → market and counterparty credit risk	→ continuous monitoring of financial risks by the corporate finance function → policies and frameworks to support key mitigation activity e.g. hedging

[7] National Institute of Standards and Technology

Financial risk management
Through its international operations, Adevinta is exposed to fluctuations in the exchange rate of a basket of currencies, with the Brazilian Real (BRL) being the most significant. On a consolidated basis, the currency risk is considered low. Adevinta monitors this exposure by minimising the build up of FX cash and matching cash-ins with cash-outs in the same currency wherever operationally possible. Adevinta also makes use of financial derivatives to mitigate transactional and translational currency risk.

Adevinta's credit risk is considered low as trade receivables are diversified through a high number of customers, customer categories and markets. Moreover, a considerable portion of sales is through prepaid subscriptions or advertisements with credit card payments made on the purchase date. Liquidity risk associated with cash flow fluctuations is also considered low as Adevinta has adequate equity and solid credit facilities. For more details on currency, credit, interest-rate and liquidity risk, please refer to note 22 (Financial risk management) of the consolidated financial statements.

Statement of Corporate Governance
Adevinta's approach to corporate governance is based on the Norwegian Code of Practice for Corporate Governance. In accordance with section 3-3b of the Norwegian Accounting Act, an annual statement on corporate governance is included as a separate section of this annual report and is an integral part of the Board of Directors' report.

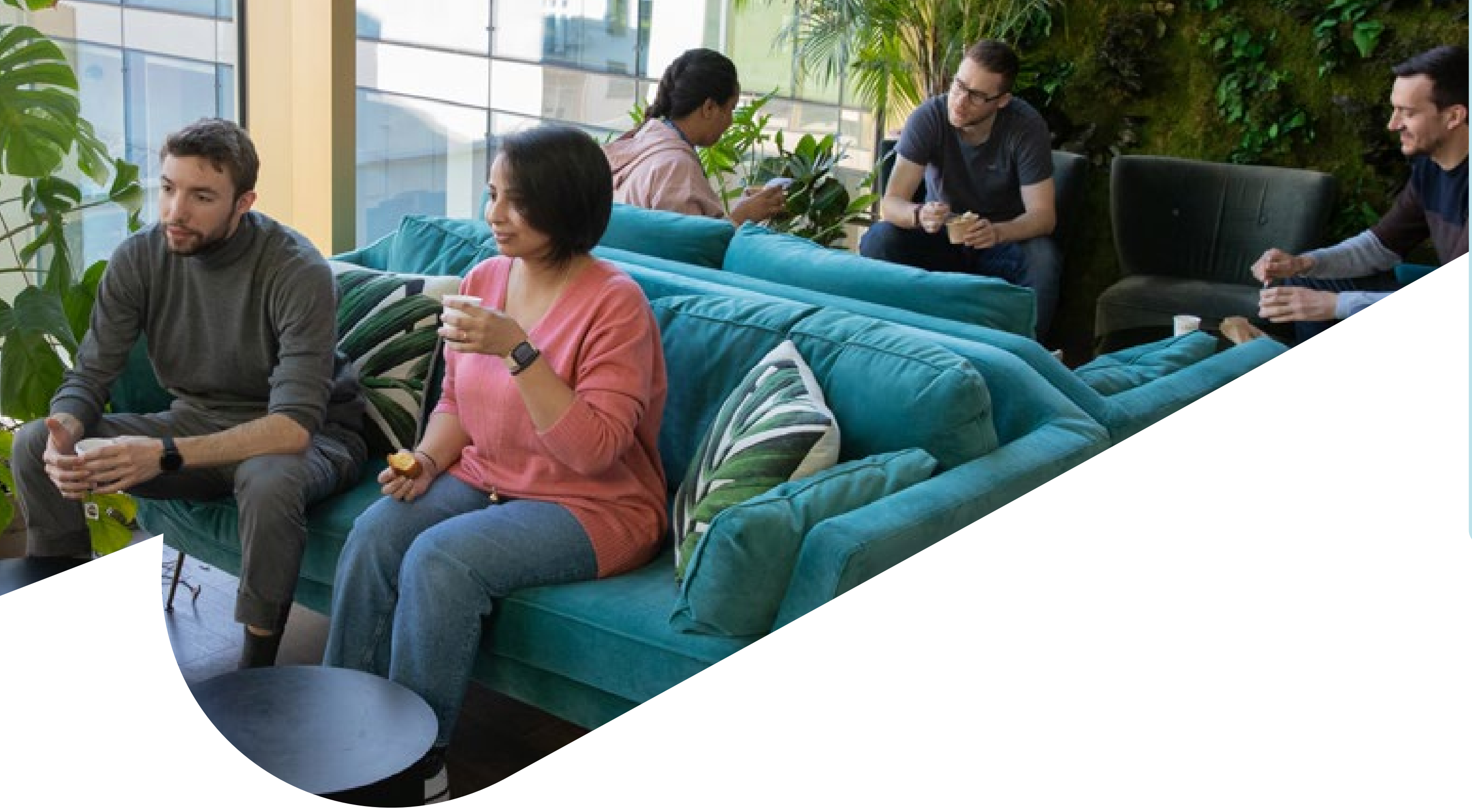
Sustainability Statement
In accordance with section 3-3c of the Norwegian Accounting Act, Adevinta has prepared a sustainability statement that sets out Adevinta's approach to sustainability. The statement includes information about the working environment, injuries, accidents, sickness absence, equality and non-discrimination, as well as Adevinta's social and environmental impact. The statement is included as a separate section of this annual report, and is an integral part of the Board of Directors' report.

Insurance policy
The directors and officers of Adevinta ASA and its subsidiaries are covered by a directors and officers liability insurance (D&O insurance) placed with a number of international reputable insurers. The insurance provides insurance cover for claims brought against directors, officers and other individuals which can incur personal liability (individuals) in their managerial position at Adevinta ASA or in any of its subsidiaries. In certain cases, persons engaged by Adevinta ASA or any of its subsidiaries to be e.g. on the board of directors of an affiliated company are also covered by the policy.

Adevinta ASA
Adevinta ASA is the parent company of the Group and is located in Oslo, Norway. Adevinta ASA delivered a loss after tax of €(2,523) million mainly due to impairment losses as mentioned in the section "The Group's financial results". As at 31 December 2022, Adevinta ASA had total assets of €9,351 million and the equity ratio was 83%. The Board of Directors has adopted a dividend policy that allows for development of Adevinta's business and further growth. The Company's eventual aim is to pay a stable and growing dividend going forward while maintaining flexibility to invest in growth. The focus in the medium term remains on deleveraging. The Company does not expect to pay any dividend in 2023. The Board of Directors proposes that the loss after tax of €(2,523) million is transferred to other equity. As of 31 December 2022, Adevinta ASA had total equity of €7,780 million. The Board of Directors has determined that Adevinta ASA had adequate equity and liquidity at year end 2022.

Outlook
As outlined during our Capital Markets Day in November 2021, we see various value-accretive opportunities across all our businesses, especially in our core verticals Mobility and Real Estate, where a large monetisation runway exists, with the potential to expand throughout the value chain with new business models, and a largely untapped second-hand commerce pool. Our long-term ambition for our core markets (France, Germany, Benelux, Spain and Italy) remains strong with FY 2023-2026 annual revenue growth between 11% and 15%, and an EBITDA margin between 40% and 45% from 2026.

Our 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: Mobility and Real Estate, that present a significant opportunity to increase monetisation;
- 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.

We continue to experience temporary headwinds owing to the low production levels of new cars globally that have a consequential knock-on effect on used-car listing volumes and Original Equipment Manufacturer (OEM) marketing spend. However, this is somewhat mitigated by price increases coupled with value adds to customers. The overall macro environment has also weakened following the start of the Russian invasion of Ukraine, resulting in rising inflation and interest rates and lower consumer confidence, ultimately affecting advertising investment.

Despite the current context, our strategic pillars of Mobility, Real Estate and transactional businesses have performed well, proving structurally more resilient, while the advertising market tends to be more volatile.

We expect core markets revenue growth to be low double digit for the full year of 2023 and Group EBITDA in the range of €620 to 650 million euros, including the impact of the French Digital Services Tax. This implies a year-on-year expansion of the Group's reported EBITDA margin.

In France, we will continue to benefit from our resilient Mobility and Real Estate business models, and our ability to drive ARPU growth through upselling and price increases along with product improvements and increased added-value for customers. This will more than offset the foreseen decline in dealers' and agents' new listings due to the current market context. We expect traction in transactional services and our new solution for Re-Commerce professional clients to drive incremental revenues. The advertising market will remain challenging throughout the year. Overall in 2023, we expect slight acceleration in revenue growth compared to 2022.

In mobile.de, our investment in products to create more value for our customers will further improve monetisation, in the form of price increases and upselling. We will also benefit from easing volume comparables, especially in the first half of the year. While new listing volumes are expected to remain low, total listing volumes on our platform are supported by softer demand. As we enhance our solutions further, new business models such as online buying and selling will progressively ramp up. Importantly, once optimised this model could be scaled to other markets.

In European markets, we expect a similar revenue growth trajectory to 2022, with sustained classifieds performance, on the back of improved monetisation, and further strong traction in transactional services despite higher comparables. Advertising revenues are expected to remain under pressure throughout the year. Since Adevinta's creation and following the eCG acquisition, we have built capacity, redesigned enabling functions and enhanced the quality of our global operations to support business development and drive efficiencies throughout the Group.

The Group's Product and Technology operating model is evolving and improvements are expected to be the run rate going forward, despite forecasted revenue growth, driving overall operating leverage.

The Group's Product and Technology operating model is under review and changes are expected to be implemented throughout 2023 and 2024. Coupled with other cost-optimisation and synergy initiatives, this will drive further medium- and long-term efficiencies, and accelerate value creation.

We will also focus on deleveraging and will further optimise our debt structure to mitigate the impact of rising interest rates. We target a reduced leverage ratio of 2-3x net debt/EBITDA by the end of fiscal year 2023.

Going concern

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

Events after the balance sheet date and other information

The Russian government invasion of Ukraine

The Russian government invasion of Ukraine, alongside the imposition of international sanctions, has a pervasive economic impact. Adevinta is monitoring the development, including updating risk assessment and measures.

Sales process for the business in Hungary

When we announced our new strategic plan in November 2021, we identified Hungary as one of our operations to be placed under strategic review. On 23 February 2023, we announced the launch of the sale process for Hungary, which was the last remaining business under strategic review. A sale of Hungary is not expected to have a material impact on the financial statements of the Group.

CFO transition

Uvashni Raman, Adevinta's CFO since April 2019, has decided to step down in autumn 2023 and a global search for a replacement has been initiated. Uvashni Raman has played a key role in creating Adevinta as an independent organisation, implementing our IPO in 2019 and in the acquisition and integration of eCG. We thank Uvashni for her dedication to Adevinta and wish her the best for future endeavours.

Other than the matters described above, no further matters have arisen since 31 December 2022 that 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.

Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Kristin Skogen Lund
Board member

Antoine Jouteau
CEO

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Sophie Javary
Board member

Michael Nilles
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Julia Jäkel
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Marie Oh Huber
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Sustainability Report

CEO Message

Our business model has always supported a vision of a more sustainable way of living. We make it easier for people to reuse things and, by encouraging people to make second-hand their first choice, we provide lasting positive impacts in the circular economy.

This is in our DNA and, across all of our markets, more and more people are learning how they can leverage platforms like ours to demonstrate their commitment to a more sustainable type of commerce.

In 2022, our sustainability team focused on setting up an environmental data collection system in parallel with a data calculation tool that will help us define our greenhouse gas baseline. This work is an important part of our long-term ambition to reduce greenhouse gas emissions. Publication of our 2021 Second Hand Effect report – which provides information on the potential savings on plastic, steel, aluminium and CO_2 arising from the transactions on our platforms – was released at the end of 2022 as we waited to include ebay Kleinanzeigen in the process.

Meanwhile, we are trying to embed sustainability more deeply across our product and technology operations. In 2022, with the help of external expertise and by organising greentech workshops, a core team in our tech community at leboncoin did some good initial work at the grassroots level in raising awareness of greentech best practices.

In terms of social sustainability, we continued to build a strong inclusive culture at Adevinta with high scores for our diversity, equity and inclusion stance in our 2022 engagement survey. We piloted a purpose-driven leadership programme for our leadership community. By year end, our learning and development programmes, as well as our talent pipeline initiatives, had also made good progress. Our community engagement work continued to raise money for worthy causes, support important community initiatives and promote topical issues.

One of our key governance responsibilities, as the digital economy grows and we enhance our ecommerce tools to provide superior digital experiences, is to strengthen protection for our customers and end users. As part of our mission to provide the world's most trusted marketplaces, we continue to invest vigorously in the human skills and technology that provide anti-fraud capabilities, data privacy and cyber security. During the year, we defined a new global data privacy strategy, and we launched our new global cyber security strategy.

At the end of 2022, we were recognised once again as a sustainability leader in the Dow Jones Sustainability Index (DJSI) Europe. The citation noted our advances in business ethics, risk management, cyber security and indirect greenhouse gas emissions reporting. We are grateful for that recognition and we intend to make further improvements within our ESG roadmap.

We want to strengthen all the benefits we deliver. A good example is how we are helping consumers at a time when many are seeking more cost-efficient ways to buy products. We are deeply engaged in building a shared digital future because digitisation is essential for social and educational progress. Moreover, we play an important role in local economies. At leboncoin in France, around 80% of transactions are made within a radius of 30 kilometres. Our buyers and sellers clearly want to engage with the local economy and we help them do that. Above all, our marketplaces are open to all and offer access to opportunities that would not exist for many.

Looking ahead, our aim is to collaborate with stakeholders who want to go beyond 'business as usual'. After all, a vital element of Adevinta's purpose is to 'make a positive change'. We are already in tune with our younger generation, which I believe has a strong desire to change the way we consume. We also see many large corporations trying to align more closely with sustainable business development and I strongly believe that those companies that fail to adjust will encounter difficulties. At Adevinta, we are not afraid of change; we embrace it, we want to lead change and become a champion of sustainable commerce. In the following pages we have outlined some of our progress in the past year as we pursue our ambitions.

28.2m

Tonnes of carbon emissions (CO_2e) were potentially saved in 2021 arising from the transactions on our platforms

Antoine Jouteau
CEO Adevinta

Photography: @Lea Crespi

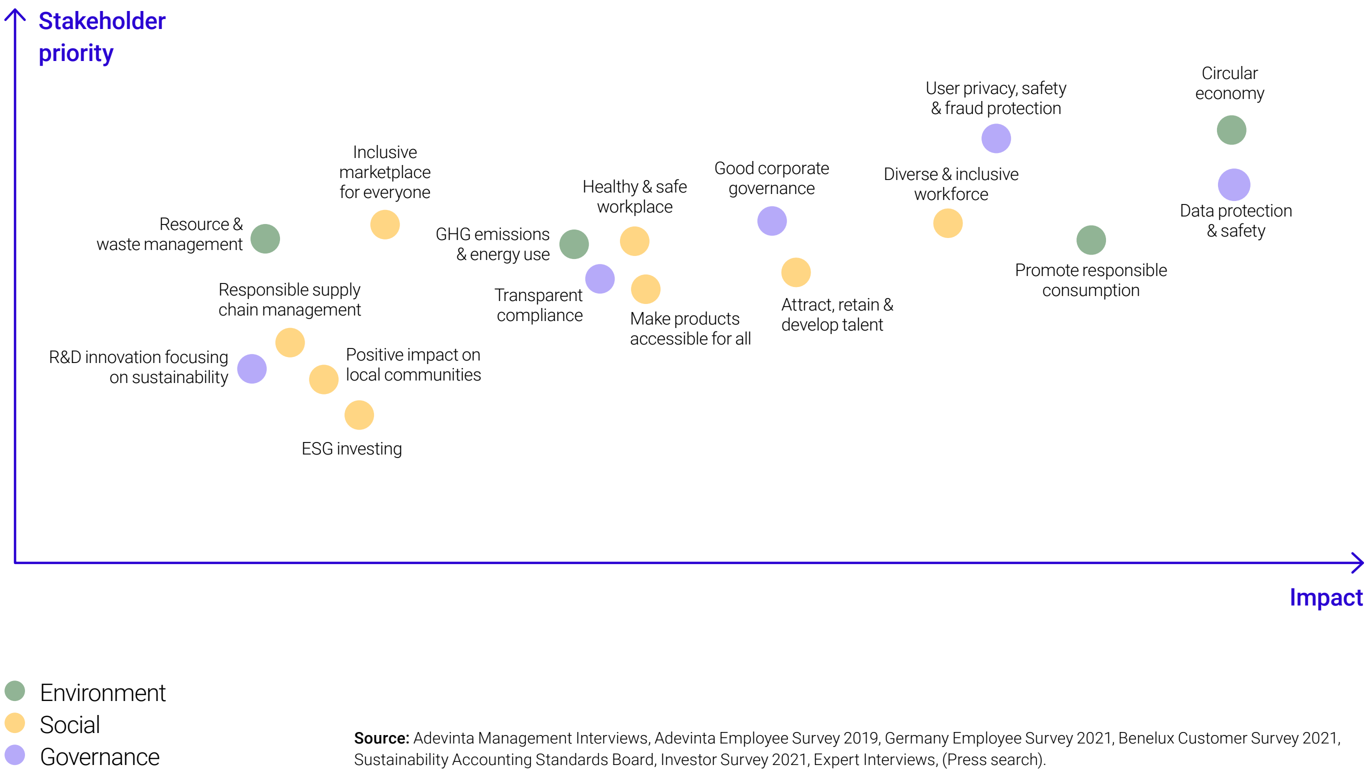
Materiality assessment

We worked with the materiality matrix below throughout 2022. We have organised Adevinta's material issues against a horizontal x-axis (representing impact on our business) and a vertical y-axis (representing importance to stakeholders). Those issues on the top right corner of the materiality map represent the issues of highest significance to both Adevinta and its stakeholders.

Our analysis of materiality has grown out of work over several years. A key revision was in 2021, following the completion of our acquisition of eBay Classifieds Group (eCG). We updated our initial materiality matrix using additional employee and management surveys conducted at two eCG businesses: eBay Kleinanzeigen and mobile.de. We also conducted new interviews with investors and ESG analysts.

The most material new theme to emerge from this work in 2021 is the promotion of responsible consumption. Consumers are key to driving sustainable development in our economies and Adevinta can play an important role in supporting sustainable consumption. Governments are increasingly focused on strategies for achieving this and consumers are becoming increasingly aware of the environmental and social impact of products of all kinds as they pass through their lifecycle phases. The promotion of responsible consumption is therefore a component of Adevinta's sustainability roadmap going forward.

Adevinta ESG Materiality Matrix



Source: Adevinta Management Interviews, Adevinta Employee Survey 2019, Germany Employee Survey 2021, Benelux Customer Survey 2021, Sustainability Accounting Standards Board, Investor Survey 2021, Expert Interviews, (Press search).

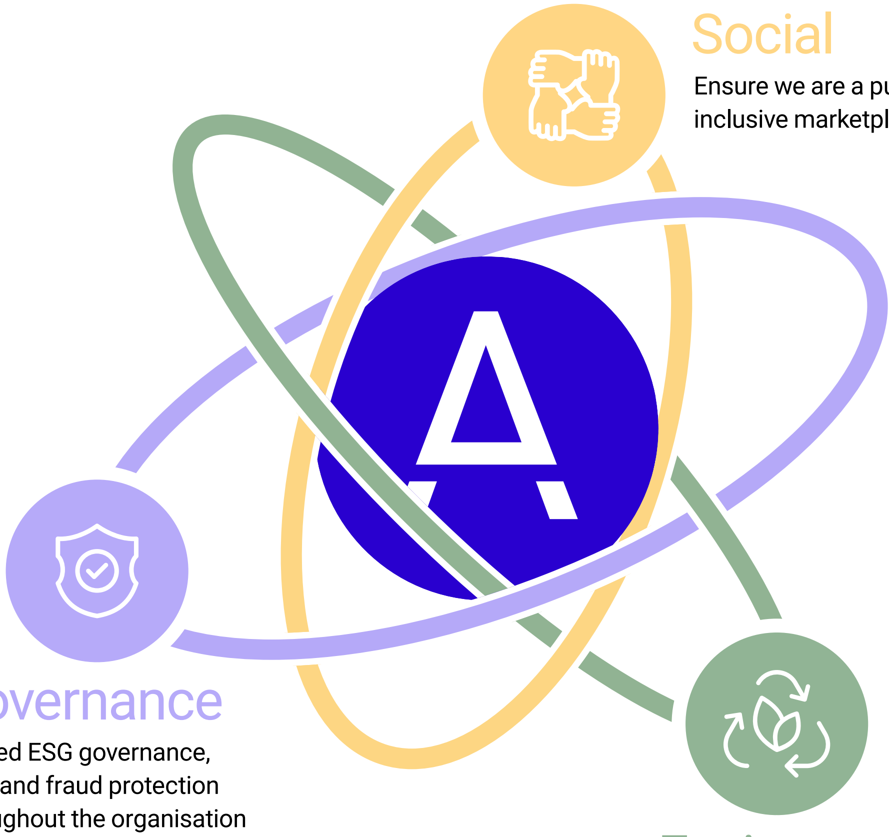
Stakeholder involvement

Whom did we engage with?	How did we engage with them?	What is most important to them?
Users	User surveys Market research Social media	• Circular economy • Make products accessible for all • User privacy, safety & fraud protection • Data protection & safety
Employees	Interviews Employee surveys	• GHG emissions & energy use • Resource & waste management • Responsible supply chain management • Inclusive marketplace for everyone • Circular economy • Attract, retain & develop talent • R&D innovation focusing on sustainability • Data Protection and Security
Management	Interviews Surveys	• Circular economy • Data protection & safety • User privacy, safety & fraud protection • Promote responsible consumption • Attract, retain & develop talent • Diverse & inclusive workforce • Good corporate governance
Investors and ESG analysts	Interviews Surveys Enquiries analysis	• Good corporate governance • GHG emissions & energy use • Data protection & safety • User privacy, safety & fraud protection • Diverse & inclusive workforce • Attract, retain & develop talent • Healthy & safe workplace
European legislators	Desktop analysis	• Sustainable investments and ownership • User privacy, safety & fraud protection • Fair business practices

The strategy

Adevinta is acutely aware of its ability to contribute to the circular economy and of our platforms to connect people in the communities and countries in which we operate. Our business implicitly encourages more sustainable consumption. Moreover, our strategic focus on our five core markets of Germany, France, Spain, Benelux and Italy allows us to describe Adevinta as a European circular economy champion. We are committed to building on our sustainability achievements, with a focus on three key areas.

Our three key themes are:



Social
Ensure we are a purpose-driven and inclusive marketplace for everyone

Governance
Embed ESG governance, data and fraud protection throughout the organisation

Environment
Lead the transition towards circular and responsible consumption

Highlights from 2022

Environment

- **GHG emissions accounting and reduction:**
  - Internalised the process of GHG calculation to drive more ownership and better understanding of our environmental impacts
  - Established a GHG data collection and harmonisation protocol and created a GHG calculation tool
- **Offset our 2021 GHG emissions by purchasing 4,710 Gold Standard verified carbon credits**
- **Embedding sustainability in our products and technology:**
  - An initial greentech team received training from an external Greentech expert
  - Won the Sustainable Digital Challenge
  - Established a repository of Greentech best practices and prioritised nine of these
  - Established a Greentech core team and Greentech ambassadors
- **Issued the 2021 Second Hand Effect report**

Social

- **Piloted a purpose-driven leadership programme for our leadership community**
- **Launched new Key Behaviours in 2022 to reflect Adevinta's culture and the integration of eCG**
- **Launched employee assistance programme in July 2022**
- **Completed Adevinta Gender Audit and created three-year gender roadmap**
- **Held bi-weekly Authentic Allyship Workshops involving more than 170 employees**
- **Launched a new e-learning management system as part of our continuing shift towards self-managed learning**
- **Supported Ukraine at an Adevinta group level**

Governance

- **Defined a process to embed ESG metrics into Adevinta's main short-term incentive scheme from 2023**
- **Issued a new Code of Ethical Conduct and ran company-wide training on this**
- **Issued a new Speak Up policy**
- **Launched our Supplier Code of Conduct and complemented our existing Anti Bribery and Corruption policy with a Conflict of Interest policy and a Gifts, Hospitality and Entertainment policy**
- **Included in the Dow Jones Sustainability Index (DJSI) Europe**
- **Cyber security:**
  - Launched our new global cyber security strategy including new global cyber security policies
  - Improved our endpoint detection and protection posture to fight against malware and ransomware attacks
  - Established a new global vendor security programme
- **Data privacy:**
  - Defined new data privacy strategy
  - Created a data privacy leadership team and implemented a new group-wide data privacy policy
  - Implemented regular reporting to the Audit and Risk Committee

Powered by the S&P Global CSA

Adevinta listed in Dow Jones Sustainability Index

Adevinta recognised as a sustainability leader in DJSI Europe for the second consecutive year

For the second year running, Adevinta has been included and recognised as a sustainability leader in the Dow Jones Sustainability Index (DJSI) Europe. Ranking in the 96th percentile, Adevinta is one of only six companies listed in the Media & Entertainment industry group.

The Dow Jones Sustainability Index (DJSI) is a global sustainability index which benchmarks the sustainability performance of leading companies based on environmental, social and governance (ESG) performance, including forward-looking indicators. The Dow Jones Sustainability Index Europe is made up of European sustainability leaders that are identified by Standard & Poor Global through the Corporate Sustainability Assessment.

Adevinta was able to show progress in the areas of business ethics, risk management, cybersecurity processes and infrastructure as well as indirect greenhouse gas emissions reporting.

> "Adevinta is proud to be recognised as a sustainability leader by DJSI Europe for the second year running. In comparison to the previous year, Adevinta has shown progress in the areas of business ethics, risk management, cybersecurity processes and infrastructure as well as indirect greenhouse gas emissions reporting.
>
> Antoine Jouteau
> CEO Adevinta

Environment

Lead the transition towards circular and responsible consumption

Measuring our carbon footprint

At Adevinta, we are committed to managing the environmental impact of our businesses and setting greenhouse gas (GHG) emissions reduction targets. In order to reach these goals, we need strong internal monitoring of – and reporting on – environmental data. In 2022, we worked on developing a comprehensive and reliable internal reporting system covering all Adevinta's businesses.

To track the company's environmental performance over time, we set the 2022 emissions as a baseline for setting future targets and measuring the progress in emissions reduction. This allows us to quantify the company's emissions from all material sources, identify areas for improvement, set reduction targets and track our progress towards achieving our sustainability goals.

The baselining exercise and implementation of the reporting process comprises these steps:

1. **Identification of scope:** The first step was to identify the specific operations, activities and processes that will be included in our reporting exercise. For Adevinta, we have covered all our scope 1 and scope 2 emissions and also selected scope 3 categories such as external data centres, business travel, purchases of IT equipment and other key goods.
2. **Data collection and verification:** We collected data from all relevant sources, such as energy bills, travel itineraries and material procurement records. This data allows us to calculate GHG emissions using industry-standard emissions factors. Our team of environmental engineers thoroughly validates and verifies all data to ensure accuracy and completeness.
3. **Data analysis:** We checked and analysed the collected data to identify key sources of emissions and to establish the baseline GHG emissions for the organisation.
4. **Reporting:** We collated the results of the baselining exercise in a comprehensive report. This included the GHG emissions inventory, an analysis of the sources of emissions, and a summary of the key findings and recommendations for reducing emissions.
5. **Review:** Looking ahead to the future, we will review and update the emissions inventory annually to ensure that it remains accurate and relevant, and track progress towards reducing emissions over time.

Our reporting focuses on the four main emission sources identified:

→ **Owned and third-party data centres** – *accounting for 14% of our calculated carbon footprint*[8].

As data storage and processing is a key asset in our business and a significant source of our GHG emissions, we have placed a strong emphasis on understanding and managing the environmental impact of our data centre usage. As we primarily rely on third-party, cloud-based, data-centre providers, energy consumption data is directly sent by the providers. A few of our data centres operated by third parties have transitioned to over 85% renewable energy.[9]

→ **Energy consumption in buildings** – *accounting for 3% of our calculated carbon footprint*[8].

We collect energy consumption data across all our office locations. This data allows us to calculate GHG emissions using industry-standard and country-specific emissions factors.

→ **Business travel** – *accounting for 4% of our calculated carbon footprint*[8].

We calculate business travel emissions by tracking the number of employees travelling, distance travelled and mode of transportation. We actively promote the use of video conferencing to minimise the need for travel.

→ **Purchased Goods & Services and Capital Goods** – *accounting for 63% of our calculated carbon footprint*[8].

We have started tracking emissions from key categories like Purchased Goods & Services and Capital Goods. These emissions were not tracked historically, and hence there is significant difference in our overall GHG emissions as compared to previous reporting periods. We will expand on this coverage in future years. This will help us identify our emissions in the upstream supply chain of goods, and help us to choose more efficient and less carbon-intensive services and materials.

[8] See the carbon footprint scope in the tables on page 41.
[9] https://sustainability.aboutamazon.com/environment/renewable-energy?energyType=true

GHG emissions (Tonnes CO_2e)	2022	2021	2020
Scope 1 – Direct emissions			
Company-owned cars	–	1	2
Air heating	**196**	11	–
Scope 2 – Indirect emissions[1]			
Location-based electricity + heating and cooling	**1,137**	1,425	2,023
Market-based electricity + heating and cooling	**854**	1,187	1,953
Scope 3 – Other indirect emissions[8]			
Purchased goods + services [1,7]	**24,879**	–	–
Capital goods [2,7]	**455**	–	–
Fuel + energy-related activities [3,7]	**5,917**	2,144	2,118
Energy from data centres	**4,841**	2,056	2,017
Transmission & distribution losses + upstream emission from fuel & electricity	**1,076**	88	101
Waste generated in operations [4,7]	**71**	–	–
Business travel [5,7]	**1,753**	1,129	1,036
Employee commuting [6,7]	**5,870**	–	–
Total GHG emissions	**40,279**	4,710	5,179

[1] Extraction, production, and transportation of goods and services purchased or acquired by Adevinta during the year.
[2] Extraction, production, and transportation of capital goods purchased by Adevinta during the year.
[3] Extraction, production, and transportation of fuels and energy purchased or acquired by Adevinta in the year, not already accounted for in Scope 1 or Scope 2. The inclusions are upstream emissions of purchased fuels, upstream emissions of purchased electricity, transmission and distribution losses, and energy used by data centres.
[4] Includes emissions from third-party disposal and treatment of waste generated by Adevinta.
[5] Transportation of Adevinta's employees for business-related activities during the year (in vehicles not owned or operated by the Adevinta). The inclusion is air, road, train and bus travel.
[6] Transportation of employees between their homes and their worksites during the year (in vehicles not owned or operated by Adevinta).
[7] The methodology used for calculation of emission figure for purchased goods and services, and capital goods is spend based where as for all other categories average data method is used. Also the Scope 3 categories from this reporting year are aligned with the GHG protocol.
[8] We have significantly expanded coverage of Scope 3 emissions data in the current reporting period. Hence the emissions from this year are higher as compared to previous years.

Energy consumption within Adevinta (MWh)	2022	2021	2020
Fuel consumption from stationary combustion	**1,471**	59	–
Consumption of electricity, heating, cooling	**15,583**	5,389	6,596
of which renewable electricity	**476**	744	334
of which non-renewable electricity	**12,833**	2,956	2,896
of which heating	**1,142**	1,199	1,617
of which cooling	**1,132**	490	1,749
Total energy consumption	**17,054**	5,448	6,596

Energy and GHG intensity	2022	2021	2020
GHG intensity (Scope 1 and 2), tonnes CO_2e emissions/turnover € million[1,3]	**0.8**	1.30	3
GHG intensity (Scope 1 and 2), tonnes CO_2e emissions/employees [2,3]	**0.2**	0.3	0.5
GHG intensity (Scope 3), tonnes CO_2e emissions/turnover € million[1,3]	**2.4**	2.9	4.7
GHG intensity (Scope 3), tonnes CO_2e emissions/employees[2,3]	**6.8**	0.6	0.8
Energy intensity, MWh/turnover € million[1]	**10.4**	4.8	9.8
Energy intensity, MWh/employees[2]	**3.0**	1.0	1.6

[1] Turnover is defined as consolidated financial operating revenues.
[2] Employees are based on headcount as of 31.12.2022.
[3] The GHG intensity includes the total emissions based on the location-based method.

Carbon offsetting

At Adevinta, our long-term goal is to transition to renewable energy and reduce our GHG emissions. While we progress towards that intended transition, we have decided to offset all our residual emissions on an annual basis and started this practice with our 2021 GHG emissions. We understand that investing in any voluntary emissions reduction project is a temporary solution as regards minimising the environmental impact of our activities. We therefore continue to prioritise actively reducing our carbon footprint as much as possible. The objective of offsetting our emissions is to ensure our company is accountable for the emissions we are not yet able to reduce. In time, by adopting more renewable-energy and energy-efficiency measures, we expect our carbon footprint to come down, and that our dependence on offsets will reduce accordingly.

In 2022, we purchased 4,710 Gold Standard verified carbon credits, corresponding to our 2021 scope 1, scope 2 and scope 3 emissions. This Gold Standard was established in 2003 by WWF and other international non-government organisations (NGOs) to ensure projects that reduced carbon emissions featured the highest levels of environmental integrity while contributing to sustainable development. Gold Standard is the most stringent offset standard, and is preferred for high quality offset projects.

With our partner, the Soneva Foundation, we decided to invest in the Myanmar Stoves Campaign, a programme with positive environmental and social impacts. This project is the first Gold Standard certified carbon project in the country and aims at distributing fuel-efficient cook stoves for families. Deforestation is a major issue in Myanmar and part of the problem is caused by the use of firewood. The Myanmar Stoves Campaign allows families to install new fuel-efficient cook stoves with significant environmental, financial and health benefits. Each stove reduces:

- → wood consumption by 50%, reducing pressure on forests and household expenditures on fuel
- → indoor air pollution by 80%, improving the health and safety of the whole community
- → carbon emissions by 60% per stove

By the end of 2022, the Myanmar Stoves Campaign had distributed some 49,000 stoves to around 225,000 beneficiaries.

Myanmar Stoves campaign
by the Soneva Foundation

Second Hand Effect

The purchase of a second-hand item allows significant reductions in carbon emissions and in resources used for the manufacturing of a new item. Adevinta is at the forefront of the effort to cut down on waste and resources use by facilitating the re-purposing of products. Each time one of our users buys or sells something second-hand, instead of purchasing a newly produced item, he or she contributes to sustainable consumption and to the circular economy. We call this the Second Hand Effect.

Our method for determining the Second Hand Effect is to calculate the potential savings in greenhouse gas emissions and the use of materials associated with choosing second-hand goods over new goods.

In 2021, we collected data from online marketplaces in key European markets and in Brazil: milanuncios in Spain, Subito in Italy, leboncoin in France, Jófogás in Hungary, Willhaben in Austria, Marktplaats and 2dehands/2ememain in Benelux, eBay Kleinanzeigen in Germany and OLX in Brazil.

Second-hand products can have a significant environmental impact in other phases of their life cycle (namely in the use phase), but this report focuses on the potential savings at the manufacturing stage only. We believe it is informative to visualise the volume and different types of resources that can go into manufacturing a new product, and consequently what can be saved by purchasing a second-hand item.

Calculations of potential resources and emissions savings from the purchase of second-hand products on our marketplaces in 2022 were underway in early 2023. To download the 2021 Second Hand Effect report: https://www.adevinta.com/sustainability/second-hand-effect

Users from our eight participating Adevinta sites contributed to the following potential savings:

28.2m
Tonnes of carbon emissions (CO_2e)

9.6m
Tonnes of steel

1.53m
Tonnes of plastic

0.93m
Tonnes of aluminium

Embedding sustainability in our products and in the technology that drives our platforms

When we work on our products from a sustainability standpoint, we focus on three different aspects:

We aim to optimise the technology driving our platforms

The IT community calls this **'greentech'**, meaning the optimisation of our underlying technology (API calls, data storage, engineering architecture, etc.) to deliver a greener tech ecosystem.

We seek to create products & features to help consumers make informed decisions*

This is called **'tech for green'** and means adding features that help our users understand their environmental impact, so they can make decisions that are better informed from a sustainability perspective.

We deliver useful eco design

We only create features that are useful to people using our marketplaces.

The world's vast array of digital industries is thought to contribute as much as 5% of global CO_2 emissions. The concept behind leboncoin's greentech initiative to enhance digital sustainability is that Adevinta's marketplaces process a significant volume of data. The third-party data centres that hold this information consume energy and this has an inevitable environmental impact, forming part of Adevinta's indirect carbon footprint.

A team in leboncoin's tech community kick-started the greentech journey in 2021, starting with training provided by an external expert to a team of 12 people. In the first half of 2022, the growing greentech team participated in the Sustainable Digital Challenge, a well-known competition that teaches sustainable IT design, architecture and code. Participants work with mentors and experts to learn the techniques of 'eco-responsible digital' and how to make IT services more sustainable. The entry from leboncoin won the Sustainable Digital Challenge's Gold Prize. One project that contributed to this success was the migration of leboncoin's data cluster to servers using Graviton 2 technology, which consumes less energy. Another project implemented back-end cleaning supported by feature toggles, which saved energy by displaying adverts more efficiently.

During the second half of 2022, a core engineering team within leboncoin's greentech community created a repository of its own best practices and prioritised nine of these for wider adoption. Internal workshops promoted the topic and up to 100 leboncoin product and engineering employees joined this initiative. A core greentech team was put together along with ambassadors from internal engineering categories.

The leboncoin greentech initiative is a grassroots movement that is helping participants understand how they can play their part in delivering a positive environmental impact. Many employees at leboncoin joined the company for its eco-responsible commitment, and the opportunity to support our own greentech journey aims to enhance this sense of purpose.

The leboncoin team plans to expand its greentech community to include more product and engineering employees and to identify and integrate tools that will allow for more accurate measurement of the impact of their optimisation efforts.

In 2023, we are planning to work with Adevinta's IT leadership to create a group-wide greentech strategy and scale leboncoin's greentech efforts at a group level.

* In 2022, owing to reorganisation of our Product and Technology team, we postponed our work on 'tech for green' but made a good start on this area early in 2023.

Social

Ensure we are a purpose-driven and inclusive marketplace for everyone

We made excellent progress in 2022 in bringing the two organisations of Adevinta and eBay Classifieds Group (eCG) together to create an integrated company. In addition to this work, we continued with other important programmes including the launch of a revised set of Key Behaviours and enhancement of signature development initiatives such as Women in Leadership along with our Early Careers Programme. We also launched a brand new e-learning management system and piloted a purpose-driven leadership programme. From a diversity perspective, a learning perspective and in terms of how we communicate within our organisation, we significantly strengthened our culture of transparency and inclusiveness.

Combining our brands and businesses

As we progressed the integration of the two businesses, and with the aid of our talented employees, we have ensured a smooth integration of our combined brands and markets. In the first half of the year, there was comprehensive work on internal policies, processes and systems and, as 2022 progressed, our focus turned to merging our organisation at the cultural level to deliver one unified team. We re-emphasised how we can collectively create new opportunities for our company, our customers, our users and our employees while reinforcing our people-centric culture of trust.

We took care to look at the merits of both Adevinta and eCG so that we defined a way forward that was built on our mutual strengths. We believe this was the right approach and we closed the year with a united organisation with an engagement rate of 69%. Our company culture, especially the way we regularly engage with our employee base, ensured we were able to cope well with this very dynamic phase of our development.

As teams were able to return to working in close proximity with the worst phases of the Covid pandemic behind us, we arranged more workshops and events to reacquaint team members and further integrate our new starters across 2022. This has played an important role in uniting employees as we continue to integrate the operations of Adevinta with eCG.

Adevinta Key Behaviours

As part of the integration workstream, we launched a new set of Key Behaviours. These are cornerstones of Adevinta's culture, which is built on a commitment to engagement with our people and on encouraging all employees to have a voice and to contribute. Our new Key Behaviours are the result of careful focus group discussions, consultation from experts and the guidance of Adevinta's executive leadership team. They reflect our growing Adevinta employee base, our evolving Growing at Scale strategy and the qualities our employees believe will support our long-term success.

→ **Act for max impact**
Keeping the longer-term in mind results in better products for our communities.

→ **Grow through different perspectives**
We approach situations with curiosity and humility.

→ **Use your voice**
We want to foster an environment where everyone can speak freely and respectfully.

→ **Win and lose together**
We have big ambitions and achieving them isn't a solo mission.

→ **Experiment bravely**
Taking risks can be uncomfortable, but when we choose to experiment bravely, we have the chance to deliver the best solutions for our customers.

Giving our people a voice is even more relevant in the face of changes arising from Adevinta's acquisition of eCG and the implementation of our Growing at Scale strategy. Our aim is to design changes in partnership with our people, to consult them and inform them so that everybody feels included, and to avoid simply imposing change that is not well understood. This approach will be vital in the context of Adevinta's intention to verticalise its marketplaces as announced at the end of 2022. Our aim is to simplify our organisation in line with our growth strategy, centred around our Motors and Real Estate verticals as well as Re-Commerce. We will encourage our teams to own this important transition and to be an active part of this next phase of change at Adevinta.

Employees by Age

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Age group								
20 and under	0%	2	0%	3	1%	48	1%	53
21 - 30	10%	556	12%	701	0%	2	22%	1,259
31 - 40	19%	1,073	29%	1,638	0%	1	47%	2,712
41 - 50	10%	560	15%	849	–	–	25%	1,409
51 - 60	2%	123	3%	166	–	–	5%	289
61 - 64	0%	10	0%	10	–	–	0%	20
65 and over	0%	3	0%	1	–	–	0%	4
Total	**40%**	**2,327**	**59%**	**3,368**	**1%**	**51**	**100%**	**5,746**

Employees by Gender and Country

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Country								
Australia	32%	49	68%	102	–	–	100%	151
Belarus	58%	87	36%	53	6%	9	100%	149
Belgium	60%	6	40%	4			100%	10
Canada	32%	65	67%	137	1%	2	100%	204
China	50%	8	50%	8	–	–	100%	16
France	44%	676	56%	864	–	–	100%	1,540
Germany	36%	315	64%	564	0%	1	100%	880
Hungary	39%	47	50%	60	11%	13	100%	120
Italy	41%	127	55%	169	4%	13	100%	309
Mexico	45%	54	50%	60	6%	7	100%	121
Netherlands	31%	152	69%	335	0%	1	100%	488
Norway			100%	1			100%	1
South Africa	35%	22	60%	37	5%	3	100%	62
Spain	42%	709	57%	960	0%	2	100%	1,671
Sweden			100%	1	–	–	100%	1
United Kingdom	47%	9	53%	10	–	–	100%	19
United States of America	25%	1	75%	3	–	–	100%	4
Total	**40%**	**2,327**	**59%**	**3,368**	**1%**	**51**	**100%**	**5,746**

Employees by Gender and Contract type

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Employmee Type								
Regular	46%	32	48%	33	6%	4	100%	69
Intern (Fixed Term)	40%	2,176	59%	3,255	1%	40	100%	5,471
Substitute (Fixed Term)	20%	1	80%	4	–	–	100%	5
Temporary (Fixed Term)	58%	105	38%	69	4%	7	100%	181
Trainee (Fixed Term)	67%	10	33%	5	–	–	100%	15
Work Student (Fixed Term)	60%	3	40%	2	–	–	100%	5
Total	**40%**	**2,327**	**59%**	**3,368**	**1%**	**51**	**100%**	**5,746**

> We bring an inclusive lens to everything we do and want our employees to be valued for their differences.

Engagement survey

Our annual engagement survey revealed a number of good results around the relationship between personal goals and company goals, performance feedback, management concern for individual well-being, our diversity stance, and adoption of our Key Behaviours, although the overall engagement score was 1% down on last year (69% versus 70%). The survey showed that 88% of respondents agreed they 'know how their goals contribute to the goals of the company', 84% agreed 'my manager gives me useful feedback on how well I am performing', and 88% agreed 'my manager genuinely cares about my well-being'.

On diversity, 86% agreed with the statement 'people from all backgrounds have equal opportunities to succeed at my company', 83% said that when they 'speak up' their 'opinion is valued' and 81% agreed 'I feel like I belong at my company'. Our survey also showed our people are already adopting many of our Key Behaviours. Our survey showed that 75% of Adevintans believe they 'grow through different perspectives' and 'consider the ideas of others', and 76% agree they can 'use their voice' and that there is 'open two-way communication'.

While the core results were encouraging, areas for improvement included the issues of 'taking action' and Adevinta's 'communication of the company's vision'. Less than one-third of respondents agreed they had seen 'positive changes taking place based on recent employee survey results', and only 54% agreed the executive leadership team had 'communicated a clear vision'. These issues are already receiving a special focus for 2023.

Purpose-driven leadership programme

In the middle of the year, we piloted a new coaching programme to help our leadership community understand what drives them and how that links to Adevinta's Purpose, Mission and Vision.
Our Purpose Driven Leadership pilot took place in Barcelona and involved 10 Adevinta leaders. With guidance including a two-day workshop and personal coaching, participants identified their leadership purpose and created a plan of how they will bring their purpose to life at Adevinta. Being a purpose-driven marketplace is a key part of the Social component of our sustainability strategy. Collectively getting our purpose right increases productivity at work and enhances our ability to meet business challenges. There will be a wider roll out of the programme in 2023 and a Purpose Driven Leadership Toolkit for leaders to take their teams through their own purpose exploration.

Adevinta Awards at IGNITE

In May, our IGNITE employee recognition and awards event brought our culture alive for people from both sides of our new organisation. Held in Spain's Port Aventura, this gathering provided an excellent opportunity for employees to experience Adevinta as an integrated company and to meet in person for the first time since Covid.

There were 20 Adevinta Awards recognising employees across the categories of culture, sales and innovation. The awards recognising staff for their significant contributions to Adevinta's shared company culture celebrated employees who live our Key Behaviours every day. There were awards too for outstanding sales performance by individuals, managers and teams, and for successful innovation across our marketplaces that underline Adevinta's focus on investing in products and technology. We selected winners based on employee and peer nominations, with around 100 finalists considered in the final rounds of judging. IGNITE winners represented 14 of our marketplaces, as well as Adevinta's global functions. It also provided opportunities for learning and development, with best practice case studies, networking and professional development sessions.

Diversity, equity and inclusion

Key to the Social component of our sustainability strategy is our aim to be an inclusive workforce, workplace and marketplace, by creating an environment where everyone feels they belong. We bring an inclusive lens to everything we do and want our employees to be valued for their differences. Diversity, equity and inclusion (DEI) are therefore important themes at Adevinta. We love our diversity – it's what makes us stronger. We raised awareness of fundamental DEI issues throughout the year within Adevinta with the aim of differentiating our company from others in this space.

Launch of DEI Strategy

In September 2022, we launched our DEI Strategy and communicated it to the business. The strategy focuses on three key pillars:

- → **Workforce:** providing equitable opportunities to all our employees
- → **Workplace:** ensuring an inclusive working environment from a cultural and physical perspective
- → **Marketplace:** implementing responsible, inclusive product design that takes into account the diverse needs of our pool of customers

At the same time, we did more work on global policies, DEI compliance training, communications and building leadership awareness and grassroots engagement.

Workforce
Ensuring that our people processes and structures are free of any systemic bias in order to create equitable opportunities across the employee life cycle

Workplace
Safeguarding an inclusive organisational culture and physical work environment in which everyone can thrive, contribute and feel a sense of belonging

Marketplace
Bringing an inclusive lens to everything we do to contribute to positive social impact in our marketplaces and communities and to strengthen our license to operate

The Adevinta Gender Audit

From September 2022 to the first quarter of 2023, Adevinta conducted a Gender Audit in collaboration with an external gender consultant from Gender Rise. The audit aimed to gain a full and realistic picture of Adevinta's gender-related issues in several fields: Rewards; Talent Development; Performance, Merit and Leadership; and Culture. By the end of the process, we had built a clear roadmap for future action on this theme. The process included a full qualitative and quantitative review and analysis of data, policies and programmes, an all-employee questionnaire, one-on-one and focus group interviews, and strategic recommendations.

Authentic Allyship Workshops

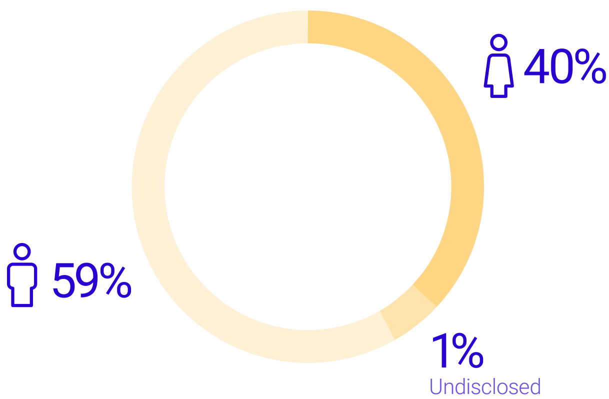
After a successful pilot series, the Authentic Allyship Workshops have continued with sessions twice a month and were joined by more than 170 colleagues. In each session, participants tackled concepts such as identity, intersectionality, privilege and power, while learning how they can act as authentic allies towards themselves and their peers who may come from underrepresented backgrounds. The workshops led to the creation of a strong community of allies within the company, who meet virtually every six weeks to delve deeper into the topic of Allyship and other DEI-related themes such as sexism, transphobia or racism.

Women in Leadership

Our Women in Leadership Programme (WIL) remained a core component of our DEI action plan. We believe a healthy business has a diverse workforce that brings different perspectives, experiences and backgrounds to the workplace. The Women in Leadership Programme helped talented women with senior leadership ambitions develop their skills and grow their networks. In 2022, we expanded the programme by dividing it into two paths: 1) Emerging Women Leaders or EWL (for high-potential women at the mid-stages of their career); and 2) Next Women Leaders or NWL (for senior high-potential women identified for executive roles).

There were 40 EWL participants and 14 NWL participants. In September, EWL participants met in Barcelona for a two-day strategic leadership event that was a highlight of the 2022 programme. Although we will continue supporting our talented women in pursuing their professional ambitions, the programme's goals and outcomes will be reviewed and assessed against the Gender Audit Results. This step is necessary to make sure that WIL participants are fully benefiting from the programme and that the presence of a leadership course exclusively for our female talent does not work against our pursuit of gender equity.

Our male / female ratio at year end



Management in Revenue-Generating Functions

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Job Level Managers								
Junior Managers	54%	57	46%	48	–	–	100%	105
Middle Managers	40%	108	59%	160	1%	2	100%	270
Top Managers	43%	9	57%	12	–	–	100%	21
Total	**44%**	**174**	**56%**	**220**	**1%**	**2**	**100%**	**396**

Women in STEM Positions

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Job Level Managers								
Adex			100%	1	–	–	100%	1
Junior Managers	36%	20	64%	35	–	–	100%	55
Middle Managers	25%	110	74%	324	0%	1	100%	435
Not Manager	25%	584	74%	1706	1%	17	100%	2307
Others	40%	10	60%	15	–	–	100%	25
Top Managers	14%	4	86%	25	–	–	100%	29
Total	**26%**	**728**	**74%**	**2,106**	**1%**	**18**	**100%**	**2,852**

Gender Pay Indicators

Employee Level	Average female salary (€)	Average male salary (€)
Executive level (base salary)	163,349	189,535
Executive level (base salary + other cash incentives)	215,118	253,246
Management level (base salary)	68,811	82,325
Management level (base salary + other cash incentives)	83,526	100,066
Non Management level (base salary)	44,031	56,049
Non Management level (base salary + other cash incentives)	52,448	66,111

Indicator	Variation between men and women
Mean Gender Pay Gap	(21.05)%
Median Gender Pay Gap	(24.45)%
Mean Bonus Gap	(19.40)%
Median Bonus Gap	(23.09)%

Employees by Gender and Job Level

	Female		Male		No data		Total	
	%	#	%	#	%	#	%	#
Job Level Managers								
Adex	25%	2	75%	6	–	–	100%	8
Junior Managers	55%	103	45%	85	–	–	100%	188
Middle Managers	34%	279	66%	536	0%	3	100%	818
Top Managers	34%	39	66%	75	–	–	100%	114
Total	**38%**	**423**	**62%**	**702**	**0%**	**3**	**100%**	**1,128**

Adevinta for Everyone

A cornerstone of our commitment to DEI is Adevinta for Everyone (A4E), our internal grassroots movement comprising 20+ employees from across different Adevinta locations. A4E members act as local representatives of the DEI agenda, by organising events and raising awareness in their marketplaces about DEI-related matters. In June, A4E chose Amsterdam as the venue of its first-ever conference, where members participated in an Authentic Allyship co-creation workshop, team-building activities and worked on the visual identity of A4E as a brand.

Inclusive Leadership Programme

There was also a DEI theme at our IGNITE employee recognition and awards event. Our DEI team rolled out Adevinta's Inclusive Leadership Programme with the company's top 140 leaders, along with our Global Product & Technology team and all the IGNITE finalists. As part of the Inclusive Leadership Programme, we have already built Neurodiversity and LGBTQIA+ networks, and continued nurturing our women in tech groups. We have also laid the groundwork for a race and ethnicity group. Our IGNITE event was also notable for its large privilege line-up activity. Privilege line-ups support team-building by helping delegates appreciate the diversity of individual backgrounds and how privileges arise from race, socio-economic class, gender and other variables. Privilege line-ups underline that everyone has a different starting point in life and that equity measures are needed to create fair opportunities for everyone. This Inclusive Leadership journey gained external recognition and we were nominated as Award Finalists for The Association of Business Psychology in London: DEI category – "Enabling organisational culture change and building a DEI movement", where we finished second.

Smart Working

Our Smart Working Policy operated throughout the year following its initial launch in 2021. With working patterns returning to pre-Covid norms, we sought feedback from employees, job candidates and our talent acquisition teams to understand how well our Smart Working Policy meets our needs.

Smart Working is our framework for defining the moments and rituals we wish to spend together in person. It details how employees can balance individual flexibility and remote working with maintaining our culture through in-person interactions. Our Smart Working practices vary across the business, and local leadership teams determine what makes the most sense based on local contexts. There are clearly some occasions when face-to-face contact is appropriate, including onboarding new hires, final interviews, brainstorming, performance reviews, and end-of-year reviews. The clear feedback we received is that Smart Working is well suited to the needs of employees and to our business generally. It is also part of our strategy to attract talent and we have found that nearly all job applicants welcome the flexibility and empowerment to make decisions about when to work in the office and when not. We also have 'work from anywhere weeks' that provide employees with up to four weeks a year where they can request to work from locations they choose.

Equity plan

Adevinta introduced a Restricted Stock Unit (RSU) equity reward scheme designed for middle and senior management. The plan awards eligible staff with shares based on a percentage of their base salary. Equity grants will vest every six months over the course of three years, with the first grant being awarded to eligible colleagues on 1 April 2023 and with no performance conditions apart from continuous service. This new scheme will allow more Adevinta employees to share in our success.

Wellbeing support

Our Global Employee Assistance programme commenced in July and offers employees and their immediate family members confidential support for any wellbeing concern, from everyday matters to more serious health, emotional or financial issues. For example, it can help employees meet psychologists, assist somebody settling in a new country, provide support with stress or work issues or address relationship problems or substance abuse. This service underlines how seriously Adevinta treats personal sustainability and wellbeing. In 2022, 96 cases were supported.

Learning and development at Adevinta

We completed a range of valuable learning and development initiatives during 2022. Our programmes offer substantial career development opportunities, and we are enrolling a larger number of participants than ever before. Our training programmes are becoming more customised in order to address Adevinta's strategic objectives and deliver the leadership skills we will need as we continue to transform our organisation.

Training data

Country	Average training hours per FTE	Number of employees trained	Total training hours
Spain	12	1,103	13,381
Central teams	7	259	1,740
France	23	695	15,829

> We believe that as our company grows we all need to learn, develop and grow alongside it.

Adevinta Academies
Our Adevinta Academies programme, which gives participants the knowledge they need to contribute to our business success, continued throughout 2022. The Product Academy provided online courses that build key product capabilities. The Machine Learning Academy helps engineers and data analysts integrate machine learning in production. The Leadership Academy helps our leaders to develop their full leadership potential and lead high-performing teams. The Sales Academy contributes to upskilling our sales teams globally. We have also introduced new academies such as the Agile Academy that teaches the importance of planning, prioritisation, collaboration and team techniques to underline how agility brings value to our business.

'Be Your Best'
At Adevinta, we believe that as our company grows we all need to learn, develop and grow alongside it. To make this happen, we create a consistent, performance-driven culture that allows every employee to see how they contribute to Adevinta's overall success. We call this 'Be Your Best' and it identifies what our people need to do in order to be the best versions of themselves when at work. It underwrites how Adevinta sets goals for employees and how we conduct career development conversations throughout the year. We do this with a focus on transparency in development opportunities and by building awareness, commitment and a learning mindset to support overall development.

Adevinta Avenues
This global career framework identifies core competencies and behaviours Adevinta requires to succeed. Adevinta Avenues is helping us build a competitive employer brand by allowing employees to plan their growth within Adevinta and by providing the framework for annual career development conversations as well as compensation and benefits packages. This ensures that we have the right employees with the right skills as Adevinta develops. The issue of career development is always top of mind for talented candidates seeking a career at Adevinta and is a cornerstone of our employee value proposition. We also use Adevinta Avenues to develop our existing strong talent.

Leadership Essentials
Our flagship offering within our Leadership Academy, the Leadership Essentials programme is for middle managers and covers the basic skills, knowledge and behaviour required to be successful. The programme added new content in 2022, and we had more than 80 participants from all of our business areas and marketplaces. The programme is now largely online and self-led.

Participants complete a personality profile and feedback survey before creating their individual development plan. After they have spent up to four months embedding new skills and behaviour, they repeat the feedback process and receive a comparative report identifying where the candidate's leadership impact has improved.

Learning Management System
We launched a brand new e-learning management system across Adevinta in 2022 with this global platform marking our continuing shift towards self-managed learning. We ran two compliance courses initially: Code of Ethical Conduct; and Anti-harassment and Discrimination. Part of the onboarding experience for new joiners, these courses received excellent feedback.

Early Careers Programme
Our Early Careers Programme helps junior talent – undergraduates, recent graduates or other candidates – activate their careers and develop skills for success. It also creates a pipeline of future talent to support Adevinta's current and future talent needs, creates diversity within our teams and provides development opportunities for our current and aspiring managers.

Our Early Careers philosophy is that personal and professional development and growth motivates employees to remain with Adevinta and contribute to our long-term success. Participants work towards specific future business needs, acquiring skills and competencies to fill specific positions. In 2022, there were four tracks to the programme operating at our Tech Hubs in Barcelona, Paris, Berlin and Amsterdam, with 28 participants.

We adopt the 70/20/10 model for learning and development that suggests individuals learn 70% of their knowledge from challenging experiences and assignments, 20% from developmental relationships, and 10% from coursework and training. We combine 'on the job learning' mentorship programmes and learning through teaching. Regular "Meet the Business" sessions guarantee the perfect networking bridge between the business and the early career cohorts.

- **Early STARters**
  This track offers opportunities to people who are still studying and want to develop their career in a multicultural environment. Initially, we offer a six-to-eight month internship.
- **Technical Specialists**
  These roles target junior talent with less than two years' experience who want to become technical experts, such as software developers, data scientists or security engineers.
- **International Generalists**
  This track is for recent graduates and career changers who would like to try different roles across our global teams and marketplaces before deciding on how to focus their career.
- **Trainee Programme Berlin**
  This two-year trainee track is designed for graduates and career changers in the fields of tech, product, UX design, analytics, advertising or marketing. They rotate through different teams in our German marketplaces, mobile.de, eBay Kleinanzeigen and later in one of our Global Tech Hubs.

Performance by Type*

	No		Yes		Total	
	%	#	%	#	%	#
Employee Type						
Regular	24%	1,317	76%	4,106	100%	5,423
Temporary (Fixed Term)	60%	104	40%	69	100%	173
Intern (Fixed Term)	78%	53	22%	15	100%	68
Trainee (Fixed Term) (Trainee)	82%	23	18%	5	100%	28
Work Student (Fixed Term)	100%	3	–	–	100%	3
Substitute (Fixed Term)	33%	1	67%	2	100%	3
Regular Remote	100%	1	–	–	100%	1
Total	**26%**	**1,502**	**74%**	**4,197**	**100%**	**5,699**

Performance by Gender*

	No		Yes		Total	
	%	#	%	#	%	#
Gender						
Female	26%	601	74%	1,724	100%	2,325
Male	26%	862	74%	2,473	100%	3,335
No data	100%	39	–	–	100%	39
Total	**26%**	**1,502**	**74%**	**4,197**	**100%**	**5,699**

Goals**

	No		Yes		Total	
	%	#	%	#	%	#
Gender						
Female	22%	502	78%	1,823	100%	2,325
Male	24%	810	76%	2,525	100%	3,335
No data	100%	39	–	–	100%	39
Total	**24%**	**1,351**	**76%**	**4,348**	**100%**	**5,699**

* This is the number and % of employees who had a performance review based on the headcount as of 30/09/2022
** This is the number and % of employees who set goals based on the headcount as of 30/09/2022

Health and well-being

Adevinta encourages a healthy work-life balance by offering flexible workdays and hours, as well as generous paid vacation and parental leave policies. In 2022, we recorded 31 work-related injuries (32 in 2021) of which four were high-consequence injuries (nine in 2021) and 419 cases of ill health (27 in 2021). As in 2021, there were no fatalities during 2022.

Employee representation

Adevinta ensures employees have full freedom of association and may organise themselves as they choose, with this right stipulated in our Principles of Corporate Responsibility. The Adevinta Employee Works Council (EWC) is an important forum for dialogue between top management and employees from all Adevinta countries. To ensure excellent working conditions and to prevent discrimination, every workplace has collective bargaining agreements or working-environment committees. By the end of 2022, 55% of our employees were covered by a collective bargaining agreement. The EWC is modelled on the European Works Council protocol and in 2022 had 16 representatives (nine men and seven women) and six observers. The EWC members meet twice annually with Adevinta's management team led by CEO Antoine Jouteau. These meetings address a broad range of issues of common interest and the EWC is also consulted on transnational matters, such as the sale of operations. The EWC was established in October 2019 after Adevinta's spin-off from Schibsted. Each country with 50 or more Adevinta employees has the right to representation on the EWC, proportional to the number of employees. EWC representatives are elected every two years by majority employee vote or by local trade unions or workers' committees. The EWC's latest election was held in January 2022.

Redundancy plan

As part of our integration with eCG, we identified some duplications in responsibilities across our organisation and this meant that around 5% of our 2022 roles would not continue. We made every effort to redeploy people where possible and were successful in finding new roles for around half of those whose earlier roles were affected. Redundancy was our last resort throughout our integration process but, where this action proved necessary, we ensured that people were treated with fairness and respect, and that they are moving onto the next stage of their careers as advocates of Adevinta.

The timeline for implementing the proposed changes varies by team and country, but the overall goal is to have all our teams fully integrated by H2 2023.

We are committed to supporting anyone whose job was impacted and we put competitive packages in place for those whose roles were discontinued as well as generous support packages from reputable outplacement services.

Brand and communications

To protect, promote and enhance Adevinta's external reputation we progressed work on building our brand, especially in new markets where Adevinta was not previously present. Our focus in 2022 was on the 'protect' elements in the form of extensive crisis preparedness work across our marketplaces. This work lays the foundation for more intensive activity in 2023, which will strengthen our reputation among corporate audiences.

We enhanced our appeal as an employer of choice through social media channels by promoting our DEI initiatives and our new set of Key Behaviours. We know that people are motivated to work for Adevinta because we have a reputation as a purpose-driven organisation with a strong sustainability narrative. In addition, prospective employees value our open culture built on our strong DEI agenda.

Our internal communications activity reflects Adevinta's philosophy of inclusiveness. We give people a range of opportunities to give their opinion, provide feedback and to help shape the organisation. This has been a particularly important requirement over the past two years as legacy employees from two organisations came together at the same time that we welcomed new members to our teams. So a key objective has been to make people feel valued and to build a strong sense of commitment and collaboration.

Other social information

Number of hires during 2022

1,719

Percentage of positions filled by internal candidates

11%

Number of terminations during 2022

1,118

(voluntary or involuntary)

Average hiring cost per hire

€4.60

Community engagement

Adevinta touches communities in all the markets in which it operates. Our employees engage in ways that matter most to local residents and stakeholders. We help coordinate and raise funds for worthy causes, support important community initiatives or simply collaborate to promote topical issues as well as help charities raise their profiles. Set out below are a few examples to showcase how our people engaged with communities in the year under review. During 2022, our marketplaces donated €406,905 to a variety of non-profit organisations, hospitals and schools, with €184,375 of this total going specifically to Ukraine.

Benelux

Our Benelux team that serves leading classifieds Marktplaats and 2dehands/2ememain – in The Netherlands and Belgium respectively – focused on the needs of Ukraine in 2022. Adevinta Benelux matched the donation made by employees each quarter to the KOLO foundation, an organisation that helps the victims of the war in Ukraine. The team also created a category on the website that allowed users to support Ukrainian citizens and refugees by offering help, donating goods or food or selling items with the proceeds benefiting Ukrainian refugees. Our platforms also offered free advertising for Giro 555 in the Netherlands, a non-governmental organisation that operates as an emergency appeals alliance in response to events such as the war in Ukraine.

A further initiative in Belgium offered free advertising to Canal-It-Up, a non-profit organisation fighting against the pollution of Belgian canals. This campaign achieved the required 15,000 signatures needed to ensure that the issue of deposit-return plastic bottles goes onto the agenda of the Belgian parliament. Subsequently, the Flemish parliament adopted the request and has proposed the implementation of deposit bottles in 2025 and is now waiting for countrywide approval.

Another successful initiative was Doing Good Day, where our people participated in a series of volunteering activities in Amsterdam and Belgium. Some 200 employees supported 10 different community centres for a day with activities such as painting, repairs or social visits. Our team was supported by NL Cares, a Dutch non-profit organisation based in Amsterdam.

Germany

In Germany, our teams from our eBay Kleinanzeigen and mobile.de marketplaces organised 'social Fridays' in Berlin for the Bahnhofsmission social assistance network, which operates out of railway stations across the country. Every Friday afternoon, different teams go to the Bahnhofsmission in the Zoologischer Garten station in Berlin, where they provide a range of assistance from food or clothes distribution, kitchen duties or just manning the front desk. In 2022, Adevinta employees contributed more than 370 hours of voluntary work. Other initiatives saw our people help newly arrived refugees from Ukraine by handing out amenity kits at key arrival points such as train or bus stations in Berlin as well as participating in the global Time for Climate Action Campaign for Earth Day by setting up a micro page for our users. Through prominent advertising placements, we contributed to 60% of the traffic generated by the climate action campaign. We also donated 5,000 euros to re-naturalise moorland near Berlin.

At eBay Kleinanzeigen, our team donated money that helped to open the first Kinderakademie in Berlin, a children's academy for youngsters aged eight to 12. Launched to coincide with World Children's Day, the academy helps children learn about issues not typically taught in schools, for example social topics such as poverty, homelessness or migration. eBay Kleinanzeigen also participated in voluntary work for refugees from the war in Ukraine and ran prominent advertising calling for donations. In another initiative supporting World Cleanup Day 2022, our employees were given time off work to gather litter and waste from beaches, rivers, forests and streets. This was the third consecutive year that the company has participated. For each litter bag collected, eBay Kleinanzeigen funded the removal through the Plastic Bank scheme, that builds recycling ecosystems in underdeveloped communities, of a further 10kg of plastic from the sea to help reduce plastic pollution. Employees collected nine bags of litter and waste, which translated into the removal of 90 kg of plastic from the ocean.

When eBay Kleinanzeigen won this year's innovation award at an Adevinta internal event known as Ignite, the team donated 100% of their cash prize (€5.000) to Innocence in Danger. This non-profit organisation has created a global anti-cybergrooming initiative, which protects children against all forms of violence and abuse, especially dangers that originate via the internet.

At mobile.de, the team worked with the reforestation group PLANT-MY-TREE® to create a Christmas greeting that took the form of 4,000 trees, planted in a mixed forest in Saxony-Anhalt, to the west of Berlin. The tree planting was intended as a more sustainable alternative to traditional Christmas cards and as a commitment to climate protection.

France

As one of the most visited websites in France, it makes sense for the highly visible marketplace leboncoin to actively engage with the community and participate vigorously in social, economic and other outreach projects. The acceleration and support programmes that leboncoin backs – Mon Centre-Ville a un Incroyable Commerce and Mon Centre-Bourg a un Incroyable Commerce – certainly qualify in terms of reach and impact. These nationwide initiatives seek to revitalise commercial life in the centres of cities and towns across France by encouraging local entrepreneurs.

These schemes are conducted in partnership with Auxilia (a sustainable development organisation) and Banque des Territoires (a leading regional development bank). They promote intensive contact between potential local entrepreneurs who want to start a business, key decision-makers in municipalities, owners of vacant premises and members of the local community. The aims include supporting economic recovery after the Covid crisis, uniting the local business community around the issue of sustainable businesses in urban centres, and creating events that bring together members of the public and key players in local commerce.

Since its launch in 2019, this ambitious programme has supported more than 230 trade, craft or service projects involving more than 240 local partners and 550 expert coaches. More than 60% of the entrepreneurs are women, a percentage that is double France's average gender split in this context.

Hungary

Following a successful one-off fundraising campaign in 2021, Adevinta's marketplace in Hungary – Jófogás – decided that for 2022 it would identify a community project that would benefit from long-term support. The Jófogás team decided to work with Scale Impact, a non-government organisation that identifies the best partners for companies looking to do more work in local communities. Through this collaboration, Jófogás was introduced to Adománytaxi (Donation Taxi), another non-government organisation, with a similar 'matchmaking' mission to Adevinta ('create perfect matches on the world's most trusted marketplaces'). Adománytaxi matches unused items that can be sourced from the Hungarian capital Budapest with the needs of underdeveloped areas in the countryside. A survey was conducted in 2022 to better understand the drivers of the potential donors, and Jófogás now plans to create a separate shopping location on the website that will allow NGOs to sell items and help them finance their initiatives. This feature is planned to be launched in 2023.

Italy

At the beginning of 2022, Subito partnered with the United Nations High Commissioner for Refugees (UNHCR.org) in Italy to help Ukrainian refugees, by giving the UNHCR free advertising space (with access to 2.5 million daily users) to boost fundraising initiatives. The funds raised allowed UNHCR Italy to buy clothes and blankets for the refugees.

In June 2022, we ran a special campaign called "All we need is pre-loved", with the aim of educating Italians about the social and environmental benefits of the second-hand economy. In this connection, we sought the help of four celebrities, who sold personal items on our platform. The proceeds from these sales were donated to Fondazione Il Sicomoro, an organisation based in Milan that engages with the issue of young people dropping out of school. Fondazione Il Sicomoro used the funds to offer an innovative music workshop to their students.

In July 2022, our Subito team organised two days of decorating, gardening and landscaping at L'Officina dei Giovani, a new recreational centre in the heart of Milan. Under the guidance of the non-profit l'amico Charly association (a community organisation that supports young people who have attempted suicide) this facility was created to provide space for leisure and study.

Spain

In recognition of International Women's Day, our team in Spain joined the #BreakTheBias challenge. The #BreakTheBias movement aims to encourage people to call out gender bias, and holds us all accountable for our own thoughts and actions. Other initiatives included a labour-insertion programme that helps job seekers find productive employment or self-employment, and makes donations to a charity helping women who suffer gender violence.

Adevinta also joined BcnFem Tech, an initiative promoted by Barcelona City Council, Barcelona Activa and the Fundació Formació i Treball in alliance with Factoría F5. The aim of BcnFem Tech is to train vulnerable women in programming languages and web development. Adevinta awarded scholarships to 21 female coder students in the 2022 programme. These grants were given regardless of whether or not the students were likely to be hired by Adevinta, an approach that kept to BcnFem Tech's main objective, which is to promote employability in the market generally, and to combat the digital gender divide in Barcelona.

There were many initiatives in favour of Ukrainians suffering from Russia's invasion. A good example is a donation of €8,448 to the Educo Foundation's Psychosocial Aid programme for more than 2,000 children in Ukraine and Moldova. There was a further donation of €18,835 to the global Red Cross fundraising campaign for Ukraine. Fotocasa, Spain's leading property portal, launched a fundraiser together with the United Nations High Commissioner for Refugees (UNHCR.org) to buy winter blankets and heaters for Ukrainians. Fotocasa also helped to find housing in Spain for Ukrainian refugees.

Other donations include €4,200 for the 'Dreams' project organised by the Port Aventura Foundation. This initiative provides for a free-of-charge six-day stay that offers a unique and fulfilling experience for children and young people suffering from serious illnesses. There was also a Christmas programme to help the Juegaterapia Foundation by providing gifts to 171 children with cancer in different hospitals across Spain. In a further fundraising initiative, the sum of €29,000 was raised for the Technological Women project, promoted by the Federation of Young Women, that offers digital skills training.

Governance

Embed ESG governance, data and fraud protection throughout the organisation

Our sustainability governance

The Chief Executive Officer (CEO) has the overall responsibility for Adevinta's sustainability strategy. The Chief Financial Officer (CFO) is responsible for the operational performance and reports to the executive management team and Board at least once a year. The sustainability statement is an integral part of the Board of Directors' report.

Linking ESG metrics into Adevinta's bonus system

Sustainability is a core element of our strategy and how we execute and deliver products and services to our customers and users. Therefore, including it in the way we incentivise our teams is essential. To this end , the Sustainability team and the Compensation and Benefits team worked together during 2022 to determine an appropriate basis for embedding ESG metrics into Adevinta's main short-term incentive scheme. After discussions to identify the most relevant metrics, we decided to link the incentive scheme to qualitative metrics related to greenhouse gas baseline setting. As we only recently started our baselining exercise that will allow us to set our GHG emission reduction targets later, we do not yet have quantitative metrics. Therefore, this is a first step in our longer-term plan to link ESG with quantitative parameters. The benefit of adopting an initial scheme with only a qualitative measure is that we can immediately drive employee focus and involvement.

Sustainability policies

We want to become known as a company that not only helps everything and everyone find a new purpose, but also does this with integrity, fairness and with the highest possible standards of ethical business conduct. During 2022, we updated and enhanced a number of key group policies, including the Code of Ethical Conduct and the Speak Up policy, to increase awareness and usability, making it easier for people to understand.

All policy documents, including the Code of Ethical Conduct, are available to all our employees via the Adevinta intranet, with some of them published on our corporate external website.

With the integration of the eBay Classifieds Group marketplaces, we identified the need to provide one set of business ethics and compliance principles to which all employees across markets could refer. For this purpose, and as mentioned before, we reviewed Adevinta's Code of Ethical Conduct and the related Principles of Corporate Responsibility and merged these separate documents into a new Adevinta Code of Ethical Conduct (the Code). This document was approved by the Board of Directors and is applicable across Adevinta ASA and all consolidated subsidiaries. The Code sits at the core of Adevinta's culture and encompasses Adevinta's Key Behaviours and the sustainability agenda. Structured in three main sections, the Code sets out the basic requirements for business conduct and serves as a foundation for company policies, procedures and guidelines:

Adevinta Code of Ethical Conduct

Protection

Adevinta is an organisation rich with information, data and assets. Each of us has a responsibility to protect what we have in order to achieve our mission and thrive in the market.

This section of the code focuses on:

- Safeguarding company assets and information
- Correct use of company assets and networks
- Data privacy
- Protecting non-public information

Integrity

We believe it is not just what we achieve that matters, it is also about how we achieve it. Acting with integrity across all our business activities means complying with the law, communicating transparently, competing fairly and succeeding honestly.

This section of the code focuses on:

- Maintaining accurate records and information
- Procurement and suppliers
- Anti-bribery and corruption
- Conflicts of interest
- Gifts, hospitality and entertainment
- Fair competition
- Lobbying
- Social media and communications
- Money laundering and financing terrorism
- Sale or promotion of unlawful goods and services

Respect

We want Adevinta to be a great organisation to work for. Central to this is treating each other, and the planet, with dignity and respect.

This section of the code focuses on:

- Human rights and the workplace environment
- Respecting the planet

Following the launch of the revised Code, the Ethics and Compliance team rolled out mandatory e-learning training across the Group, to help every employee understand their responsibilities. The training was available in English, French, Spanish, German and Italian and resulted in a 90% completion rate among employees. During 2023, this e-learning will be incorporated into the onboarding journey for all new employees.

The Speak Up policy informs employees of the various channels available to raise concerns, and it outlines how these concerns are managed and investigated. We have also set up different reporting channels for individuals to report actual, or potential, breaches of the Code, other group policies or any other laws or regulations. These channels guarantee confidentiality and include an external third-party reporting platform that facilitates anonymous reporting; they are available 24/7 in different languages. Retaliation against individuals for speaking up is not tolerated and will be treated as a violation of the Code. The Code also includes a section on how to speak up and the available channels to raise concerns. In 2023, we will undertake additional work to ensure that this policy is fully aligned to the requirements of the EU Whistleblower Directive.

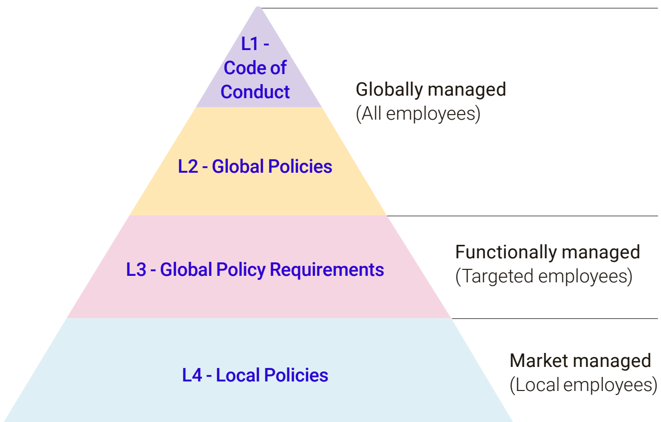
In 2022, nine Speak Up cases were logged:

- three are closed as they were not substantiated (the initial review process was completed and the conclusion was that there were not sufficient grounds for investigation)
- three were under investigation as at year end
- two are potentially substantiated (although the initial review process had not yet been finalised as at year end)
- one is potentially unsubstantiated (although the initial review process had not yet been finalised as at year end)

To complement the Enterprise Risk Management (ERM) framework (refer to Risk Section in the Board of Directors' report) and to better respond to and address significant changes to the global risk and regulatory landscape, during the second half of 2022 Adevinta worked on a Regulatory Compliance framework that was approved by the Audit and Risk Committee in December 2022. This document aims to provide clarity over the end-to-end regulatory compliance process and identifies the key steps required to drive a consistent and thorough approach to ethics and compliance across the company. To improve governance and to drive consistency and accountability in regulatory compliance across Adevinta, regulatory domains have been assigned to named owners within the organisation. Over the coming year, we will continue to work with regulatory domain owners to drive the implementation of this framework.

The Regulatory Compliance framework includes a Policy Governance Framework to ensure that company policies are managed in an efficient and consistent way. It establishes a policy hierarchy with the Adevinta Code of Ethical Conduct as an overarching policy, and accompanying global and local policies, which contain more detailed guidelines relating to topics described in the Code and designed to address functional/market specific needs/risks. The Framework underpins our commitment to establishing a culture of regulatory compliance, guiding employee conduct and protecting the organisation, with clear definition of the roles and responsibilities to drive accountability.

The below diagram illustrates the different levels that comprise the policy hierarchy:



During 2022, we also introduced two new policies that complement the existing Anti-Bribery and Corruption policy and lift our standards for managing these topics within the organisation:

1. The **Conflict of Interest policy**, providing all employees with guidelines on how to prevent and report actual or potential conflict of interest in their relationship with the company, as well as any conflict-of-interest situation that could potentially arise with suppliers, customers or other stakeholders; and
2. the **Gifts, Hospitality and Entertainment policy,** providing all employees with guidelines on accepting and providing gifts, hospitality and entertainment.

Trust and fraud protection

Trust, safety and protection against fraud is a risk for Adevinta (due to the nature of its business) and is part of our materiality matrix that we updated in 2021. Adevinta's mission – to create perfect matches on the world's most trusted marketplaces – implicitly emphasises the importance of trust. Trust has always been a crucial element of our business model and gaining and maintaining the trust of our users and customers alike is key to the success of our marketplaces – and even more so as we accelerate our strategy to go fully transactional. We aim at all times to ensure the privacy and integrity of our users' data, provide safe user experiences and protect users against fraud.

The growth of the digital economy is creating new opportunities for fraudsters. It goes without saying that as we enhance our ecommerce tools to give customers and end users superior digital experiences, we need to strengthen our ability to identify and prevent fraud. Fraudsters continue to find new ways of bypassing safeguards and protections, and we take this issue very seriously. We know that we must continually deploy the best anti-fraud capabilities and solutions alongside appropriate financial resources so that we can ensure our platforms deliver safe transactions between legitimate users at all times.

Our marketplaces aim to provide our users with high-quality, spam-free content and leads in a safe environment. This applies to the content posted on our marketplaces, as well as the messenger functionality that allows users to communicate. A robust combination of automated and manual fraud detection, and a moderation capability, scans, detects and removes fraudulent ads or unsafe messages. Our customer support centres assist users and customers by responding to their concerns or complaints.

Building trust and safety

Adevinta's Trust and Connecting central team works to ensure that Adevinta marketplaces provide the ideal environment for entering into transactions. We believe such an environment is one in which our buyers and sellers feel confident that nothing will go wrong throughout their experience. Equally, if our buyers and sellers encounter difficulties, they need the reassurance that appropriate corrective action will provide a fast and effective remedy.

The Trust and Connecting team deliver solutions and expertise that address the issues of trust and safety. Four units, based in France, Spain, the Netherlands and Canada, deliver a broad range of services and capabilities to all our markets worldwide.

Serenity

Serenity provides customisable automatic and manual workflows to moderate content and users based on behavioural signals. It also provides a User Interface (UI) to control the quality of moderation activities and analyse manual actions to enhance machine learning feedback loops.

Trusted User

The Trusted User consists of a set of solutions that aim to encourage good behaviour on the part of users and foster trust between them. These solutions include:

1. Full stack peer-to-peer ratings and review system to allow users to give feedback about their transaction experience. This solution is customisable by marketplaces so that they can localise their rating experiences.
2. Trusted user segmentation is a re-usable model that allows marketplaces to segment users based on their behaviour for different targeting purposes such as campaigns, verifications or even personalised experiences.
3. Trust signals highlight user behaviour and activity such as online presence, time to reply, successful transactions and more.

Our aim is to ensure that users, ads and messages are always of high quality and free of malicious intent. To achieve this, Adevinta's trust and safety solutions provide a secure environment that supports the full transaction journey. We adopt zero-tolerance of infringement of trust and safety. We aim to ensure that no user suffers as a result of malicious actors and their associated damaging activities.

We also maintain a community of trust and safety experts in our marketplaces. These experts help identify key common problems, and align the best practices, learnings and effective solutions required to solve these problems. Through continuous communication and collaboration with marketplace teams, our experts also provide advice and recommendations on how to define, measure and monitor successful outcomes in the field of trust and safety.

How we build trust

Serenity

- Account & Content Moderation to prevent harmful interaction and content from being exchanged in our marketplaces
- Auto and Manual Moderation for high accuracy and efficiency
- Platformised UI for marketplaces to build custom widgets to accommodate for local, specific use cases

Trusted User

- Trusted User Segmentation: a consumable model for marketplaces to segment good users from bad ones used for a variety of purposes
- Full Stack Customisable Solution for Peer to Peer Ratings and Reviews
- User Trust Signals to highlight user behaviour and activity: online presence, reply time, etc.

Trust and Risk Management

- Threatmetrix Behavioural Analytics and Device Fingerprinting
- Phising Site Takedown and Risk Analysis Services

Trust and Risk Management

This capability provides device and behavioural intelligence to predict the degree of risk associated with individual users and listings, and to facilitate takedown of websites engaged in credential theft – a type of cybercrime that involves stealing a victim's proof of identity. We use strong and proven third-party solutions such as Threatmetrix and Phishlabs. We also provide expert services such as fraud analysis and best practices to marketplaces to mitigate risks of fraud. In addition, auto moderation checks videos, text images or audio for any unwanted content. If the automatic verdict is not sufficiently precise, moderation is done manually by a fraud expert/moderator.

96.9%
(vs. 95.3% in 2021)
Auto-Moderation rate for Ads

10 seconds
Manual time to moderate for ads

99.9%
(vs. 99.8% in 2021)
Auto-Moderation messages

5 seconds
Manual time to moderate for messages

10m
(vs. 4.5m in 2021)
users with ratings

17.6m
(vs. 9.1m in 2021)
Ratings created with the Trusted User solution

4.1% FVEU
% Users Exposed to Fraud and Violations across all Adevinta markets for 2022

Data privacy

At Adevinta, we believe that everyone has a right to privacy and our mission is to continue building trust in our marketplaces by protecting and promoting individual rights to enable Adevinta's growth. In 2022, we created a new privacy strategy that commits to developing an agile privacy-enabled organisation where data protection and privacy is part of our DNA. Our privacy programme will expand significantly over the coming years as it develops into a global framework while still addressing local market requirements.

Data privacy governance and operating model

Since Adevinta is a company in transformation, our data privacy organisation and operating model is naturally evolving too. Led by our Chief Privacy Officer (CPO), we are moving from locally led and locally managed privacy programmes to a single global privacy programme and framework.

In 2022, independent consultants completed two reviews of current practice and status across Adevinta. We defined a new global privacy strategy and related policy for Adevinta and commenced the build of the new organisation.

We formed a new Privacy leadership team that includes the group and the market teams. Led by the CPO, the team consists of data privacy officers (DPOs) and the Group Head of Privacy Operations. The CPO reports to the General Counsel. This is augmented by regular reporting to the Adevinta Audit and Risk Committee. In addition, there are regular network meetings with, for example, the Chief Information Security Officer (CISO), the Chief Product Technology Officer (CPTO), Data Governance & Data Foundations, the Head of M&A and the Head of Procurement.

In each market, the DPOs continue to drive the data privacy agenda and report into key stakeholders who, together with the business, mitigate risk and ensure compliance with local data protection laws where appropriate. We will continue to build the organisation to include a central operations team to support the group functions, in addition to local market teams.

Our Global Privacy Policy is based on the European Union's General Data Protection Regulation (EU GDPR) and provides a set of clear, measurable data privacy requirements for the Adevinta group to follow and on which to base its privacy framework. The focus in 2023 will be to continue building on key areas of the framework to enhance and mature data privacy as per our mission.

The policy is part of Adevinta's risk and compliance framework, spearheaded by the company's Code of Ethical Conduct. In 2022, both the privacy policy and a new code-of-conduct training were rolled out, and employees received training in the key areas of privacy. During 2023, there will be further training initiatives in line with the strategic plan.

Privacy principles and measures

We want to ensure our customers get the most from our products and services so we must use personal data. We embrace our key privacy principles when developing our products, working with suppliers and collecting data on both our customers and employees. These principles include adequate, relevant and non-excessive collection of data, transparency and truthfulness, purpose of use, retention and deletion, and accuracy, quality and completeness.

Another key component of our privacy policy is the rights of individuals. We are open about what data we collect and why we collect it and, in our commitment to protecting data, we ensure that we respect any choices that have been made regarding the use of data. In each of our markets, we publish a clear privacy notice, and have the necessary processes and technical measures in place to ensure people can stay both informed and in control of their data when using our services. We have technical and organisational measures in place to ensure that subject access rights and data deletion requests are handled appropriately.

Our data privacy management measures include information security (see our Data privacy and protection section below for more information), third party management of personal data, international data transfers, data breach notification and risk management.

Finally, though our policy we outline the monitoring and implementation requirements of the group policy on data privacy, and we identify actions and disciplinary measures to be taken should areas of non-compliance arise, based on severity.

We will develop ongoing global monitoring of privacy as part of our privacy programme, and we will continue to build on the good practices we have in place today. As part of this, we will introduce internal KPIs/OKRs during 2023.

The independent consultants we engaged in 2022 assessed our current state of maturity, benchmarked us against our direct competitors and identified areas for improvement. We will use the findings to identify priorities for the privacy programme, which we will launch in 2023.

Data privacy and protection

To protect our data, our security teams ensure the appropriate level of security through technical and organisational measures. Through a variety of policies, the measures embed security into all of our products. In 2022, we put several new policies, processes and systems into place and these are monitored so we can identify and report on key areas of risk and compliance in both our day-to-day operational activities and through our management reporting activities. This is governed by policy and operationalised through a new process and a dedicated technical solution to support it. Incident and breach management reporting processes, and relevant technical solutions, have been updated and rolled out across the company. Specific examples and data can be found later in this annual report.

You can read more about Global cyber security on page 64 & 65.

Data privacy in numbers for 2022

Throughout 2023, our privacy programme will focus on developing a core set of global privacy KPIs. In the section below, you will find some of Adevinta's key privacy data for 2022.

Total number of requests for customer data from government or law enforcement were- 46,810, of which 94% resulted in disclosure. These types of requests come from valid police investigations in the local markets. Where the request is not valid, the data is not disclosed.

Total number of individual rights requests

1,047,739
Data deletion

3,029
Subject access rights

Total number of substantiated complaints about Adevinta

11
Outside bodies

19
Regulatory authorities

Total number of identified leaks, thefts or losses of customer data resulting in data breach

13

Global cyber security

At the beginning of the year, Adevinta launched its new global cyber security strategy with the aim of ensuring the sustainability of the world's most trusted marketplaces.

We are using the internationally recognised National Institute of Standards and Technology's (NIST) cyber security framework (CSF) to ensure we can effectively identify, detect, protect against, respond to and recover from a wide range of security threats and vulnerabilities. We identified 34 tactical and strategic projects to initiate in order to ensure the confidentiality, integrity and availability of Adevinta systems and services. Key improvements in 2022 include:

→ **Global cyber security policies**
We developed, socialised and approved new global cyber security policies aimed at strengthening our overall security controls posture across all marketplaces. During the year under review, we approved for adoption 16 new cyber security policies.

→ **Global risk management**
We implemented a new global risk register which primarily captures and monitors the security control status of each marketplace, audit findings, any policy exceptions granted and strategic risk to be addressed. In 2022, we approved 199 new cyber security controls for adoption against an original 2022 target of 150.

→ **Global endpoint detection, protection and response**
We improved our endpoint detection and response posture across multiple marketplaces. In 2022, we ensured effective endpoint protection to more than 5,000 devices.

→ **Global threat intelligence**
To protect our consumers against fraud, we launched a global threat intelligence programme supporting all marketplaces. This is successfully combating fraudulent phishing sites. During the year under review, we successfully took down more than 12,000 fraudulent Adevinta-targeted websites.

→ **Incident response**
We continue to improve and consolidate our global incident response posture to ensure an effective reaction to security events and incidents reported by both people and technology sources. In 2022, we investigated over 500 security events and found no evidence of any compromise. We continued to enhance our local marketplaces collaboration and knowledge transfer with this global capability into 2023.

→ **Supply chain and third party risk**
We launched a global vendor security programme to ensure that all Adevinta vendors and partners meet a minimum set of security requirements that ensure the protection of employee and consumer data. In 2022, we assessed over 200 vendors.

→ **Global phishing susceptibility programme**
As w is a key cyber-crime attack vector, in 2022 we expanded our phishing susceptibility assessment programme to cover all Adevinta employees and provide remedial guidance and training as required across all marketplaces. In 2022, our measured phishing susceptibility was 8.2%, compared to a global average of 15%.

Incidents and breaches 2022

Information security breaches or other cybersecurity incidents

1
related to one of our third party vendor's that affected Personally Identifiable Information (PII) data for +/- 500 employees

1
related to endpoint protection

Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents

0

Total number of data breaches

0

Definitions:
Cybersecurity incident: A cybersecurity event that has been determined to have an adverse impact on Adevinta systems, people, data or resources prompting the need for response and recovery.
Data breach: The loss of control, compromise, unauthorised disclosure, unauthorised acquisition, or any similar occurrence where: a person other than an authorised user accesses or potentially accesses personally identifiable information; or an authorised user accesses personally identifiable information for other than an authorised purpose.

- **Secure products development**
  The development of secure Adevinta products and services is at the core of our work in protecting consumer data and ourselves. In 2022, we identified areas of improvement in the secure products development lifecycle.
- **Data classification, retention and management**
  To ensure compliance with EU regulations and requirements, we approved new Adevinta global data classification and retention policies. We added the controls in these policies to the previously mentioned global risk register as a control requirement for all marketplaces.
- **Adevinta cyber security services catalogue**
  In 2022, we developed and established a global Adevinta cyber security services catalogue. This is assisting effective delivery of the services into our marketplaces and subsequent usage.

In 2023, we will focus on expanding marketplace co-creation, collaboration and uniformity further unlocking security talent both locally and globally. Additionally, we will progress the maturity where needed, cyber security spend, solutions optimisation as well as quality cybersecurity service delivery and marketplace consumption.

Sustainable investment and ownership

Adevinta's guiding Principles for Expansion and Growth define the process regarding identification and execution of external growth initiatives. They also provide guidance on legal and sustainability elements to be considered in assessing country specific risks as a basis for market entry, or when acquiring companies in existing markets. The importance of country-specific risk from a legal and sustainability risk perspective is weighed against other criteria. This allows Adevinta to make informed decisions based on an overall risk and opportunity perspective. This serves the best interests of our shareholders, users and customers, employees and other relevant stakeholders such as regulators, lenders and investors, and the wider society.

Adevinta Ventures

Adevinta Ventures is one of the ways the Group drives innovation across the company. This team looks for compelling early-stage business models that could shape the future of marketplaces. It makes minority investments in a diverse range of promising start-ups led by credible founders and management teams, with the aim of helping the start-ups grow and scale. This provides a valuable opportunity for Adevinta to learn more about the merits of potential innovations in the sector in which it operates. Adevinta Ventures' aim is to identify new and disruptive technologies or approaches, and to plant seeds for the future of the Group.

Adevinta Ventures invests in business models within its core verticals such as Mobility, Real Estate and Re-Commerce where it believes it can create learnings and value for Adevinta, and add value to the portfolio companies. Adevinta Ventures also monitors market segments that are currently not core to Adevinta's operations. A good example is fintech, meaning technologies that support or enable modern banking and financial services operations. It also carefully analyses other marketplace enablers powered by innovative technologies such as blockchain or machine learning. Last but not least, Adevinta Ventures looks at teams and models with a strong sustainability component that aligns with Adevinta's ethos of providing consumers with more sustainable and cost-efficient ways to access products.

In 2022, Adevinta Ventures made three new investments in the Mobility space in a move that expanded the portfolio to 12 companies and funds. The new investments were:

- **2trde:** a European B2B trading platform for used-cars based on an auctions system
- **Spotawheel:** a full-stack, used-cars e-commerce platform reinventing the entire process of buying and selling cars and unlocking cross-border trade in Europe
- **Maniv Mobility:** a venture capital fund investing in early-stage Mobility companies

The Adevinta Ventures team fosters the sharing of learning by inviting portfolio companies to join vertical gatherings and other events, as well as to meet relevant business leaders in a group or one-on-one format. The aim of this activity is to exchange knowledge about a target sector and associated technology models, and to explore potential collaboration opportunities. Adevinta Ventures also publishes expert reports on new trends in B2B Marketplaces. In 2022, Adevinta Ventures initiated three live partnerships between portfolio start-ups and existing Adevinta marketplaces:

- **Fotocasa and Lovys:** Fotocasa offered for the first time a fully digital and integrated insurance solution powered by Lovys, the French digital insurance provider. The solution consists of two products: i) home insurance and ii) rent guarantee insurance for landlords.
- **willhaben and 2trde:** willhaben started a pilot with 2trde to offer their dealers in Austria a new way to source and sell cars across borders. This allows willhaben dealers to access German cars offered by 2trde on a B2B basis and to make bids and then complete a purchase online using the 2trde platform. At year end, a further stage of this partnership was under evaluation that would enable Austrian dealers to sell their cars in the B2B channel using the 2trde white label platform, so that other dealers from willhaben and eventually any other Adevinta marketplace, could buy them on a priority basis.
- **Coches.net and Bipi:** Our used-car marketplace Coches.net tested the subscriptions/renting category in partnership with Bipi, the Spanish car subscription service. This was a growing category within Coches.net in 2022 and this marketplace continues to collaborate with Bipi.

Due diligence procedures

Before entering new markets, Adevinta always conducts country risk assessments and adequate due diligence. Our due diligence procedure is based on the UN Global Compact principles and Adevinta's Principles of Corporate Responsibility, as well as applicable and relevant sanctions regimes from the UN, the EU and the US. Any red flags identified from such a due diligence process are clearly identified and raised to the Merger & Acquisition deal team and escalated to the Adevinta Investment Committee and/or Board of Directors when necessary.

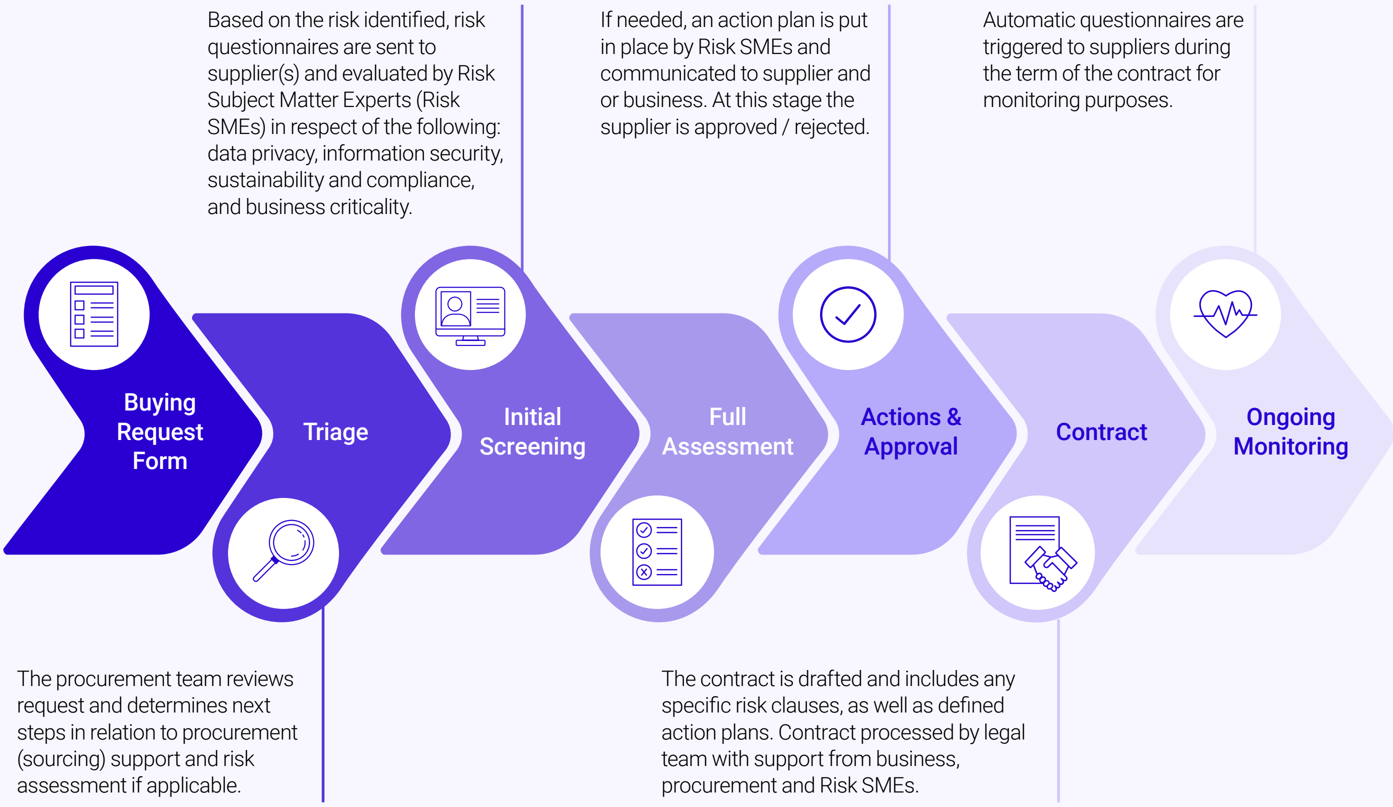
Sustainable supply chain

Adevinta clearly recognises its responsibility regarding its supply chain. Given that our business is to run online marketplaces, the bulk of our procurement activity comprises the provision of services, such as IT and professional services; only a smaller part relates to physical products such as ICT equipment and office supplies. In 2022, and to complement the Global Procurement policy, we launched a Supplier Code of Conduct policy and a Sustainable Sourcing policy. These documents define the environmental, social and ethical standards that must be met by suppliers seeking a business relationship with Adevinta.

Our Global Procurement policy sets out the principles and processes that must be followed by Adevinta employees when sourcing services from third parties and for the ongoing management of those suppliers. We have incorporated a risk-based approach that includes assessments of the supplier from different perspectives:

- **Sustainability and Compliance Risk Assessment:** through the suppliers' taxonomy and the sustainability and compliance checks (including a country-risk assessment) in the Buying Request Form (BRF) completed by purchase requestors, we aim to identify any suppliers that fall under the categories considered as higher risk from a sustainability or compliance perspective in the industry in which we operate. Any supplier identified under these criteria needs to complete a more comprehensive risk and compliance questionnaire that will be assessed before a final decision is made about contracting the supplier. We have also contracted third-party providers to perform screening based on external data sources that make checks on sanctions, PEPs (politically exposed persons) and adverse media.
- **Data Privacy Risk Assessment:** Data Privacy is about respecting individuals – and their rights – when Adevinta uses their personal data, as well as safeguarding and protecting the rights of users in relation to the processing of their personal data. For this reason, and in the context of the use of personal data, we carry out a Privacy Risk Assessment process with the aim of analysing and quantifying the risks to privacy associated with the processing of personal data.
- **Vendor Information Security Risk Assessment:** depending on the type of product/service being purchased and the type of data that is being processed by the vendor, the vendor could pose a cybersecurity risk to the organisation. To evaluate the risk, a Vendor Security Risk Assessment to determine the vendor's cybersecurity maturity is performed by the Information Security team.
- **Business Criticality Risk Assessment**: certain suppliers and/or products are considered key to Adevinta's operations or revenue streams, such as payment systems, programmatic suppliers or SSPs. In these cases, when entering into a contract with the supplier, a business continuity plan needs to be put in place to ensure that operations, personnel, and assets are protected and are able to function properly in the event of a threat or disaster, therefore minimising the impact to Adevinta's operations and revenue. We conduct our business continuity planning on the basis of a Business Criticality Risk Assessment.

End-to-end Supplier Risk Assessment Process



This risk-based approach underlines our commitment to avoid relationships with suppliers that do not act with integrity, are non-compliant with applicable rules and regulations, or that infringe environmental, social or governance standards. We rolled out this approach to our main markets during the first quarter of 2022.

The **Sustainable Sourcing policy** is intended primarily for the Adevinta procurement team and any employee involved in purchasing activities. It aims to embed the consideration of environmental, social and ethical factors throughout the sourcing lifecycle when employees evaluate or prioritise potential suppliers.

The **Supplier Code of Conduct** is applicable to all suppliers, who in turn are responsible for ensuring that suppliers and other participants in their own supply chains adhere to the same responsibilities set out in the Code. In order to ensure transparency, this Code is available on the corporate website and included in the procurement team's RFP (request for proposal) process for the provision of services.

The Supplier Code of Conduct embodies our commitment to conduct business with integrity, openness and respect, in line with internationally recognised corporate sustainability principles on human rights, labour rights, the environment and anti-corruption, while also focusing on key aspects which are essential to the Group. The table below shows the Code's content structure.

We strongly believe in committed supplier partnerships and we have set up appropriate channels for suppliers to contact us if they have any questions or discover breaches of the Code, either within the supplier's organisation or within any of its subcontractors and/or other participants in its supply chains. Such channels include a third-party operated whistle-blower function through which a supplier can anonymously report any non adherence with, including but not limited to, the Code, internal Adevinta policies and local regulations.

The table below shows the Suppliers' Code's content structure:

Human rights

- Child labour
- Modern slavery
- Fair and equal treatment
- Labour rights
- Freedom of association and collective bargaining
- Employment terms
- Compensation and wages
- Health and safety

Environment

- Resource efficiency and energy consumption
- Emissions
- Water and effluents
- Waste
- Environmental management
- Transport
- Sourcing from conflict-affected and high-risk areas

Anti-corruption, business integrity and ethical conduct

- Anti-corruption
- Facilitation payments
- Business gifts and hospitality
- Conflict of interest
- Free competition
- Corporate image and reputation
- Supply chain integrity
- Record keeping

Data protection and information security

This section highlights the need to protect the privacy of our:
- users
- customers
- suppliers
- employees

Our next steps:

- We would like to review our current supplier taxonomy as we need to make sure it is adapted to our business model after the merger with eBay Classifieds Group, and that it is adapted to the company's new strategy.
- We would like to review the entire risk-assessment process based on the reviewed taxonomy and the requirements laid out in the EU Directive on corporate sustainability due diligence.
- Based on the above outcome, we will assess whether or not we will need to review the Supplier Code of Conduct to ensure it is focused on the most prevalent risk.

EU Taxonomy regulation

The EU Taxonomy Regulation adopted in 2020 aims to drive private investments into environmentally sustainable activities by providing businesses and investors with a common language to identify such investments and activities.

The EU Taxonomy Regulation sets out an exhaustive list of environmental objectives that economic activity can help to fulfil, such as climate change mitigation and the transition to a circular economy.

The European Commission is tasked to adopt Delegated Acts to define the technical screening criteria describing the significant contribution, with the support of the Platform for Sustainable Finance.

Trade in second-hand goods as an economic activity contributes to the transition to a circular economy

In March 2022, the Platform for Sustainable Finance submitted a set of recommendations to the Commission regarding four environmental objectives the EU Taxonomy Regulation should adopt. One of these specifically recommends that the sale of second-hand goods should be identified as an economic activity that can provide a substantial contribution to a circular economy.

Marketplaces for the trade of second-hand goods for reuse to be recognised as enabling activities

In November 2022, the Platform published additional recommendations on the methodology for identifying the enabling activities.

The Platform recommends including "marketplaces for the trade of second-hand goods for reuse" as enabling activities, as recognised under the EU Taxonomy Regulation, including B2B, B2C and C2C sales. The report mentions specifically the examples of generalist online classifieds marketplaces such as Marktplaats, leboncoin or 2ememain which contain ads from professionals as well as non-professionals.

The Platform worked under the assumption that prolonging the lifetime of goods through reuse would have a displacement effect on consumption and on production insofar as second-hand items are bought instead of new items. There was reference to several market surveys showing that a substantial proportion (in the range of 60% to 70%) of the respondents bought second-hand instead of new goods.

The report recognises that without marketplaces, the target activity would not be performed (at least, not on such scale). By connecting buyers/users with sellers of second-hand goods, the enabling activity of second-hand marketplaces can be seen as instrumental for the target activity. Regarding overall positive environmental impacts, the report specifically refers to the Adevinta 2020 Second Hand Effect report.

The European Commission will take these recommendations into account when drafting its second Delegated Act under the EU Taxonomy Regulation. A public consultation on a draft Delegated Act is expected in Q1 2023 and the Delegated Act to be adopted by the end of Q2 2023.

> Adevinta contributes to the public debate around the digital transition to a circular economy.

Policy activity and public affairs

As a global classifieds specialist with market-leading positions in key European markets, Adevinta is committed to ensuring that any lobbying activity is undertaken in compliance with all applicable laws and transparency requirements. In 2022, Adevinta therefore specified in the Adevinta Code of Ethical Conduct that all of its political and lobbying activities (including meetings with government officials) should be coordinated with its Public Affairs Department.

The Code of Ethical Conduct also outlines that any charitable payments or political donations that Adevinta makes should be to a legitimate, registered organisation and must not under any circumstances be made to influence a business outcome. Furthermore, all charitable payments or political donations must be approved by the local CEO or CFO and local Board of Directors, and such payments or donations are to be recorded in the company accounts.

Adevinta contributes to the public debate around the digital transition to a circular economy and is engaging with governments and EU institutions in the development of public policies. As a leading online classifieds group operating digital marketplaces in nine European countries, Adevinta is involved in professional associations whose members promote the role of the classifieds industry in economic and sustainable development and share best practices.

The messaging to which Adevinta contributes, in respect of the development of public policies, focuses on the necessity of open markets and fair competition to support sustainable growth of European Union tech champions, the need for long-term and stable policy frameworks fostering the growth of digital services while protecting users, as well as the importance of ensuring the green digital transition.

In 2022, we spent approximately €460,000 on external lobbying services, which represented 0.03% of our annual turnover for that year. Approximately three-quarters of the total expenditure went into trade association memberships that largely serve business purposes (as opposed to political activity).

Adevinta is registered in the European Union Transparency Register and the Lobby Register of the German Bundestag.

€119,400
Lobbying activities

€339,661
Trade association memberships

€459,061
Total Adevinta expenditure

About this report

This is Adevinta's fourth annual sustainability report. The previous report was published on 28 April 2022. Information disclosed in this report refers to activities undertaken from 1 January to 31 December 2022.

This report has been prepared in accordance with the GRI Standards: Core option, and follows the guidelines set out in the Euronext Guidelines for Environmental, Social and Governance (ESG) reporting. Adevinta will publish a sustainability report on an annual basis. The report has not been subject to external independent assurance. The sustainability information is provided throughout the Annual Report. Please see the GRI Index for further guidance.

Scope and boundaries

The report includes data pertaining to companies of which Adevinta has had full ownership or operational control throughout the year, with certain scope limitations included below. Companies that have been sold during the year have been excluded.

Employee data

Employee data, as per 31 December 2022, is stated as headcount and covers all companies in scope. This includes all companies that are integrated in the human capital management system Workday®. Data relating to employee engagement were retrieved from Adevinta's engagement survey and templates completed by each company. Data relating to collective bargaining agreements and performance reviews were collected via the human capital management system.

Data relating to health and safety were collected via templates completed by each company. Due to privacy limitations in the legislation of certain countries, it has not been possible to distinguish between recordable ill-health and recordable injuries for the operations in these countries. As a consequence, the information from these countries' operations has been excluded from the recordable ill-health and injuries presented in this report. As for the year 2022, this was relevant for Germany, Italy and Spain.

We were unable to publish the share of sick leaves out of the total worked hours during 2022, as not all the companies in scope were within the same human capital management system. We are working at gathering this data in order to reflect it in the next reporting cycle.

Environmental data

The consolidation approach for environmental data is operational control. For smaller legal entities co-located with other Group companies, environmental data have been collected from the larger companies. Data from holding companies with less than five employees have been excluded. Data from joint-ventures with less than 20 employees, and where Adevinta owns less than 51% stake, have also been excluded. All greenhouse gases are included in the emissions calculations and all scopes are included in the intensity data. The total GHG emissions includes the Scope 2 emissions from the location-based method. Data was collected via templates sent to each company and via available internal reporting data. The calculations are based on conversion factors from the International Energy Agency (IEA), the Association of Issuing Bodies (AIB), the Department for Environment, Food & Rural Affairs (DEFRA) and the US Environmental Protection Agency (US EPA).

Calculations for a portion of the emissions from business travel where only expenses have been available for taxi, bus, train and car rental have been estimated with assumptions on the average price for a ticket or distance driven with rental cars. Calculations for electricity and emissions for co-working spaces have not been available and have been estimated using an average of utility use per employee and country specific conversion factors for electricity. Scope 2 emissions are reported with a location-based approach and a market-based approach separately. The Scope 3 emissions categorised as fuel- and energy-related activities include upstream emissions of purchased fuels as well as transmission and distribution losses from electricity. Scope 3 emissions from other categories like purchased goods and services, and data centre electricity use, employee commuting and capital goods, have also been reported.

Omissions

GRI Standards General and Material Disclosures

2-23: While policies are implemented at group level and described in this report, we are unable to report on all the information required for this year.

2-24: The organisation is still being structured, we are unable to report on all the information required for this year.

2-25, 2-26: A grievance mechanism has been implemented and is presented in this report. We are unable to describe more processes and mechanisms as the organisation is still being structured.

2-27: The information regarding compliance with laws and regulation is not available this year.

204-1, 302-5, 308-1, 401-3, 403-5, 414-1: A reporting structure is under development, information cannot be shared in this report.

302-1: Total fuel consumption from renewable/non-renewable sources is not possible to disclose due to limitations in the information from suppliers.

305-6, 305-7: Adevinta does not have a significant impact in terms of ODS and air emissions considering the activities of the company

401-1: Partly fulfilled: due to limitations in the reporting system, data on the number of employees who left the company cannot be fully segmented by age.

401-2: The information regarding benefits for employees is different in each country we operate, we are unable to report on each local specificity.

402-1, 3-3-Labour/management relations: While some information is presented in this report, the information regarding labour relations are different in each country we operate, we are unable to report on each local specificity.

403-1, 403-2, 403-4, 403-7, 403-8: Adevinta does not have a management system, worker consultation and risk management process regarding health and safety.

403-9, 403-10: Due to specific legal prohibitions in Spain, Germany and Italy, where privacy law prohibits an employer from recording the cause of sick leave, and also as a consequence of the eCG acquisition, the systems for reporting are currently not aligned and the available data only partially fulfils the requirements this year. Currently, data is unavailable for six companies.

407-1: Adevinta does not operate in countries at risk regarding freedom of association and collective bargaining.

Point of contact

If you have any questions about the sustainability report, you are welcome to contact Christelle Esquirol, Director of Sustainability at sustainability@adevinta.com.

GRI content index

Adevinta has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

GRI Standard	Disclosure	Page	Fulfilment	Notes
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational details	6-9	Fulfilled	
	2-2 Entities included in the organisation's sustainability reporting	21-23 & 72	Fulfilled	
	2-3 Reporting period, frequency and contact point	72-73	Fulfilled	
	2-4 Restatements of information	–	–	No restatement made
	2-5 External assurance	–	–	No external assurance
	2-6 Activities, value chain and other business relationships	3 & 6-9	Fulfilled	
	2-7 Employees	47	Fulfilled	
	2-8 Workers who are not employees	–	Omission	See p. 72-73
	2-9 Governance structure and composition	58 & 80-89	Fulfilled	
	2-10 Nomination and selection of the highest governance body	80-89	Fulfilled	
	2-11 Chair of the highest governance body	80-89	Fulfilled	
	2-12 Role of the highest governance body in overseeing the management of impacts	80-89	Fulfilled	
	2-13 Delegation of responsibility for managing impacts	80-89	Fulfilled	
	2-14 Role of the highest governance body in sustainability reporting	80-89	Fulfilled	
	2-15 Conflicts of interest	58-60 & 80-89	Fulfilled	
	2-16 Communication of critical concerns	60	Fulfilled	
	2-17 Collective knowledge of the highest governance body	58	Fulfilled	
	2-18 Evaluation of the performance of the highest governance body	80-89	Fulfilled	
	2-19 Remuneration policies	80-89	Fulfilled	
	2-20 Process to determine remuneration	80-89	Fulfilled	
	2-21 Annual total compensation ratio	80-89	Fulfilled	
	2-22 Statement on sustainable development strategy	32	Fulfilled	
	2-23 Policy commitments	58-60 & 66	Partly fulfilled	See p. 72-73
	2-24 Embedding policy commitments	–	Omission	See p. 72-73
	2-25 Processes to remediate negative impacts	58-60	Partly fulfilled	See p. 72-73
	2-26 Mechanisms for seeking advice and raising concerns	58-60	Partly fulfilled	See p. 72-73
	2-27 Compliance with laws and regulations	–	Omission	See p. 72-73
	2-28 Membership associations	–	-	No current membership
	2-29 Approach to stakeholder engagement	34-35	Fulfilled	
	2-30 Collective bargaining agreements	54	Fulfilled	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	34-35	Fulfilled	
	3-2 List of material topics	34-35	Fulfilled	
Indirect economic impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	55-57	Fulfilled	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	55-57	Fulfilled	
	203-2 Significant indirect economic impacts	55-57	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	66	Fulfilled	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	–	Omission	See p. 72-73
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60 & 66	Fulfilled	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	58-60 & 66	Fulfilled	
	205-2 Communication and training about anti-corruption policies and procedures	58-60 & 66	Fulfilled	
	205-3 Confirmed incidents of corruption and actions taken	58-60	Fulfilled	
Anti-competitive behaviour				
GRI 3: Material Topics 2021	3-3 Management of material topics	60-62	Fulfilled	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	60-62	Fulfilled	
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	40	Fulfilled	
GRI 103: Management Approach	302-1 Energy consumption within the organisation	41	Partly Fulfilled	
	302-2 Energy consumption outside of the organisation	41	Fulfilled	
	302-3 Energy intensity	41	Fulfilled	
	302-4 Reduction of energy consumption	41	Fulfilled	
	302-5 Reductions in energy requirements of products and services	–	Omission	See p. 72-73
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	40	Fulfilled	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	41	Fulfilled	
	305-2 Energy indirect (Scope 2) GHG emissions	41	Fulfilled	
	305-3 Other indirect (Scope 3) GHG emissions	41	Fulfilled	
	305-4 GHG emissions intensity	41	Fulfilled	
	305-5 Reduction of GHG emissions	40	Fulfilled	
	305-6 Emissions of ozone-depleting substances (ODS)	–	Omission	See p. 72-73
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	–	Omission	See p. 72-73
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	41	Fulfilled	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	41	Fulfilled	
	306-2 Management of significant waste-related impacts	41	Fulfilled	
	306-3 Waste generated	41	Fulfilled	
	306-4 Waste diverted from disposal	41	Fulfilled	
	306-5 Waste directed to disposal	41	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	66	Fulfilled	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	–	Omission	See p. 72-73
	308-2 Negative environmental impacts in the supply chain and actions taken	66	Fulfilled	
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	46-54	Fulfilled	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	54	Partly Fulfilled	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	–	Omission	See p. 72-73
	401-3 Parental leave	–	Omission	See p. 72-73
Labour/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	54	Partly fulfilled	See p. 72-73
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	54	Partly fulfilled	See p. 72-73
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	54	Fulfilled	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	–	Omission	See p. 72-73
	403-2 Hazard identification, risk assessment and incident investigation	–	Omission	See p. 72-73
	403-3 Occupational health services	54	Fulfilled	
	403-4 Worker participation, consultation and communication on occupational health and safety	–	Omission	See p. 72-73
	403-5 Worker training on occupational health and safety	–	Omission	See p. 72-73
	403-6 Promotion of worker health	54	Fulfilled	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	–	Omission	See p. 72-73
	403-8 Workers covered by an occupational health and safety management system	–	Omission	See p. 72-73
	403-9 Work-related injuries	54	Partly Fulfilled	
	403-10 Work-related ill health	54	Partly Fulfilled	
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	51-53		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	51-53	Fulfilled	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	51-53	Fulfilled	
	404-3 Percentage of employees receiving regular performance and career development reviews	53	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	48-51		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	50	Fulfilled	
	405-2 Ratio of basic salary and remuneration of women to men	50	Fulfilled	
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	48-51	Fulfilled	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	–	–	No incident reported
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	54	Fullfilled	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–	Omission	See p. 72-73
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	55-57	Fulfilled	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	55-57	Fulfilled	
	413-2 Operations with significant actual and potential negative impacts on local communities	55-57	Fulfilled	
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	66	Fulfilled	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	–	Omission	See p. 72-73
	414-2 Negative social impacts in the supply chain and actions taken	66	Fulfilled	
Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	70	Fulfilled	
GRI 415: Public Policy 2016	415-1 Political contributions	70	Fulfilled	
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65	Fulfilled	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	62-65	Fulfilled	

Corporate Governance

Statement of Corporate Governance

1. Statement of Corporate Governance

Adevinta is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b, and the Norwegian Code of Practice for Corporate Governance (the Code). The current edition of the Code was published on 14 October 2021 and is available at www.nues.no. Adevinta's Statement of Corporate Governance follows the structure of the Code and any deviations from the Code are highlighted under each section. Adevinta's Statement of Corporate Governance also includes information on corporate governance, pursuant to the Norwegian Accounting Act, section 3-3b. Adevinta's corporate governance is subject to review and consideration by the Board of Directors of Adevinta and the Statement of Corporate Governance is an integral part of the Board of Directors' report.

2. Adevinta's business

Adevinta's purpose is defined in its Articles of Association as "the operation of digital marketplaces and other types of business related to this; the business of the Company may be operated through participation in other companies." The Articles of Association are presented in full on our corporate website. Adevinta's purpose is to "make a positive change in the world by helping everyone and everything find new purpose." We believe every house can be a home, every person has a role to play, and every object can live a second life – they only have to find their matching need. This is specified in our corporate vision: "Sustainable commerce shaping a healthy planet and society."

Adevinta's Board of Directors is responsible for defining the objectives, strategies and risk profiles of the Company's business activities, and reviews these annually. Ensuring that the Company considers environmental and societal impacts of business decisions, and providing services which empower its users and customers to make economically sound and environmentally sustainable choices, is a cornerstone of Adevinta's business. Our marketplaces help our users meet and interact in a safe and reliable way, and in an environmentally sustainable manner, by providing a platform for second-hand trading. Adevinta engages with stakeholder groups that are affected by our business. The purpose of such dialogue is to understand the priorities of our stakeholders and ensure that these are reflected in the Company's business and operational strategies. Adevinta provides information on sustainability in a formal statement in accordance with the Norwegian Accounting Act and Euronext's guidelines for Environmental, Social and Governance (ESG) reporting in a separate section of this annual report. This sustainability statement is approved by the Board of Directors.

Deviations from the Code: none

3. Equity and dividends

Adevinta's Board of Directors ensures that the Company has a capital structure that is appropriate to its objectives, strategy and risk profile. The Board of Directors considers it essential that the Company's shares be perceived as an attractive investment. Accordingly, the Board of Directors has adopted a dividend policy that allows for ongoing investment in the development of Adevinta's business and further growth of the Company's underlying assets, while also providing the opportunity for a meaningful return to investors. There have been no dividend payments by the Company since its incorporation on 9 November 2018.

The Annual General Meeting of Adevinta ASA on 29 June 2022 granted the Board of Directors the following authorisations:

Authorisation to buy back shares

The authorisation to acquire and dispose of shares in the Company on the following basis:

(a) The total nominal value of the shares acquired by the Company may not exceed NOK 24,498,859 (the "Maximum Amount").

(b) The authorisation is valid until the Annual General Meeting in 2023 but in no event later than 30 June 2023.

(c) The minimum amount which can be paid for the shares is NOK 20 and the maximum amount is NOK 750.

(d) The Board is free to decide on the acquisition method and possible subsequent sale of the shares.

(e) Shares acquired may be used in relation to incentive schemes for employees of the Adevinta group, as consideration in connection with acquisition of businesses and/or to improve the Company's capital structure.

Authorisation to increase the Company's share capital

The authorisation to increase the Company's share capital is on the following basis:

(a) The Board of Directors is authorised to increase the Company's share capital on one or more occasions by up to NOK 24,498,859 (the "Maximum Amount") by the issue of shares in any or all share classes as may be issued at the time of the use of the authorisation. This authorisation and the authorisation to issue convertible loans, as set out below, is restricted so that they cannot be utilised to issue shares and convertible loans that in the aggregate would result in a share capital increase in excess of the Maximum Amount upon full conversion of any convertible loans.

(b) The authority is valid until the Annual General Meeting in 2023, but in no event later than 30 June 2023.

(c) The shareholders' pre-emptive rights pursuant to § 10-4 of the Public Limited Liability Companies Act may be set aside.

(d) The authority includes capital increases against contributions in cash and contributions other than in cash. The authority includes the right to incur special obligations for the Company, cf. § 10-2 of the Public Limited Liability Companies Act. The authority includes resolutions on mergers in accordance with § 13-5 of the Public Limited Liability Companies Act.

Authorisation to raise new convertible loans

The authorisation to issue new convertible loans is as follows:

(a) The Board of Directors is authorised to raise new convertible loans on one or several occasions up to a total amount of NOK 7,500,000,000 (or the equivalent in other currencies) ("convertible loans").

(b) The share capital of the Company may be increased by a total of NOK 24,498,859 (the "Maximum Amount") as a result of the convertible loans being converted into equity by the issue of shares in any or all share classes as may be issued at the time of the use of the authorisation. This authorisation and the authorisation to issue shares as set out in item 13 of the minutes from the Annual General Meeting held 29 June 2022, shall, however, be restricted so that they cannot be utilised to issue shares and convertible loans that in the aggregate would result in a share capital increase in excess of the Maximum Amount upon full conversion of any convertible loans.

(c) The shareholders' pre-emptive rights to subscribe to the loans pursuant to the Public Limited Companies Act § 11-4 cf. § 10-4 and § 10-5 may be set aside.

(d) This authorisation shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until the Annual General Meeting in 2023, however not later than 30 June 2023.

The authorisations to increase share capital and raise new convertible loans are not restricted to a single, defined purpose as recommended in the Code. While this is a deviation from the Code, the Board of Directors elected not to propose such restrictions in order to ensure that Adevinta is equipped to participate in value-accretive opportunities going forward.

Deviations from the Code: one

4. Equal treatment of shareholders

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

On 24 February 2022, Adevinta ASA announced its decision to initiate a buy-back programme of up to 10 million of its own shares, structured into a first tranche of up to four million shares expected to end no later than in June 2022, and a second tranche of up to six million shares expected to end no later than in January 2023. On 22 March 2022 Adevinta ASA announced its completion of the first tranche, with a total of four million shares purchased. The second tranche of the buyback was accelerated and initiated on 6 April 2022 and running until 28 June 2022, the backstop per 2021 AGM authorisation. The continuation of the second tranche of the share buyback was resumed on 30th August 2022, per 2022 AGM authorisation. On 19 October 2022, Adevinta ASA announced its completion of the second tranche, with a total of six million shares purchased. The purpose of the buy-back was to acquire shares to be used as settlement in the Company's share-based incentive plans over the next three years.

Deviations from the Code: none

5. Shares and negotiability

Adevinta's shares are freely negotiable and are freely transferable. In the period between the IPO of Adevinta ASA and 28 October 2019, the Company had two classes of shares. From 28 October 2019 to 25 June 2021, the Company had a single class of shares.

Following the completion of the Company's acquisition of eBay Classifieds Group, a second class of non-voting shares (Class B shares) was created and issued to eBay Inc as part of the transaction consideration; these shares automatically convert to voting shares upon transfer to a third party. On the terms set out in Adevinta's Articles of Association, the non-voting shares may be converted to ordinary shares by the shareholder upon a notification of conversion delivered to the Company. Although the non-voting shares are convertible into ordinary voting shares, (class A shares) the separate class of non-voting shares is a deviation from the Code. The creation of the non-voting shares was based on a competitive commercial agreement with eBay Inc, to act as consideration for the acquisition of the eBay Classifieds Group. The creation of the class of non-voting shares was agreed by eBay Inc and was approved by the shareholders at the Extraordinary General Meeting held on 29 October 2020.

Deviations from the Code: one

6. General meetings

The shareholders exercise the highest authority through the General Meeting.

In 2022, Adevinta held its Annual General Meeting on 29 June 2022. Adevinta's next Annual General Meeting is scheduled for 29 June 2023. The Notice of the Annual General Meeting and documents to be considered will be posted on the Adevinta website prior to the meeting and will be sufficiently detailed and specific to allow shareholders to form a view on all matters to be considered. Shareholders not registered electronically will receive the Notice by post with information on how documents to be considered at the meeting may be downloaded from our website. The deadline for electronic registration is one day prior to the meeting.

The Board Chair and the Chair of the Nomination Committee were present at the Annual General Meetings on 29 June 2022, and will be present at the Annual General Meeting on 29 June 2023.

At the Annual General Meeting for 2023, Shareholders will be given the opportunity to vote on each item of business to be considered, including the election of candidates to the Nomination Committee and the Board of Directors, whether they attend in person or elect to vote by proxy. Shareholders who cannot attend a General Meeting may vote by proxy. More information on how to appoint a proxy, and how to propose resolutions for consideration by the meeting, will be provided in the Notice of General Meetings and on our website at www.adevinta.com.

Prior to General Meetings, the Board of Directors will consider the complexity and nature of the proposed agenda and whether an independent person shall be proposed to act as chair of the General Meeting. This is a deviation from the Code's requirement of enabling the shareholders to elect an independent chair for all General Meetings. The rationale for this is that unless the matters to be considered at a General Meeting are complex, or otherwise of a nature that particularly warrants an independent chair, the Chairperson of the Board is considered to be well suited to chair General Meetings.

Deviations from the Code: one

7. The Nomination Committee

Adevinta's Articles of Association provide that the Nomination Committee shall consist of between three and five members, and that any shareholder holding voting shares representing at least 25% of the total number of voting shares in the Company has the right to appoint and be represented on the Nomination Committee by one representative. Within this range, the number of Nomination Committee members shall be determined by the General Meeting, provided that the General Meeting shall elect a sufficient number of Nomination Committee members to ensure that the majority of the Nomination Committee members at any time are elected by the General Meeting. This was approved by the shareholders at the Extraordinary General Meeting held on 29 October 2020. The members of the Nomination Committee have been selected to take into account the interests of shareholders in general. The majority of the committee is independent of the Board of Directors and the executive personnel. The Nomination Committee does not include any executive personnel or any member of the Company's Board of Directors. The Nomination Committee currently comprises Trond Berger (Chair), Chris Davies, Ole E Dahl, Andrew Kvålseth and Karin Schwab.

Trond Berger, Chris Davies and Ole E Dahl are independent of the Board of Directors and the executive personnel. Andrew Kvålseth and Karin Schwab, are independent of executive personnel but not independent of the Board of Directors.

Deviations from the Code: none

8. Composition of Adevinta's Board of Directors

Pursuant to Article 6 of Adevinta's Articles of Association:

(a) The Board of Directors of the Company shall consist of a minimum of five and a maximum of 13 members. Within this range, the number of directors shall be determined by the General Meeting, provided that the General Meeting shall elect a sufficient number of directors to ensure that the majority of the directors at any time are elected by the General Meeting (taking into account the right of large shareholders to directly appoint directors, as noted below). The chairperson of the Board of Directors is elected by the shareholders at a General Meeting.

(b) Each shareholder who has a holding of class A shares equal to or in excess of the following thresholds has an individual right by notice to the Company to directly appoint directors as follows:

(i) Any shareholder holding class A shares representing at least 25% of the total number of class A shares in the Company shall have the right to appoint two directors; and

(ii) Any shareholder holding class A shares representing at least 10% of the total number of class A shares in the Company shall have the right to appoint one director.

This appointment right cannot be exercised during the last six calendar weeks prior to the Company's Annual General Meeting. The above was approved by the shareholders at the Extraordinary General Meeting held on 29 October 2020.

The Board of Directors of Adevinta currently consists of 11 members, six of whom were elected by the General Meeting on 29 June 2022 and five of whom were appointed directly by large shareholders exercising their respective rights under the Articles of Association. Each elected Board member is elected for a one-year period. The current Board of Directors includes five women and six men and is compliant with the requirement set forth in section 6-11a of the Public Limited Liability Companies Act, which states that each gender shall be represented with at least 40% of Board members. The composition of the Board of Directors ensures that it can operate independently of any special interest.

The current Board of Directors meets the recommendation set forth in the Code that the majority of shareholder-elected Board members be independent of the Company's executive personnel and material business contacts, and that at least two of the shareholder-elected Board members be independent of the main shareholders. All six shareholder-elected Board members are independent of executive, business contacts and main shareholders. The Board of Directors does not include executive personnel. The Nomination Committee will prepare a recommendation of candidates for election to the Board of Directors which will, as far as possible, be distributed to the shareholders along with the Notice of the General Meeting.

The Annual General Meeting elects the Board Chair. According to section 6-1 of the Public Limited Liability Companies Act, the Board of Directors elects the Board Chair if the General Meeting has not done so.

The annual report provides information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at Board meetings. It also identifies which members are considered to be independent.

Adevinta encourages share ownership by its directors.

Deviations from the Code: none

9. The work of the Board of Directors

The Board of Directors delegates the day-to-day management of the Adevinta Group to the Company's CEO and other members of the executive management. At the same time, it monitors the performance of the executive management team. The Board of Directors actively participates in setting Adevinta's corporate strategy, ensuring that the businesses are properly organised, and that adequate governance and control systems are implemented. The Board of Directors also supervises the Group's financial performance, establishes necessary guidelines, and adopts plans and budgets for the businesses. It appoints the CEO and prepares the job requirements, terms and conditions for this position.

The Board of Directors' work is set forth in the Board Instructions, which governs the Board's responsibilities, duties and administrative procedures. The Board Instructions also state the CEO's duties in relation to the Board of Directors.

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

The Board of Directors works on the basis of an annual meeting schedule that is normally agreed at the first meeting after the Annual General Meeting. The meeting schedule includes strategic planning, business issues and supervisory activities. The CEO, in consultation with the Board Chair, prepares matters for consideration by the Board.

The Board of Directors has established an Audit and Risk Committee and a Remuneration Committee which contribute to the thorough preparation and consideration of matters covered by the committees' respective mandates. The Board of Directors has also established an Integration Committee which oversees the integration of the eBay Classifieds Group business into Adevinta. By the end of 2022, the Integration Committee transitioned to the Transformation Committee and it will be also overseeing and supporting the Company verticalisation programme. In addition, the Board established the CEO Succession Committee for the specific and punctual need to find the new Adevinta CEO once the retirement of Rolv Erik Ryssdal was announced. The committees do not make decisions but monitor the work of the Group on behalf of the Board of Directors and prepare matters for Board consideration within their respective areas.

Each shareholder that holds voting shares, representing at least 25% of the total number of voting shares, has the right to designate at least one representative to each committee of the Board of Directors. The majority of the directors on each committee, as calculated by voting rights (including deadlock tie-break right) shall at any time be directors elected by the General Meeting.

The Remuneration Committee Charter provides that the Committee shall have at least three members, each of whom shall be appointed by the Board. Additionally, the Committee will be comprised of either: (a) a majority of directors elected by the General Meeting; or (b) an equal number of directors elected by the General Meeting and directors appointed by shareholders, provided that the Chair of the Committee: (A) is a director elected by the General Meeting; and (B) has the right to cast two votes, while each other member shall only have the right to cast a single vote. The Remuneration Committee is chaired by Board Chair Orla Noonan and its other members are Kristin Skogen Lund, Sophie Javary and Marie Oh Huber. Orla Noonan and Sophie Javary are considered independent from Adevinta's main shareholders, whereas Kristin Skogen Lund and Marie Oh Huber are not considered independent. The CEO attends committee meetings apart from those at which remuneration of the CEO is considered. The Remuneration Committee prepares matters relating to the remuneration of the CEO, executive directors and executive management.

The Audit and Risk Committee Charter provides that the committee shall have at least three members, each of whom shall be appointed by the Board. Additionally, the quorum necessary for the transaction of business shall be three members, and must include a majority of the directors elected by the General Meeting of the Company calculated by way of the voting power of the members present. Each committee member has one vote in respect of any matters to be determined by the committee, subject to the Committee Chair having an additional vote in the event of a deadlock. The Audit and Risk Committee is chaired by Fernando Abril-Martorell Hernández and its other members are Aleksander Rosinski, Mark Solomons and Julia Jäkel. All four members are considered independent of Adevinta's executive management.

Fernando Abril-Martorell Hernández and Julia Jäkel are considered independent from Adevinta's main shareholders, whereas Aleksander Rosinski and Mark Solomons are not considered independent. The CFO is management's main representative in the Audit and Risk Committee and attends all its meetings. The external auditor attends Audit and Risk Committee meetings when matters within the external auditors' area of responsibility are considered. The Audit and Risk Committee prepares the processes of the Board of Directors for quality assurance of financial reports. The committee monitors the Group's internal control and risk management for financial reporting, and reviews and monitors the external auditor's work and independence.

The Integration Committee Charter provides that each member of the Integration Committee shall be appointed by the Board. The Committee Chair must be a director who has been elected by the general meeting of the Company. Additionally, a quorum necessary for the transaction of business shall be three members, and must include a majority of the directors elected by the General Meeting of the Company calculated by way of the voting power of the members present. The Integration Committee is currently chaired by Peter Brooks-Johnson and its other members are currently Michael Nilles, Aleksander Rosinski and Mark Solomons. Peter Brooks-Johnson and Michael Nilles are considered independent from Adevinta's main shareholders, whereas Aleksander Rosinski and Mark Solomons are not considered independent. The CEO attends Integration Committee meetings and Riccardo Basile, representative from Permira, is invited to Integration Committee meetings. At the end of 2022, the Integration Committee transitioned to a Transformation Committee in order to continue supporting the integration of the eBay Classifieds Group business into Adevinta and to monitor the verticalisation programme of the Company. The Transformation Committee has the same members as the Integration Committee had.

The CEO Succession Committee was a temporary committee created by the Board on 24 February 2022 and was in existence until the new Adevinta CEO, Antoine Jouteau, was appointed by the Board. The CEO Succession Committee was chaired by Orla Noonan and its other members were Fernando Abril-Martorell Hernández, Julia Jäkel and Aleksander Rosinski.

The Board of Directors conducts an evaluation of its qualifications, experience and performance, and the results of the evaluation are submitted to the Nomination Committee as the basis for the Nomination Committee's assessment of the Board of Directors' work. The Nomination Committee performs additional assessments of the Board members through interviews conducted with individual directors. The Board considers itself to work well, and that its members have complementary expertise and experience.

In 2022, the Adevinta Board of Directors held 13 meetings in total. The attendance record regarding Board and committee meetings is set out in the table below.

Deviations from the Code: none

Attendance

Directors	Board of Directors	Audit & Risk Committee	Remuneration Committee	Integration Committee
Orla Noonan	13/13	–	7/7	–
Kristin Skogen Lund	12/13	–	7/7	–
Sophie Javary	13/13	–	7/7	–
Fernando Abril-Martorell Hernández	13/13	8/8	–	–
Peter Brooks-Johnson	12/13	–	–	11/11
Aleksander Rosinski	13/13	6/8	–	11/11
Marie Oh Huber	13/13	–	7/7	–
Mark Solomons	13/13	8/8	–	11/11
Julia Jäkel	13/13	8/8	–	–
Michael Nilles	13/13	–	–	–
Dipan Patel	11/13	–	–	–

10. Risk management and internal control

Adevinta is currently undergoing transformation both operationally and strategically. In order to achieve its purpose, mission and vision it is important that a strong foundation of Enterprise Risk Management (ERM) is in place to understand the threats that could impact the company, the opportunities available to the company, and to enable Adevinta to respond accordingly.

Risk management is a high priority at Adevinta since the first risk management framework was approved by the Board of Directors in 2020. With the integration of eBay Classifieds Group in 2021, Adevinta reviewed the ERM framework to ensure it is fit for purpose and serves the needs of the new combined organisation. The revised framework was approved by the Audit and Risk Committee in April 2022 and enables Adevinta to be better equipped to meet the strategic goals of the business, defining a holistic and coordinated approach to manage risks by:

- Establishing clear roles and responsibilities for risk governance, risk management, risk reporting and the oversight thereof
- Having a consistent end-to-end process for managing risk
- Complying with the risk management requirements set out in the Norwegian Code of Practice for Corporate Governance and other legal/regulatory requirements

The ERM framework will be reviewed on an annual basis to ensure risk management processes are aligned to upcoming leading practices in this field and future operational changes.

To complement the ERM framework, and to better respond to and address significant changes to the global risk and regulatory landscape during the second half of 2022, Adevinta worked on a Regulatory Compliance framework that was approved by the Audit and Risk Committee in December 2022.

Biannual, top-down risk assessments were submitted in 2022 to the Audit and Risk Committee identifying the most important risks that could pose a threat to Adevinta achieving its strategic objectives, alongside quarterly risk deep dives into specific strategic risks. These top-down exercises are complemented by bottom-up assessments performed on an annual basis, with the aim of understanding the risks that could impact the strategic enablers in each of the central functions/marketplaces.

Internal audit

In 2023, Adevinta plans to commence internal audit activities with the aim of providing independent challenge and assurance over the design and effectiveness of key controls within the organisation. These activities will be provided by an external party to guarantee independence and objectivity.

Financial reporting

Management periodically submits status reports to the Board of Directors to assist in monitoring and controlling the Group's operations. These reports include items such as financial reporting of the Group's key figures, the status of significant business activities, and financial performance of the Company's shares. Quarterly and annual financial statements are reviewed by the Audit and Risk Committee and the full Board of Directors. Adevinta's Group Accounting Department prepares the Group's financial reports and ensures compliance with current accounting standards and legislation.

Deviations from the Code: none

11. Remuneration of the Board of Directors

The Annual General Meeting determines the remuneration of the Board members. The remuneration reflects the Board member's responsibility, expertise, time commitment and the complexity of the Company's activities, but is not linked to the Group's performance. During the period under review, no options were issued to Board members. None of the Board members have accepted any specific assignments for Adevinta.

Deviations from the Code: none

12. Remuneration of executive personnel

The Board has established guidelines for remuneration of members of the executive management. These guidelines will be communicated to the Annual General Meeting of shareholders (Statement of Executive Compensation). The Remuneration Committee reviews and approves the remuneration packages (including, where appropriate, bonuses, incentive payments, share-based incentive schemes and post-retirement benefits) for the CEO and each of the CEO's direct reports. The Statement of Executive Compensation gives an account of the main principles of Adevinta's executive remuneration policy, including the scope and organisation of bonus schemes and incentive programmes. The Remuneration Committee has assessed the incentive programme and has concluded that it ensures alignment of the financial interests of the executive personnel and the shareholders. The Statement of Executive Compensation will be considered by the Annual General Meeting and made available to the shareholders on Adevinta's website when the Notice of the Annual General Meeting is issued. The Annual General Meeting will vote individually on the binding and the non-binding aspects of the guidelines.

Deviations from the Code: none

13. Information and communication

Adevinta has established an investor relations policy that provides a framework for communicating with shareholders outside the General Meeting. The Investor Relations Department maintains regular contact with shareholders, potential investors, analysts and other financial stakeholders to ensure that they have access to relevant and accurate information including Adevinta's share price. Subject to the specific information rights that were granted to eBay and Schibsted in connection with Adevinta's acquisition of the eBay Classifieds Group, all shareholders and other financial stakeholders are treated equally with regards to access to financial information.

In addition to certain restrictions and rights pertaining to the shares themselves, the liquidity and information rights agreement entered into between the Company, eBay Inc (and certain of its subsidiaries) and Schibsted ASA on 25 June 2021, grants eBay and Schibsted certain information rights in respect of Adevinta. Pursuant to this agreement, Adevinta has agreed to provide Schibsted and eBay with reasonable access to management and information in connection with a sale of shares in the Company, as well as providing customary representations and warranties on a non-recourse basis, and otherwise cooperating with the selling shareholder and the potential acquirer, to the extent permitted by applicable law.

Further, for so long as eBay or Schibsted or any of their respective affiliates are required to include Adevinta financial information in their own regulatory filings, Adevinta has agreed to (a) provide such shareholder with its annual and quarterly financial statements as promptly as practicable after they are provided to the Board and in any event reasonably in advance of the date on which such shareholder or its affiliate is required to make regulatory filings containing Adevinta's financial information; and (b) provide reasonable assistance and any required additional information to such shareholder or its affiliate in connection with their financial reporting and compliance requirements relating to their respective investments in Adevinta, including, in the case of eBay Inc. and its affiliates, assisting on a timely basis in the conversion of Adevinta's financial statements to U.S. GAAP, in each case provided that Adevinta and the relevant shareholder shall agree Adevinta's reporting schedule for each fiscal year, which shall take into account the parties' reporting obligations and timelines. Furthermore, to the extent not prohibited by Norwegian law, Adevinta has agreed to grant permission to the appointees of eBay and Schibsted on the Board to provide, and Adevinta shall use reasonable best efforts to itself provide eBay and Schibsted with (a) prompt notice of any developments in Adevinta's business which would reasonably be expected to have a material impact on Adevinta or Adevinta's share price, and (b) at least 10 days' prior notice before Adevinta enters into a binding agreement with respect to a sale to a third party of all or substantially all of the equity or assets of Adevinta, including by means of a merger, consolidation, recapitalisation or any other means, or any transaction that would result in a change of control of Adevinta. eBay and Schibsted will be subject to customary confidentiality and no-trading obligations with respect to any such information received.

The information rights and the other terms of the information and liquidity rights agreement were entered into in connection with the acquisition of the eBay Classifieds Group and were subject to commercial negotiation and terms. This was approved by the shareholders at the Extraordinary General Meeting held on 29 October 2020. On this basis, and considering that Schibsted and eBay are major stakeholders in Adevinta, we do not deem this to be an unreasonable deviation from the Code and the rules of equal treatment.

Adevinta's annual reports and quarterly releases contain extensive information on the various aspects of the Company's activities and financial performance. The quarterly presentations are webcast and accessible via the Adevinta website, along with the quarterly and annual reports, as well as other relevant presentations. Adevinta's financial calendar is published on the Adevinta website.

Deviations from the Code: one

14. Takeovers

The Board of Directors has defined guidelines for takeover bids reflecting the requirements of the Code. In the event of a takeover bid being made for Adevinta, the Board of Directors shall follow the overriding principle of equal treatment for all shareholders and shall seek to ensure that Adevinta's business activities are not disrupted unnecessarily. The Board of Directors shall strive to ensure that shareholders are given sufficient information and time to review any offer and shall not take measures intended to protect the personal interests of individual Board members at the expense of shareholders' interests. The Board of Directors shall not seek to prevent any takeover bid, unless it believes that the interests of the Company and the shareholders justify such actions. In addition, it shall not exercise mandates or pass any resolutions with the intention of obstructing any takeover bid, unless this is approved by the General Meeting following the announcement of the bid. If a takeover bid is made, the Board of Directors shall issue a statement with a recommendation as to whether the shareholders should accept such a bid or not in accordance with the Norwegian Securities Trading Act.

Deviations from the Code: none.

15. Auditor

The external auditor presents the main features of the annual audit plan to the Audit and Risk Committee. The external auditor participates in Board meetings where the Company's financial statements are discussed. The external auditor reports on material changes in the Company's accounting principles and key aspects of the audit, comments on material estimated accounting figures, reports material matters on which the auditor and management disagree and presents identified weaknesses in, and suggested improvements to, the Company's internal controls. The Board of Directors has established guidelines for non-auditing work performed by the external auditor. The use of non-audit services performed by the external auditor is subject to prior approval as defined by the Audit and Risk Committee. Any non-auditing work performed by the external auditor must be approved by the Audit and Risk Committee to ensure that the fees paid to the auditor and/or its audit firm relating to non-audit services shall not exceed 70% of the average Group audit fees paid in the last three consecutive years.

Details of the Company's use and remuneration of the external auditor for auditing and non-auditing services are disclosed in note 30 of the consolidated financial statements. The Audit and Risk Committee reviews the use of non-audit services and has assessed the amount of non-audit services provided by the external auditor, which are found to meet the requirements in the Auditing and Auditors Act and guidelines from the Financial Supervisory Authority of Norway.

Deviations from the Code: none.

Financial Statements

Consolidated income statement

for the year ended 31 December

€ million	Note	Year 2022	Year 2021
Revenues	6,7	**1,644**	**1,139**
Personnel expenses	9	(483)	(368)
Other operating expenses	8	(613)	(415)
Gross operating profit (loss)	6	**548**	**356**
Depreciation and amortisation	16,17,31	(300)	(156)
Share of profit (loss) of joint ventures and associates	5	(121)	(8)
Impairment loss	15,16	(1,722)	(22)
Other income	11	37	8
Other expenses	11	(149)	(148)
Operating profit (loss)	6	**(1,707)**	**29**
Financial income	12	54	14
Financial expense	12	(103)	(78)
Profit (loss) before taxes		**(1,756)**	**(35)**
Taxes	13	(10)	(19)
Profit (loss) from continuing operations		**(1,767)**	**(54)**
Profit (loss) from discontinued operations	4	**(57)**	**7**
Profit (loss) for the period		**(1,824)**	**(48)**
Profit (loss) attributable to:			
Non-controlling interests	27	8	6
Owners of the parent		(1,832)	(54)
Earnings per share in €:			
Basic	14	(1.50)	(0.06)
Diluted	14	(1.49)	(0.06)

Consolidated statement of comprehensive income

for the year ended 31 December

		Year	
€ million	Note	2022	2021
Profit (loss)		**(1,824)**	**(48)**
Remeasurements of defined benefit pension liabilities	21	2	0
Income tax relating to remeasurements of defined benefit pension liabilities	13	(0)	(0)
Net gain/(loss) on cash flow hedges	25	–	56
Change in fair value of financial instruments		(7)	16
Income tax related to change in fair value of financial instruments	13	(2)	–
Items not to be reclassified subsequently to profit or loss		**(7)**	**72**
Exchange differences on translating foreign operations		31	22
Net gain/(loss) on cash flow hedges	25	19	7
Income tax related to cash flow hedges	13	(5)	–
Items to be reclassified subsequently to profit or loss		**45**	**29**
Other comprehensive income		**37**	**101**
Comprehensive income		**(1,787)**	**53**
Comprehensive income attributable to:			
Non-controlling interests		6	5
Owners of the parent		(1,793)	48

Consolidated statement of financial position

as of 31 December

€ million	Note	31 December 2022	31 December 2021
Intangible assets	15,16	10,880	12,790
Property, plant and equipment	17	28	35
Right-of-use assets	31	68	82
Investments in joint ventures and associates	5	366	370
Deferred tax assets	13	3	152
Other non-current assets	18,24	254	223
Non-current assets		**11,599**	**13,653**
Income tax receivable		12	17
Contract assets	7	39	39
Trade receivables	19,24	157	143
Other current assets	18,22,24	107	48
Cash and cash equivalents	22,24,28	70	231
Assets held for sale	4	–	115
Current assets		**385**	**593**
Total assets		**11,984**	**14,247**
Paid-in equity		9,135	9,175
Other equity		(601)	1,192
Equity attributable to owners of the parent	26	**8,534**	**10,368**
Non-controlling interests	27	14	18
Equity		**8,548**	**10,385**
Deferred tax liabilities	13	757	896
Non-current interest-bearing borrowings	22,23,24,28	2,183	2,312
Lease liabilities, non-current	22,28,31	58	73
Other non-current liabilities	21	29	18
Non-current liabilities		**3,026**	**3,299**
Current interest-bearing borrowings	22,23,24,28	9	152
Income tax payable		3	22
Lease liabilities, current	22,28,31	20	19
Contract liabilities	7	66	67
Other current liabilities	21,22,24	312	275
Liabilities directly associated with the assets held for sale	4	–	27
Current liabilities		**410**	**563**
Total equity and liabilities		**11,984**	**14,247**

20 April 2023

Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Kristin Skogen Lund
Board member

Sophie Javary
Board member

Peter Brooks-Johnson
Board member

Aleksander Rosinkski
Board member

Julia Jäkel
Board member

Michael Nilles
Board member

Mark Solomons
Board member

Marie Oh Huber
Board member

Dipan Patel
Board member

Antoine Jouteau
CEO

Consolidated statement of cash flows

for the year ended 31 December

€ million	Note	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes from continuing operations		(1,756)	(35)
Profit (loss) before taxes from discontinued operations		(28)	7
Profit (loss) before taxes		**(1,785)**	**(28)**
Depreciation, amortisation and impairment losses	6,15,16,17,31	2,054	180
Share of loss (profit) of joint ventures and associates	5	121	8
Dividends received from joint ventures and associates	5	3	3
Taxes paid		(60)	(92)
Sales losses (gains) on non-current assets and other non-cash losses (gains)		(23)	33
Net loss on derivative instruments at fair value through profit or loss		–	3
Accrued share-based payment expenses	10	33	32
Unrealised foreign exchange losses (gains)		(28)	2
Other non-cash items and changes in working capital and provisions[1]		37	52
Net cash flow from operating activities		**352**	**193**
Development and purchase of intangible assets and property, plant and equipment		(89)	(77)
Acquisition of subsidiaries, net of cash acquired	28	(11)	(2,181)
Proceeds from sale of intangible assets and property, plant and equipment		–	0
Proceeds from sale of subsidiaries, net of cash sold	28	12	274
Net sale of (investment in) other shares		(8)	3
Proceeds from deposits		5	–
Purchase of other investments		–	(3)
Net cash flow from investing activities		**(92)**	**(1,983)**
Net cash flow before financing activities		**259**	**(1,790)**
New interest-bearing loans and borrowings	28	–	2,440
Repayment of interest-bearing loans and borrowings	28	(321)	(493)
Purchase of treasury shares		(79)	(22)
Lease payments	28,31	(19)	(20)
Dividends paid to non-controlling interests	27	(10)	(8)
Net cash flow from financing activities		**(429)**	**1,898**
Effects of exchange rate changes on cash and cash equivalents		(1)	1
Net increase (decrease) in cash and cash equivalents		**(170)**	**109**
Cash and cash equivalents at start of period	28	231	131
Cash and cash equivalents attributable to assets held for sale at start of period		9	–
Cash and cash equivalents at end of period	**28**	**70**	**231**
Cash and cash equivalents attributable to assets held for sale at end of period		**–**	**9**

[1] Changes in working capital and provisions consist of changes in trade receivables, other current receivables and liabilities and accruals.

Consolidated statement of changes in equity

€ million	Note	Share capital	Other paid-in equity	Hedging reserve	Retained earnings	Foreign currency transl. reserve	Share-holders' equity	Non-controlling interests	Total
Equity as at 1 January 2021		**14**	**136**	**(149)**	**1,355**	**(153)**	**1,203**	**19**	**1,222**
Profit (loss) for the period		–	–	–	(64)	10	(54)	6	(48)
Other comprehensive income		–	–	63	26	12	102	(0)	101
Total comprehensive income		**–**	**–**	**63**	**(37)**	**22**	**48**	**5**	**53**
Costs of hedging transferred to the carrying amount of goodwill acquired in a business combination	4	–	–	88	–	–	88	–	88
Issue of ordinary shares as consideration for a business combination	22,26	9,023	–	–	–	–	9,023	–	9,023
Capital increase		–	–	–	–	–	–	0	0
Share-based payment	10	–	20	–	3	–	23	–	23
Changes in ownership of subsidiaries that do not result in a loss of control		–	–	–	(0)	–	(0)	0	–
Dividends paid to non-controlling interests		–	–	–	–	–	–	(8)	(8)
Change in treasury shares		–	(17)	–	–	–	(17)	–	(17)
Total transactions with the owners		**9,023**	**3**	**88**	**3**	**–**	**9,117**	**(7)**	**9,110**
Equity as at 31 December 2021		**9,036**	**139**	**3**	**1,321**	**(131)**	**10,368**	**18**	**10,385**
Profit (loss) for the period		–	–	–	(1,831)	(1)	(1,832)	8	(1,824)
Other comprehensive income		–	–	14	(7)	31	38	(1)	37
Total comprehensive income		**–**	**–**	**14**	**(1,838)**	**30**	**(1,793)**	**6**	**(1,787)**
Share-based payment	10	–	13	–	0	–	13	–	13
Dividends paid to non-controlling interests		–	–	–	–	–	–	(10)	(10)
Change in treasury shares		–	(53)	–	–	–	(53)	–	(53)
Total transactions with the owners		**–**	**(40)**	**–**	**0**	**–**	**(40)**	**(10)**	**(50)**
Equity as at 31 December 2022		**9,036**	**99**	**17**	**(517)**	**(101)**	**8,534**	**14**	**8,548**

Notes to the consolidated financial statements

General information

Group structure

Information on Consolidated income statement items

Information on Consolidated statement of financial position items

Capital management

Other information

Note 1: General information

The Adevinta Group (or "the Group" or "Adevinta") was established 9 April 2019. Adevinta ASA is a public limited company and its offices are located in Grensen 5, Oslo in Norway. The shares of Adevinta ASA are listed on the Oslo Stock Exchange. The major shareholders as at 31 December 2022 are Schibsted, eBay and Permira holding 30%, 30% and 12% of voting rights, respectively (note 26). None of the parties have control over Adevinta Group.

Adevinta is the world's largest online classifieds company (excluding China) based on revenues generated from online classifieds listings and advertisements, operating digital marketplaces in 11 countries. Key markets include France, Spain and Germany. In addition, business was carried out in 2022 in Brazil, Italy, Austria, Ireland, Hungary, Mexico, Belarus, Australia, Belgium, Canada, China, Netherlands, South Africa and USA. Changes in the composition of the Group during the period are described in note 4 and the business areas are described in note 6.

The financial position and performance of Adevinta was particularly affected by the following events and transactions during the reporting period:

- → The macroeconomic uncertainties and increasing inflation during 2022 has triggered a significant increase in market interest rates and equity risk premiums. This has significantly increased the weighted average cost of capital (WACC) that affected the discount rates used in the impairment test and resulted in the impairment loss of €1,719 (note 15).
- → The acquisition of eBay Classifieds Group in June 2021 (note 4) that triggered the related acquisition, integration and restructuring costs (note 11), share-based payment transactions (note 10), amortisation expense of intangible assets acquired (note 16), and interest expenses related to new financing (note 12, 22 and 23). In 2022, the financial result was impacted by 12 months as opposed to only 6 months impact in 2021.

The consolidated financial statements including notes for Adevinta ASA for the year 2022 were approved by the Board of Directors on 20 April 2023 and will be proposed to the Annual General Meeting in June 2023.

Note 2: Basis for preparing the consolidated financial statements

Compliance with IFRS

The consolidated financial statements of the Group are prepared and presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

New and amended standards adopted by the Group

Amendments applied for the first time for the annual reporting period commencing 1 January 2022 did not have any impact on the amounts recognised in prior periods, have not had a significant impact in the current period nor are expected to significantly affect the future periods.

New standards and interpretations not yet adopted

The Group's intention is to adopt relevant new and amended standards and interpretations when they become effective, subject to EU endorsement before the consolidated financial statements are issued. Adevinta has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. It is not expected that any already issued new and amended standards and interpretations, not yet effective, will have any significant impact on the consolidated financial statements of the Group, when implemented, except as described below:

- → Disclosure of accounting policies – Amendments to IAS 1

Note 2: Basis for preparing the consolidated financial statements continued

In February 2021, the IASB issued amendments to IAS 1 in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Basis of preparation

The consolidated financial statements have been prepared based on a historical cost basis, with the exception of:

- financial instruments in the category "Financial assets and liabilities at fair value through profit or loss or OCI";
- assets held for sale; and
- plan assets of the defined benefit pension plans.

When the carrying amount of an asset of a CGU exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount, which is the higher of value in use and fair value less selling costs.

Classification of assets and liabilities

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Note 2: Basis for preparing the consolidated financial statements continued
The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Non-current assets as well as groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be principally recovered through a sale transaction instead of through continued use and a sale is considered highly probable. When these are classified as held for sale, including the subsidiaries acquired exclusively with a view to resale, they are measured at the lower of their carrying amount or fair value minus sales costs.

All amounts are in € million unless otherwise stated. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

The accounting policies that have been applied as well as significant estimation uncertainties are disclosed in relevant notes to the consolidated financial statements.

Consolidation policies
The consolidated financial statements include the parent Adevinta ASA and all subsidiaries, presented as a single economic entity. Intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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

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

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

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to Adevinta ASA. Non-controlling interests are presented in the Consolidated statement of financial position within equity, separately from the equity of the owners of the parent, except when put options are granted to holders of non-controlling interests, in which case the related accumulated non-controlling interest is derecognised.

Profit (loss) and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit (loss) and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.

Associates are all entities over which the Group has significant influence but in which it does not have control or joint control. Investments in associates are accounted for using the equity method of accounting (note 5), after initially being recognised at cost in the Consolidated statement of financial position.

Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures only. Interests in joint ventures are accounted for using the equity method (note 5), after initially being recognised at cost in the Consolidated statement of financial position.

Note 2: Basis for preparing the consolidated financial statements continued

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros (€), which is Adevinta ASA's functional and presentation currency.

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

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

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

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

Exchange rates are quoted from Norges Bank (norges-bank.no), which is Norway's central bank.

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

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

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management also needs to exercise judgement in applying the Group's accounting policies. The most important areas where judgments and estimates are having an impact are listed below. Detailed information of these estimates and judgements is included in the relevant notes.

Note 3: Significant accounting judgements and major sources of estimation uncertainty continued
While the Russian government's invasion of Ukraine led to a significant dislocation in the financial markets in the beginning of 2022, global macroeconomic uncertainty has further increased throughout the year on the back of higher inflation, interest rate increases by central banks and mounting recession fears. Management has based its current estimates of future cash flows and discount rates volatility, risk premiums and interest rates at levels indicative of the current environment. Management continues monitoring the macroeconomic developments.

Significant estimates:

- → Fair value of assets acquired and liabilities assumed in a business combination (note 4)
- → Fair value of share-based awards (note 10)
- → Calculation of value in use in testing for impairment of goodwill and other intangible assets (note 15)
- → Useful lives of the intangible assets (note 16)
- → Assessment of contingent liabilities (note 21)
- → Assets and liabilities measured at fair value (note 24)

Significant judgements:

- → Identification of the acquirer of eCG (note 4)
- → Existence of significant influence over an investee (note 5)
- → Recognition of contracted listing fees and premium products (note 7)
- → Principal/agent assessment for transactional services provided (note 7)
- → Classification of other income and expenses as not being considered by management to be reliable indicators of underlying operations (note 11)
- → Recognition of deferred tax assets for tax losses carried forward (note 13)
- → Capitalisation of development costs (note 16)

Note 4: Changes in the composition of the group

Policy

Business combinations

The acquisition method is used to account for all business combinations that do not involve entities under common control where Adevinta ASA or its subsidiary is the acquirer, meaning the entity that obtains control over another entity or business. When a subsidiary or business is acquired, a purchase price allocation is carried out. Identifiable assets acquired and liabilities and contingent liabilities assumed are, except for limited exceptions, measured at fair value at the acquisition date. Any non-controlling interest in the acquiree is measured, for each individual acquisition, either at fair value or at the proportionate share of the acquiree's identifiable net assets. The residual value in the acquisition is goodwill. Acquisition-related costs are expensed as incurred.

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

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

Note 4: Changes in the composition of the group continued

Changes in ownership interests in subsidiaries that do not result in a loss of control

Transactions with non-controlling interests that do not result in a loss of control are recognised in equity. Any change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Adevinta ASA.

When put options are granted by Adevinta to holders of non-controlling interests, Adevinta determines and allocates profit (loss), other comprehensive income and dividends paid to such non-controlling interests. Accumulated non-controlling interests are derecognised as if the non-controlling interest was acquired at the reporting date and a financial liability reflecting the obligation to acquire the non-controlling interest is recognised. The net amount recognised or derecognised is accounted for as an equity transaction. In the Consolidated statement of changes in equity, such amounts are included in the line item "Changes in ownership of subsidiaries that do not result in a loss of control".

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These assets, including subsidiaries acquired exclusively with a view to resale, are measured at the lower of their carrying amount and fair value less costs to sell, except for deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell the asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operation, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated income statement.

Loss of control

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

Critical judgment

Adevinta was the acquiring party in eBay Classifieds Group business combination as it was the formal acquiring party; part of the consideration was paid by Adevinta in cash; management from Adevinta continued their positions after the transaction and Schibsted was Adevinta's largest shareholder immediately after the transaction.

Note 4: Changes in the composition of the group continued

Business combinations

Adevinta invested €11 million in 2022 (€2,177 million in 2021) to acquire businesses (business combinations). The amount comprises the net cash consideration transferred reduced by cash and cash equivalents of the acquirees. In 2021, Adevinta paid €2 million of contingent consideration related to the prior year's business combinations.

On 18 March 2022, Adevinta completed the acquisition of Null-Leasing DSB Deutschland GmbH, a provider of digital leasing services in Germany. The transaction enables Adevinta to expand its offering as it looks to further build on its existing suite of products and services. The consideration transferred for the acquisition was €14 million, €10 million were paid in cash at acquisition date, €1 million of deferred consideration was paid in July 2022 and €3 million correspond to contingent consideration at acquisition date (see contingent consideration section). Most of the purchase price is allocated to goodwill. The goodwill recognised upon the acquisition of Null-Leasing is mainly attributable to the value of expected synergies with mobile.de and to the workforce and know-how of the company acquired. The goodwill recognised is not expected to be deductible for income tax purposes.

On 25 June 2021, Adevinta completed the acquisition of eBay Classifieds Group (eCG), 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. Adevinta and eBay Classifieds are highly complementary businesses and Adevinta expects to benefit from synergies, including across vertical and generalist online classifieds sites.

The table below summarises the consideration transferred:

	€ million
Consideration:	
Cash	2,153
Adevinta's shares issued	9,023
Cash flow hedge reserve released	88
Consideration transferred	**11,264**

The consideration transferred included cash consideration of USD 2,500 million, 539,994,479 Adevinta shares, a closing cash adjustment of USD 54 million and a post-closing cash adjustment of USD 16 million.

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 and USD 16 million translated on 24 November 2021 closing rate of USD/EUR 1.2071.

The fair value of the 539,994,479 shares issued as part of the consideration transferred (€9,023 million) was based on Adevinta's Norwegian Krone closing share price on 24 June 2021 of NOK170 per share translated into Euro at 24 June 2021 closing rate of NOK/EUR 10.174. Issue costs of €0 million which were directly attributable to the issue of the shares were netted against the deemed proceeds.

On 24 June 2021 the valuation of the deal-contingent forwards entered in respect of the cash consideration for the forecasted acquisition of eCG (note 25) with an aggregate notional amount of USD 2,500 million was negative by €95 million of which €88 million was recognised in equity as a hedge reserve. When the hedging instruments were settled immediately prior to the acquisition, the hedge reserve accumulated in equity was included as part of the consideration transferred.

Note 4: Changes in the composition of the group continued

The table below summarises the amounts recognised for assets acquired and liabilities assumed:

Amounts for assets and liabilities recognised:	€ million
Cash	66
Trade and other receivables	108
Corporate income tax receivable	7
PPE and right-of-use assets	35
Intangible assets: trademarks	3,351
Intangible assets: customer contracts	497
Intangible assets: technology	276
Intangible assets: others	4
Long-term investments	0
Deferred tax assets	148
Assets classified as held for sale	333
Current liabilities	(154)
Deferred tax liabilities	(897)
Other non-current liabilities	(11)
Liabilities directly associated with assets classified as held for sale	(25)
Total identifiable net assets acquired	**3,738**
Goodwill	7,526
Consideration transferred	**11,264**

The fair value of the acquired receivables was €108 million, of which €49 million are trade receivables. There was no material difference between the gross contractual amount receivable and the fair value of the receivables. The assumed lease liabilities were measured using the present value of the remaining lease payments at the date of acquisition. The acquired right-of-use assets were measured at an amount equal to the lease liabilities. In calculating the present value of lease payments, Adevinta used its incremental borrowing rate at acquisition date because the interest rate implicit in the leases were not readily determinable.

The goodwill recognised connected with the acquisition of eBay Classifieds Group in 2021 is attributable to the workforce, future customer growth and synergies, including across vertical and generalist online classifieds sites. The goodwill recognised is not expected to be deductible for income tax purposes.

In 2021, eCG contributed €384 million to operating revenues and contributed positively to consolidated profit (loss) from continuing operations by €45 million. If the acquisition date of the business combination was at 1 January 2021, the operating revenues and profit (loss) for continuing operations of Adevinta would have been €1,521 million and €(47) million, respectively in 2021.

Note 4: Changes in the composition of the group continued

In December 2021, Adevinta completed the acquisition of Pixie Pixel, S.L., a Spanish real estate valuation tool which will integrate with the real estate vertical Fotocasa, part of Adevinta Spain. The acquisition follows years of collaboration between Fotocasa and PixiePixel in building DataVenues, a cross-platform tool for property valuation. The consideration transferred for the acquisition was €5 million, €2 million were paid in cash at acquisition date and €3 million correspond to contingent consideration (see contingent consideration section). The goodwill of €5 million recognised in the acquisition of Pixie Pixel, S.L. is mainly attributable to the value of expected synergies with Adevinta Spain, SLU (Fotocasa) and to the workforce and know-how of the company acquired. The goodwill recognised is not expected to be deductible for income tax purposes.

The business combinations carried out in 2022 and 2021 are part of Adevinta's growth strategy and the businesses acquired were identified as being a good strategic fit with existing operations within Adevinta.

Consideration transferred – cash outflow

Cash outflow to acquire Null Leasing, net of cash acquired, amounted to €11 million in 2022.

Cash outflow to acquire eBay Classifieds Group, net of cash acquired, was as follows in 2021:

	€ 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 transferred for eBay Classifieds Group was paid to the seller by the banks providing new financing. The banks were acting as agents of Adevinta and the payments were assessed to be cash payments made by Adevinta.

In addition, acquisition-related costs that were not directly attributable to the issue of shares are included in net cash flow operating activities in the Consolidated statement of cash flows.

Cash outflow to acquire Pixie Pixel, S.L., net of cash acquired, amounted to €2 million in 2021.

The subsidiary acquired in 2022, Null-Leasing DSB Deutschland GmbH, is included in the Mobile.de operating segment. For the subsidiaries acquired in 2021, all the entities of eCG were included in the Mobile.de, European Markets and International Markets operating segments and Pixie Pixel, S.L. was included in European Markets.

Acquisition-related costs of €3 million (€49 million in 2021) related to business combinations are recognised in profit or loss in line item "Other expenses" (note 11).

Note 4: Changes in the composition of the group continued

Contingent consideration

A contingent consideration was agreed as part of the purchase agreement with the previous owners of Null-Leasing DSB Deutschland GmbH. The contingent consideration is limited to two cash payments to be made in 2024 and 2025 respectively and will be calculated on the combined leasing revenues for each period. As at December 2022, the fair value of the contingent consideration is estimated to be €3 million.

A contingent consideration was agreed as part of the purchase agreement with the previous owners of Pixie Pixel, S.L. The contingent consideration is limited to two cash payments to be made in 2023 and 2024. Each payment is capped at €2 million and €1 million respectively and will be calculated on the achievement of certain targets for each period. As at December 2022, the fair value of the contingent consideration is estimated to be €3 million.

Disposal of subsidiaries

On 30 March 2022, Adevinta announced the completion of the sale of its 76.2% stake in InfoJobs Brazil, the largest jobs marketplace in Brazil, to Redarbor, the leading company in job marketplaces in Latin America with the purpose of connecting companies to top talent across the region. The sale resulted in a gain of €22 million presented in Other income, of which €3 million is reclassification of foreign currency translation reserve, with no impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €7 million and €7 million respectively, of which €2 million was intangible assets and €3 million was trade receivables and other current assets.

When Adevinta announced its strategy of 'Growing at Scale' in November 2021, the company identified Belarus as one of its operations to be placed under review. In light of the recent developments in Ukraine this review was accelerated and Adevinta decided to exit Kufar, its classifieds business in Belarus, while focusing on its five core European Markets (Germany, France, Spain, Benelux and Italy). On 20 May 2022, Adevinta completed the transfer of 100% of Kufar shares to the existing local team. The transfer resulted in a loss of €1 million presented in Other expenses, with no impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €2 million and €2 million respectively, of which €1 million was intangible assets and €1 million was cash and cash equivalents.

In November 2021, Mexico was also identified as one of its operations to be placed under review. Subsequently, on 24 May 2022 Adevinta announced its decision to exit Mexico. On 26 September 2022, Adevinta announced the completion of the sale of its Mexican online classified businesses to Navent Group, an operator of online real estate marketplaces in Latin America. The sale resulted in a loss of €5 million presented in Other expenses of which €(5) million is reclassification of foreign currency translation reserve, with no impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €13 million and €5 million respectively, of which €9 million was intangible assets and €2 million was trade receivables and other current assets.

In February 2021, Adevinta sold its subsidiary Yapo (Chile) to Frontier Digital Ventures (FDV), a company specialising in online marketplaces in emerging markets. The disposal was in line with Adevinta's portfolio optimization strategy. The sale resulted in a loss of €11 million presented in Other expenses (note 11), of which €10 million is reclassification of foreign currency translation reserve, with no impact on income tax. The carrying amount of assets and liabilities as at the date of sale (24 February 2021) were €20 million and €3 million respectively, of which €18 million was intangible assets and €1 million cash.

In June 2021, Adevinta sold Shpock (Austria) to Russmedia Equity Partners. The disposal was related to remedies proposed by Adevinta and eBay to address the Austrian Federal Competition Authorities (the "FCA") concern that Adevinta's acquisition of eCG could potentially lessen competition in the Austrian market between eBay.at and willhaben, Adevinta's joint venture business in Austria.

Upon classifying Shpock disposal group as held for sale in March 2021 the disposal group was measured at the lower of its carrying amount and fair value less costs to sell resulting in an impairment loss of €20 million, which was allocated to goodwill (€2 million) and other intangible assets (€18 million). Related deferred tax liabilities of €5 million were derecognised. The sale resulted in a loss of €33 million, with no impact on income tax, due to the restructuring required to execute the terms of the sales agreement, the loss on disposal was presented in Other expenses (note 11). The carrying amount of assets and liabilities as at the date of sale (2 June 2021) were €38 million and €5 million respectively, of which €9 million was intangible assets and €27 million cash.

Note 4: Changes in the composition of the group continued
In June 2021, immediately after the acquisition of eCG, Adevinta sold its subsidiary eBay Denmark 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. As at the date of sale, the fair value less costs of disposal of eBay Denmark was €295 million, the fair value of assets and liabilities were €301 million and €6 million, respectively.

Discontinued operations
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 was expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa were available for immediate sale in their present condition and their sale was highly probable. Therefore, these subsidiaries were classified as held for sale and were measured at the lower of its carrying amount and fair value less costs to sell. In relation to this, an impairment loss was recognised in the second quarter of 2022 amounting to €29 million. Furthermore, these operations constitute major geographical locations and are therefore classified as discontinued operations.

On 25 August 2022, Adevinta signed an agreement for the sale of Gumtree Australia, CarsGuide and Autotrader Australia to The Market Herald for a total cash consideration of USD60 million. The transaction was closed in October 2022. The sale resulted in a gain of €6 million presented in Profit (loss) from discontinued operations, of which €2 million is the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €82 million and €26 million respectively, of which €62 million was intangible assets and €16 million was deferred tax liabilities.

On 23 November 2022, Adevinta signed an agreement for the sale of Gumtree South Africa. The economic ownership of the business was transferred on 1 December 2022.The sale resulted in a gain of €0 million presented in Profit (loss) from discontinued operations, of which €0 million is the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €1 million and €2 million respectively.

The result of discontinued operations was in 2022 negatively impacted by derecognition of deferred tax assets of €33 million related to the IP sold together with the businesses in Australia and South Africa.

In November 2021, Adevinta sold its subsidiaries Gumtree UK and Motors.co.uk to Classifieds Group Limited. The disposal was related to a previous agreement with the UK's Competition and Market Authority ("CMA") for approval of Adevinta's acquisition of eCG. Gumtree UK and Motors.co.uk were classified as subsidiaries acquired exclusively with a view to resale upon acquisition on 25 June 2021. These businesses' net assets were classified as held for sale and measured at estimated fair value less costs to sell and their operations are presented as discontinued operations. 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 2021. The carrying amount of assets and liabilities as at the date of sale (30 November 2021) were €34 million and €29 million, respectively.

Note 4: Changes in the composition of the group continued

The financial performance and cash flow information related to the discontinued operations in 2022 and for the period from 25 June to 31 December 2021 (column 2021) are disclosed below:

	€ million	
	2022	2021
Revenue	48	71
Operating expenses	(46)	(59)
Gross operating profit/(loss)	**3**	**12**
Depreciation and other income & expenses	(11)	(2)
Gain/(loss) on sale of subsidiaries	8	2
Impairment loss recognised on remeasurement to fair value less costs to sell	(28)	(5)
Profit/(loss) before income tax	**(28)**	**7**
Income tax benefit/(expense)	(29)	(0)
Profit/(loss) after income tax	**(57)**	**7**
Profit/(loss) from discontinued operations (attributable to owners of the parent)	**(57)**	**7**
Exchange differences on translation	–	0

	€	
	2022	2021
Basic	(0.05)	0.00
Diluted	(0.05)	0.00

	€ million	
	2022	2021
Net cash flow from operating activities	(20)	7
Net cash flow from investing activities (2022: includes an inflow of €11 million related to the sale of Gumtree Australia; 2021: includes an inflow of €4 million and a cash outflow of €12 million both related to the sale of Gumtree UK and Motors.co.uk)	12	(8)
Net cash flow from financing activities	(1)	(1)
Net cash (outflow)/inflow	**(9)**	**(2)**

Other changes in the composition of Adevinta

In 2021, SAS SNEEP paid €1 million related to prior year's business combinations (note 20) and LBC France, SASU paid €1 million exercising the options agreed as part of the purchase agreement with the previous owners of PayCar SAS (note 20). The latter payment resulted in Adevinta's ownership in PayCar SAS increasing from 69.8% in 2020 to 100.0% in 2021.

Note 5: Investments in joint ventures and associates

Policy

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

An associate is an entity over which Adevinta, directly or indirectly through subsidiaries, has significant influence. Significant influence is normally presumed to exist when Adevinta controls 20% or more of the voting power of the investee. Significant influence can also be demonstrated when the Group is entitled to be a Board member, even if ownership interest is below 20%.

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

Equity method

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 15.

Significant judgement

The Group is guaranteed one seat on the board of Younited SA and participates in all significant financial and operating decisions. The Group has therefore determined that it has significant influence over this entity, even though it only holds 7.8% of the voting rights.

Changes in ownership

The use of the equity method is discontinued from the date an investment ceases to be a joint venture or an associate. Any retained interest in the entity is remeasured to its fair value, with the changes in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. The difference between the total of the fair value of this retained interest and any proceeds from disposing a partial interest in a joint venture or an associate, and the carrying amount of the investment, is recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If Adevinta's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, a gain or loss from the partial disposal is recognised in profit or loss. The retained interest is not remeasured. Only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Note 5: Investments in joint ventures and associates continued

	2022			2021		
Development in net carrying amount	Joint ventures	Associates	Total	Joint ventures	Associates	Total
As at 1 January	**337**	**33**	**370**	**342**	**27**	**369**
Partial conversion of the loan (note 18)	76	–	76	–	–	–
Share of profit (loss)	**(119)**	**(2)**	**(121)**	**(6)**	**(2)**	**(8)**
Gain	–	4	4	–	7	7
Dividends received and capital repayments	(3)	(0)	(3)	(2)	(1)	(3)
Other comprehensive income attributable to owners of the parent	–	–	–	–	1	1
Translation differences	39	1	40	3	1	5
As at 31 December	**331**	**35**	**366**	**337**	**33**	**370**
Of which presented in Investments in joint ventures and associates	331	35	366	337	33	370

Share of loss of joint ventures and associates amounted to €121 million in 2022 (€8 million loss in 2021), mainly driven by lower results in Brazil due to an impairment loss amounting to €80 million, mostly attributable to revised growth trajectory of the business accompanied by increased market interest rates affecting the WACC applied for the impairment assessment, and a decrease in deferred tax assets amounting to €16 million after reassessing their recoverability.

In 2022, a gain of dilution on Younited of €4 million has been recognised in Other income and expenses (2021: a gain of €7 million). Interest held in Younited has decreased from 10.5% in 2020 to 8.4% in 2021 and to 7.8% in 2022.

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

		2022			2021		
	Country of incorporation	Interest held	Joint ventures	Associates	Interest held	Joint ventures	Associates
Silver Brazil JVCO BV	Netherlands	50.0%	321	–	50.0%	329	–
willhaben internet service GmbH	Austria	50.0%	9	–	50.0%	8	–
Younited SA	France	7.8%	–	17	8.4%	–	16
703 Search BV	Netherlands	31.5%	–	18	31.5%	–	17
Other			–	0		–	0
Carrying amount as at 31 December			**331**	**35**		**337**	**33**

Note 5: Investments in joint ventures and associates continued
Description of the business of the joint ventures and associates:

Silver Brazil JVCO BV	Operates online classified sites in Brazil (olx.com.br, Anapro.com.br, suahouse.com, datazap.com.br, fipezap.com.br, zap.com.br, vivareal.com.br, conectaimobi.com.br, geoimóvel.com.br, infoprop.com.br and sohtec.com.br)
willhaben internet service GmbH	Operates online classified sites in Austria (willhaben.at, car4you.at and autopro24.at)
Younited SA	Operates peer-to-peer lending marketplaces in France, Italy and Spain (younited-credit.com, it.younited-credit.com and es.younited-credit.com)
703 Search BV	Operates as a holding company for the equity investment in Carousell and does not carry out any trading activities

The following table sets forth summarised financial information for Silver Brazil, the only material joint venture of the Group, as at 31 December:

	2022	2021
Income statement and statement of comprehensive income:		
Operating revenues	160	120
Depreciation and amortisation	(15)	(13)
Interest income	7	1
Interest expense	(56)	(19)
Taxes	(27)	4
Profit (loss)	(84)	(18)
Profit (loss) attributable to owners of the parent	(84)	(18)
Total comprehensive income attributable to owners of the parent	(84)	(18)
Share of profit (loss) before impairment of the investment in the joint venture	**(42)**	**(9)**
Impairment of the investment in the joint venture	(80)	–
Share of profit (loss)	**(122)**	**(9)**
Share of total comprehensive income	**(122)**	**(9)**
Statement of financial position:		
Goodwill	397	349
Other non-current assets	174	151
Other current assets	30	22
Cash and cash equivalents	21	28
Non-current financial liabilities (excluding trade and other payables)	(284)	(332)
Other non-current liabilities	(33)	(28)
Other current liabilities	(56)	(33)
Net assets/(liabilities)	**249**	**158**
Share of net assets/(liabilities)	124	79
Goodwill	278	250
Impairment of the investment in the joint venture	(80)	–
Carrying amount as at 31 December	**321**	**329**

Note 5: Investments in joint ventures and associates continued

The table above shows figures on a 100% basis. Variances in the income statement from 2021 to 2022 are mainly due to increases in the interest expense on the shareholder loan and taxes due to reassessment of deferred tax assets.

Note 6: Operating segments

Policy

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.

The reportable segments are France, Mobile.de, European Markets and International Markets as reportable operating segments.

- France comprises primarily Leboncoin, Agriaffaires, MachineryZone, Truckscorner, Avendrealouer, Videdressing, Locasun, PayCar and Groupe Argus.
- Mobile.de comprises Mobile.de and Null-Leasing 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 and Automobile in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary and Kufar in Belarus (sold in Q2 2022). Furthermore, Adevinta's share of the net profit (loss) of willhaben in Austria is included in operating profit (loss). While the CEO receives separate reports for each region, the markets have been aggregated into one reportable segment as they have similar economic risks as well as similar nature of services provided, distribution methods, typology of customers.
- International Markets comprises Segundamano and Vivanuncios in Mexico (sold in Q3 2022), Kijiji in Canada, Infojobs Brazil in Brazil (sold in Q1 2022) 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, Zap, and Vivareal) is included in operating profit (loss).

Disposals comprises Adevinta's divestments of 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 at arm's length.

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).

See note 7 for disaggregated revenue per reportable segment.

Note 6: Operating segments continued

Revenues and profit (loss) by operating segments

2022 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other/ Headquarters	Eliminations	Total
Revenues from third parties	492	342	681	114	–	14	–	1,644
Revenues from other segments	2	(25)	27	0	–	1	(5)	–
Revenues	**494**	**317**	**708**	**114**	**–**	**15**	**(5)**	**1,644**
Gross operating profit (loss)	**227**	**175**	**289**	**49**	**–**	**(192)**	**–**	**548**
Depreciation and amortisation	(29)	(61)	(147)	(39)	–	(24)	–	(300)
Share of profit (loss) of joint ventures and associates	(3)	–	3	(122)	–	(0)	–	(121)
Impairment loss	(0)	(411)	(506)	(802)	–	(3)	–	(1,722)
Other income and expenses	(42)	(1)	(9)	14	(2)	(72)	–	(112)
Operating profit (loss)	**154**	**(299)**	**(370)**	**(900)**	**(2)**	**(291)**	**–**	**(1,707)**

For information regarding "Other income and expenses", see note 11.

2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other/ Headquarters	Eliminations	Total
Revenues from third parties	451	151	458	67	3	9	–	1,139
Revenues from other segments	2	(11)	13	0	–	(0)	(4)	–
Revenues	**453**	**141**	**470**	**67**	**3**	**9**	**(4)**	**1,139**
Gross operating profit (loss)	**214**	**79**	**171**	**21**	**(5)**	**(122)**	**–**	**356**
Depreciation and amortisation	(27)	(39)	(63)	(10)	(1)	(18)	–	(156)
Share of profit (loss) of joint ventures and associates	(3)	–	3	(9)	–	(0)	–	(8)
Impairment loss	–	(2)	(0)	–	(20)	–	–	(22)
Other income and expenses	8	0	(5)	(0)	(47)	(96)	–	(140)
Operating profit (loss)	**192**	**38**	**106**	**2**	**(73)**	**(236)**	**–**	**29**

For information regarding "Other income and expenses", see note 11.

Note 6: Operating segments continued

Revenues and non-current assets by geographical areas

In presenting geographical information, attribution of revenues is based on the location of the companies. There are no significant differences between the attribution of revenues based on the location of companies and an attribution based on the location of customers. Revenues presented in the table below are revenues from external customers. Non-current assets are attributed based on the geographical location of the assets.

	2022	2021
Revenues		
France	492	451
Germany	549	246
Spain	217	192
Other Europe	272	183
Other countries	114	67
Total	**1,644**	**1,139**
Non-current assets		
France	1,233	1,238
Germany	7,310	8,313
Spain	661	664
Other Europe	1,326	1,400
Other countries	828	1,674
Total	**11,357**	**13,289**

The non-current assets comprise assets, excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period. Other countries consist primarily of Adevinta's businesses in Canada and Brazil.

Note 7: Revenue recognition

Policy

Adevinta recognises revenue to depict the transfer of promised goods or services to customers that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at the transaction price agreed under the contract. The non-cash consideration is measured at the fair value of the goods or services received. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the services provided.

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

Advertising

Advertising revenues are from sales of advertisement space on online sites. Advertising revenues are recognised as the ads are displayed over the specified period of time.

Note 7: Revenue recognition continued

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

Transactional services
The transactional services offer payment facilitation and delivery. Adevinta engages third parties to provide these services and assesses whether it is acting as an agent or a principal based on the terms of each arrangement with the service providers. Where Adevinta does not have control over the service before it is being transferred to the customer, Adevinta is acting as an agent and recognises revenue at the net amount that is retained for these arrangements. Conversely, where Adevinta has control over the service before it is being transferred to the customer, Adevinta is acting as a principal and recognises revenue at the gross amount.

Revenue is recognised at a point in time (i.e., upon receipt of the customer of the delivery or upon the completion of the payment facilitation).

Contract costs
Adevinta applies the optional practical expedient to immediately expense incremental commission fees paid to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. If this is the case, sales commissions are immediately recognised as an expense and included as part of other operating expenses.

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

Revenue from contracts with customers

	2022	2021
Revenue from contract with customers	1,632	1,133
Other revenues	12	6
Revenues	**1,644**	**1,139**

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

Revenue is measured at the transaction price agreed under the contract. Adevinta does not have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, Adevinta does not adjust any of the transaction prices for the time value of money.

Adevinta has no significant obligations for refunds, warranties or other similar obligations.

Note 7: Revenue recognition continued

Disaggregation of revenues

In the following table, revenue is disaggregated by category

2022 € million	France	Mobile.de	European Markets	International Markets	Other/ Headquarters	Total
Classified revenues	371	315	456	84	–	1,226
Advertising revenues	67	28	209	30	4	337
Transactional revenues	53	–	15	0	–	69
Revenues from contracts with customers	**492**	**342**	**680**	**114**	**4**	**1,632**
Revenues from lease contracts, government grants and others	0	–	1	0	11	12
Revenues from external customers	**492**	**342**	**681**	**114**	**14**	**1,644**

2021* € million	France	Mobile.de	European Markets	International Markets	Disposals	Other/ Headquarters	Total
Classified revenues	343	136	321	48	1	–	849
Advertising revenues	69	15	131	19	2	4	240
Transactional revenues	38	–	5	–	0	–	44
Revenues from contracts with customers	**451**	**151**	**457**	**67**	**3**	**4**	**1,133**
Revenues from lease contracts, government grants and others	0	–	1	0	0	5	6
Revenues from external customers	**451**	**151**	**458**	**67**	**3**	**9**	**1,139**

(*) Restated – see below for further discussion

Value-added services (includes adjacent services integrated inside the user journey, such as: financing and insurance partnerships (for Cars and RE) and headhunting and learning/experience lab (for Jobs), that are not directly related to the Classifieds products) revenues are reported within Online classifieds revenues.

Change in presentation of revenues

The group previously presented transactional revenues included in classified revenues. Management considers it to be more relevant if transactional revenues are presented in a separate line item in the disclosure due to its nature being different from classifieds. 2021 numbers have been restated by reclassifying €44 million from classified revenues to transactional revenues.

Also some other revenue items have been presented differently to reflect the way that Management monitors business performance. 2021 numbers have been restated by reclassifying €9 million corresponding to value-added services from other revenues to classified revenues and €4 million corresponding to headquarter revenues were included in other revenues, but are presented now in revenues from lease contracts, government grants and others.

Note 7: Revenue recognition continued

Contract assets and liabilities

The contract assets primarily relate to Adevinta's rights to consideration for advertisements delivered but not billed at the reporting date. No significant credit losses are expected on contract assets.

The contract liabilities relate to payments received in advance of performance under advertising and classified contracts. Contract liabilities are recognised as revenue when Adevinta performs under the contract.

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

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2022	**143**	**39**	**68**
Transfers from/to other headings	(3)	1	2
Net of cash received and revenues recognised during the period from continuing operations	(12)	38	(1)
Transfer from contract assets recognised at the beginning of the period to receivables	39	(39)	–
Acquisitions through business combinations (note 4)	0	–	0
Disposals through sales of businesses	(3)	–	(3)
Impairment losses recognised during the period from continuing operations	(7)	–	–
Reclassification to assets held for sale	(1)	(0)	(1)
Translation differences	1	0	0
Balance as at 31 December 2022	**157**	**39**	**66**

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2021	**85**	**6**	**58**
Net of cash received and revenues recognised during the period from continuing operations	9	11	7
Net of cash received and revenues recognised during the period from discontinued operations	2	0	(0)
Transfer from contract assets recognised at the beginning of the period to receivables	6	(6)	–
Acquisitions through business combinations (note 4)	50	33	3
Disposals through sales of businesses	(2)	(0)	(0)
Impairment losses recognised during the period from continuing operations	(3)	–	–
Impairment losses recognised during the period from discontinued operations	(0)	–	–
Reclassification to assets held for sale	(4)	(5)	(0)
Translation differences	0	0	0
Balance as at 31 December 2021	**143**	**39**	**68**

Note 7: Revenue recognition continued

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

Contract costs

In 2022 and 2021, no significant incremental commission fees were capitalised and no impairment loss related to capitalised contract costs was recognised.

Note 8: Other operating expenses

	2022	2021
Commissions	19	14
Rent, maintenance, office expenses and energy	19	13
Marketing expenses	193	155
Professional fees	183	108
Travelling expenses	9	3
IT expenses	123	75
Digital services tax	14	2
Other expenses	53	45
Total	**613**	**415**

The increase in Other operating expenses in 2022 is mainly due to the acquisition of eBay Classifieds Group in June 2021, which included 6 months of these types of expenses in 2021, increased by continued scaled build-up of global capabilities with the implementation of new operating models for support functions and Product and Technology teams, and to accelerate new business model development and value creation (related expenses mainly included in Professional fees and IT expenses).

The increase in marketing expenses due to acquisition of eBay Classifieds Group has been partially offset by lower marketing investment, driven by different phasing, spend discipline and prioritisation. The increase in other expenses is mainly due to higher direct costs from transactional services (such as payment and shipping service provider costs), in line with the adoption of the service and revenue growth.

Note 9: Personnel expenses and remuneration

	2022	2021
Salaries and wages	397	283
Social security costs	84	72
Net defined benefit expense	3	2
Net defined contribution expense	5	2
Share-based payment	33	31
Other personnel expenses[1]	(23)	(19)
Termination benefits	17	5
Total	**516**	**376**
Average number of full-time equivalents	5,444	4,469

(1) Other personnel expenses are deducted with the amount of capitalised salaries, wages and social security.

Note 9: Personnel expenses and remuneration continued

From total personnel expenses and remuneration, €483 million are presented in Personnel expenses (€368 million in 2021) and €34 million are presented in Other expenses (€8 million in 2021) in the Consolidated income statement of which the amounts included in Other expenses relate to restructuring and integration-related costs (note 11).

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

	2022	2021
Salary including holiday pay	3,388	2,711
Variable pay	2,328	3,735
Share-based payments (earned)[1,2]	5,444	3,328
Other benefits	568	415
Accrued pension expense	1,678	371
Termination benefits	3,700	–
Total	**17,107**	**10,561**

[1] Cost details and valuation of share-based payment are disclosed in note 10.
[2] Shared-based payment is the accrued amounts related to 2022 and 2021 (the amounts do not necessarily reflect actual shares transferred or cash payments) for the Schibsted legacy programmes and Adevinta programmes. For further details see note 10.
* Group Management composition at 31 December 2022: Antoine Jouteau (CEO), Uvashni Raman (CFO), Alex Alexander (Chief Product and Technology Officer), Nicki Dexter (Chief People and Communications Officer), Ajay Bhatia (CEO Mobile.de), Gianpaolo Santorsola (EVP European Markets) and Zac Candelario (EVP International Markets). In addition, from 1 January to 14 August 2022 Rolv Erik Ryssdal (CEO), 1 January 2022 to 18 April 2022 Renaud Bruyeron (Chief Product and Technology Officer (Interim)) and from 1 January 2022 to 31 July 2022 Patricia Lobinger (CEO Mobile.de (interim)) were part of Group Management.
* Group Management composition at 31 December 2021: Rolv Erik Ryssdal (CEO), Uvashni Raman (CFO), Renaud Bruyeron (Chief Product and Technology Officer (Interim)), Nicki Dexter (Chief People and Communications Officer), Antoine Jouteau (CEO Adevinta France), Patricia Lobinger (CEO Mobile.de (interim)), Gianpaolo Santorsola (EVP European Markets) and Zac Candelario (EVP International Markets). In addition, from 1 January 2021 to 26 June 2021 Ovidiu Solomonov (SVP Global Markets) and from 26 June 2021 to 26 October 2021 Malte Krueger (CEO Mobile.de) were part of Group Management.

Some of the members receive salaries in other currencies than €. Average annual exchange rates are used to translate the number in the table above into €.

Remuneration[1] to the Board of Directors (in €1,000):

	2022	2021
Board remuneration	533	513
Remuneration Committee	26	25
Audit Committee	37	36
Integration Committee	37	36
Nomination Committee	27	26
CEO Succession Committee	26	–
Total	**687**	**636**

[1] The 2022 remuneration refers to agreed remuneration for 2022, 50% was paid in 2022 and 50% is due to be paid in 2023. The 2021 remuneration refers to agreed remuneration for 2021, 50% was paid in 2021 and 50% was paid in 2022.

For further information regarding management remuneration please see Adevinta 2022 Remuneration Report that will be published in relation to the Annual General Meeting scheduled to be held in June 2023.

Note 10: Share-based payment

Policy

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

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

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

Long-term incentive plans

The senior employees of Adevinta including the Adevinta executive management team were granted in June 2019 (with effect from 10 April 2019) a so-called Transition Award, LTI, SEP and the Adevinta Performance Share Plan (PSP).

In May 2020, the Adevinta PSP for 2020 was granted to senior employees of Adevinta. In July 2021, the Adevinta PSP for 2021, Merger and New Joiner awards were granted to senior employees of Adevinta. In May 2022, the Adevinta PSP for 2022, Merger and New Joiner awards were granted to senior employees of Adevinta. During June to November 2021 the Legacy Equity Plan (LEP), DAVI Plan and Spot Equity awards were granted to key management and some employees of Adevinta in relation to the acquisition of eBay Classifieds Group.

During 2022 the DAVI Plan for 2022, Spot Equity, Transition Bonus Award and Sign-On awards were granted to key management and some employees.

Employees of Adevinta can participate in the Adevinta Share Purchase Plan by purchasing Adevinta shares through their salary and receiving a matching share for free subject to certain conditions.

All amounts presented below related to long-term incentives are in connection with these schemes and with local programmes in Distilled Sch Ltd.

	2022	2021
Share-based cost (included in personnel expenses) (note 9)	**33**	**31**
Of which equity-settled	32	30
Of which cash-settled	1	1

	2022	2021
Liabilities arising from share-based payment transactions	1	3

Note 10: Share-based payment continued

Settlement of rights

Remaining awards in the SEP programme were settled in cash during 2021 with a pay-out of €0 million. The Transition award granted to some senior employees in 2019 was paid in treasury shares in April and May 2021 with a pay-out of 382,184 treasury shares. Additionally, in July 2021 2,293 treasury shares were transferred to a share custodian as part of an acceleration of the matching shares for the Shpock employees that were participating in Adevinta's employee share saving plan and in December 2021 46,696 treasury shares were transferred to the employees in relation to bonus matching shares given to employees who enrolled in the employee share saving plan.

During 2022 the following awards were settled:

- The PSP 2019 was settled in January 2022 with 684,017 treasury shares.
- The LEP was settled in April 2022 with 549,708 treasury shares, in June 2022 with 3,687 treasury shares and in October 2022 with 414,734 treasury shares.
- The New Joiner 2021 awards were settled in July 2022 with 25,822 treasury shares and in November 2022 with 10,393 treasury shares.
- The Spot equity 2021 awards were settled in November 2022 with 86,497 treasury shares.
- The Spot equity 2022 awards were settled in September 2022 with 130,233 treasury shares and in April 2022 with 11,572 treasury shares.
- In February, May, August and October 2022 40,814, 27,706, 14,126 and 14,927 treasury shares respectively were transferred to the employees in relation to bonus matching shares given to employees who enrolled in the employee share saving plan.

The Adevinta Performance Share Plan ("PSP")

In June 2019 (with effect from 10 April 2019), in May 2020 (with effect from 1 January 2020), in July 2021 (with effect from 1 January 2021), and in May 2022 (with effect from 1 January 2022) the PSP was granted to senior employees of Adevinta including the Adevinta executive management team. Under the PSP, the employees will be granted awards of Adevinta ASA shares on an annual basis. These shares will be subject to a three-year vesting period (for the Adevinta executive management team the vesting is subject to an additional holding and employment period meaning that 50% of their awards vests after three years, 25% of their awards vests after four years and the remaining 25% of their awards vests after 5 years for the 2019 and 2020 awards and the 2021 and 2022 awards vest 100% after three years but are subject to a further two year holding requirement), at the end of which they will be transferred to the employee. Under the PSP, the employee will be granted an award over Adevinta ASA shares based on their prescribed maximum opportunity under the plan (for the Adevinta executive management team the maximum amount is in the range of 175% and 300% of his/her base salary). The number of shares the employee receives will depend on the Adevinta ASA share price performance against a peer group (relative Total Shareholder Return (TSR)) over a three-year performance period. The payout mechanism related to the PSP is as follows:

- For minimum payout, Adevinta ASA shares must perform better than 50% of Adevinta ASA's peers ("median" relative TSR). If this is achieved, 25% of the shares granted to the employees under the PSP award will be transferred to the employee after the performance period.
- For maximum payout, Adevinta ASA shares must perform better than 75% of Adevinta ASA's peers ("upper quartile" relative TSR). If this is achieved, 100% of the shares granted to the employee under the PSP award will "vest" and be transferred to the employee.
- The payout is linear between the minimum and maximum payout.

The terms of the PSP Awards granted in 2020 and vested on 31 December 2022, were modified on 3 May 2022. Prior to the modification, the terms of awards were the same as for the 2022 Grant under the PSP (described above), with a TSR measurement period of 30 calendar days. For executives, EPSP Awards granted in 2020 are not subject to the EPSP Holding Period and 50% vested on 31 December 2022, 25% vest on 31 December 2023 and the final 25% vest on 31 December 2024, subject to the executive staying in employment with the Group (note that the TSR performance condition is measured with reference to the performance period to 31 December 2022 for all tranches). Pursuant to the modification, a minimum of 25% of the EPSP and NPSP Awards granted in May 2020 will vest. For TSR performance between median and upper-quartile, straight line vesting will apply from 25% vesting to 100% vesting as applied to the original award.

Note 10: Share-based payment continued

The fair value of shares granted has been estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options have been granted. The model simulates the TSR and compares it against a group of peers. It takes into account the projection period, the share price (Adevinta ASA share price) at grant date, the risk-free interest rate, the dividend yield, the share price volatility of both Adevinta ASA and the peer group, future expected correlation of comparators' TSR and initial TSR performance.

The peer group regarding the PSP is the group of companies in the STOXX Europe 600 Index (Europe's 600 largest listed companies that are between half and twice the size of Adevinta ASA, as measured by market capitalisation at date of grant). The total fair value of the PSP granted in 2019, 2020, 2021 and 2022 was estimated at the grant date to be €9 million, €4 million, €13 million and €1 million, respectively, which will be expensed over the vesting period subject to forfeiture.

Legacy equity plan ("LEP")

The LEP awards were granted on 6 August 2021 and will vest in installments as set out below. Awards under the LEP were issued to employees of eBay Classifieds Group as a voluntary replacement of the unvested awards previously issued by eBay (eCG's former parent company), which lapsed and were forfeited as a result of Adevinta ASA's acquisition of eBay Classifieds Group.

LEP – Executive awards ("ELEP")

For executives, 100% of the LEP awards will vest subject to a relative TSR performance condition which is applied following the end of each performance period, as follows:

- Tranche 1: on 31 March 2022
- Tranche 2: on 31 March 2023
- Tranche 3: on 31 March 2024
- Tranche 4: on 31 March 2025

Under the relative TSR performance condition, over each performance period commencing on 25 June 2021 and ending on the dates specified above, the growth in Adevinta's TSR will be compared to the growth in the TSR of the constituents of the Comparator Group (determined in the same way as the PSP Awards). If the TSR of Adevinta from the grant date to the end of the relevant Performance Period is equal to or greater than that achieved by the median company in the Comparator Group, 100% of the LEP awards will vest. Otherwise, 75% of the LEP awards will lapse and, unless the CEO determines otherwise, the remaining 25% of the LEP awards will also lapse. TSR growth is measured using the average TSR in the 30-calendar day period from 25 June 2021 and 30 calendar day period preceding the end of the performance period.

The fair value of shares granted has been estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options have been granted. The model simulates the TSR and compares it against a group of peers. It takes into account the projection period, the share price (Adevinta ASA share price) at grant date, the risk-free interest rate, the dividend yield, the share price volatility of both Adevinta ASA and the peer group, future expected correlation of comparators' TSR and initial TSR performance.

Note 10: Share-based payment continued

LEP – Non-executive awards ("NLEP")

For non-executives, the LEP awards are not subject to any performance conditions and will vest as follows:

- Tranche 1: on 31 March 2022
- Tranche 2: on 30 September 2022
- Tranche 3: on 31 March 2023
- Tranche 4: on 30 September 2023
- Tranche 5: on 31 March 2024
- Tranche 6: on 30 September 2024
- Tranche 7: on 31 March 2025

The total fair value of the LEP awards was estimated at the grant date to be €59 million which will be expensed over the vesting period subject to forfeiture.

Merger awards

The 2021 merger awards were granted on 12 July 2021 and will vest on 31 December 2023 and are not subject to any performance targets.

The 2022 merger awards were granted on 10 May 2022 and will vest on 31 December 2024 and are not subject to any performance targets.

Merger awards – Executive ("EMA")

For executives, the Merger awards are subject to a minimum shareholding requirement (a non-vesting condition) and to a two-year holding period from the date of vesting.

During the EMA holding period, employees may not dispose of any plan shares which vest except to cover any income tax or social security contributions arising on the vesting of the executive merger awards. If the employee leaves during this period, they do not forfeit their right to the vested shares, however it does not accelerate completion of the EMA Holding Period.

Merger Awards – Non-Executive ("NEMA")

For non-executives, the Merger awards are not subject to a minimum shareholding requirement nor holding period.

The total fair value of the Merger awards was estimated at the grant date in 2021 and 2022 to be €5 million and €5 million, respectively, which will be expensed over the vesting period subject to forfeiture.

New Joiner awards

The New Joiner awards 2021 were granted on 12 July 2021 and have vested on 12 July 2022 and are not subject to any performance targets.

The New Joiner Awards 2022 were granted in May 2022 and will vest in two tranches, the first half will vest one year from grant, and the second half will vest two years from grant. New Joiner Awards 2022 are not subject to any performance targets.

The total fair value of the New Joiner awards was estimated at the grant date in 2021 and 2022 to be €1 million and €0 million, respectively, which will be expensed over the vesting period subject to forfeiture.

Note 10: Share-based payment continued

Deferred Annual Variable Incentive award (“ DAVI awards”)

Under the DAVI awards, employees are issued a conditional award over Adevinta shares following the outcome of a one-year performance period (“DAVI performance period”) where two types of non-market-based performance targets apply, being financial targets and strategic targets (both non-market conditions under IFRS 2).

Subject to continued employment, 50% of the shares will vest on the first anniversary after the end of the performance period and 50% of the shares will vest on the second anniversary after the end of the performance period.

The performance period of the DAVI 2021 awards started on 25 June 2021 and ended on 31 December 2021.

In March 2022 the new DAVI 2022 award was issued to selected employees with similar conditions as the DAVI 2021 awards. The performance period of the DAVI 2022 awards started on 1 January 2022 and ended on 31 December 2022.

The total fair value of the DAVI awards was estimated at the grant date in 2021 and 2022 to be €14 million and €19 million, respectively, which will be expensed over the vesting period subject to forfeiture.

Spot Equity awards

The Spot Equity 2021 awards were granted on 1 November 2021. Subject to continued employment, 50% of the shares will vest on the first anniversary of the grant date and 50% of shares will vest on the second anniversary of the grant date.

The Spot Equity 2022 awards were granted on 1 March 2022 with immediate vest. On 1 June 2022 Spot Equity awards were granted with vesting being subject to continued employment and 50% of the shares will vest on the first anniversary of the grant date and 50% of shares will vest on the second anniversary of the grant date. On 1 August 2022 Spot equity awards were granted with vesting being subject to continued employment and 1/3 of the shares had immediate vest, 1/3 of the shares will vest on the first anniversary of the grant date and 1/3 of shares will vest on the second anniversary of the grant date.

The total fair value of the Spot equity awards was estimated at the grant date in 2021 and 2022 to be €3 million and €6 million, respectively, which will be expensed over the vesting period subject to forfeiture.

Transition bonus awards

The Transition bonus award was granted on 1 March 2022 to some employees in Mobile and it falls under the rules of the DAVI Plan. Subject to continued employment, 50% of the shares will vest on the first anniversary after the end of the performance period and 50% of the shares will vest on the second anniversary after the end of the performance period.

The total fair value of the Transition bonus awards was estimated at the grant date in 2022 to be €1 million, which will be expensed over the vesting period subject to forfeiture.

The Adevinta Share Purchase Plan (“ASPP”)

Adevinta employees can participate in the Adevinta Share Purchase Plan (ASPP). As a participant of the ASPP, Adevinta employees have the opportunity to purchase Adevinta ASA shares through contributions from their salary (“Purchased Shares”) and receive a Company matching award of free shares in proportion to their Purchased Shares (“Matching Share Award”), subject to the employee remaining an Adevinta employee and not selling the Purchased Shares for a period of two years. The maximum contribution an employee may make each year will be €7,500 or an amount equal to 5% of their gross salary (if lower). For the enrolment in the ASPP until mid-September 2019 the employees’ Matching Share Award comprised two shares for every Purchased Share. Thereafter, the Matching Share Award comprises one share for every Purchased Share.

Note 10: Share-based payment continued

Shares granted, not vested

The table below includes the development in shares for programmes to be settled in equity that have been granted in Adevinta ASA shares during 2022, 2021, 2020 and 2019. It does not include the KCP and the SEP programmes as they were settled in cash according to the value of the outstanding Schibsted shares held by the participants as of the date of modification of these schemes.

Number of Adevinta shares in share-based payment programmes:

	2022	2021
Number of shares granted, non-vested at 1 January	1,772,817	2,972,659
Number of shares granted	4,257,808	5,399,402
Number of shares forfeited	(2,058,547)	(682,579)
Number of shares vested	(2,014,236)	(431,173)
Number of shares converted into cash	(99,927)	(11,298)
Adjustments of shares granted(*)	2,057,779	(5,474,194)
Number of shares non-vested at 31 December	**3,915,694**	**1,772,817**
Weighted average share price at vesting date for awards vested during the year (NOK per share)	80.2	133.3
Weighted average fair value at grant date for awards granted during the year (NOK per share)	65.0	154.6

(*) Adjustment of shares granted mainly reflects changes in estimates during the vesting period of the number of shares to be paid compared to the number of shares to be paid estimated on the grant date. The adjustments are due to changes in expected achievement of performance conditions.

In 2022 and 2021, the accounting effects of the share-based payment programmes were as follows:

2022	Personnel cost	Increase in equity	Increase in liabilities
PSP 2019	1	1	–
PSP 2020	2	2	–
PSP 2021	4	4	–
PSP 2022	0	0	–
LEP award	9	9	0
Merger award 2021	1	1	–
Merger award 2022	1	1	–
New joiner award 2021 and 2022	0	0	–
DAVI award 2021	3	3	0
DAVI award 2022	6	6	0
Spot equity award	3	3	–
Transition bonus award	1	1	–
Employee share saving plan	1	1	(0)
Total	**33**	**32**	**1**

Note 10: Share-based payment continued

2021	Personnel cost	Increase in equity	Increase in liabilities
PSP 2019	2	2	0
PSP 2020	1	1	0
PSP 2021	2	2	0
LEP award	19	18	1
Merger award 2021	1	1	0
New joiner award 2021	0	0	0
DAVI award 2021	3	3	0
Spot equity award 2021	0	0	0
LTI and transition award	0	0	0
Employee share saving plan	1	1	0
Total	**31**	**27**	**2**

Note 11: Other income and expenses

Significant judgement

Income and expenses presented within "Other income and expenses" are characterised by being transactions and events not considered by management to be reliable indicators of underlying operations. Management believes that these items are normally not recurring, and therefore presenting them separately provides useful information. Other income and expenses include items such as restructuring costs, integration-related costs, acquisition- and divestment-related costs, gains or losses on sale or remeasurement of assets, investments or operations and other expenses. Acquisition- and divestment-related costs may include both costs related to transactions done and transactions that were not completed.

	2022	2021*
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates (note 4 and 5)	25	8
Other	12	0
Other income or gain	**37**	**8**
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates (note 4 and 5)	(7)	(44)
Restructuring costs	(17)	(5)
Digital services tax related to previous years	(28)	–
Acquisition- and divestment-related costs (note 4)	(3)	(49)
Integration-related costs	(87)	(47)
Gain (loss) on sale of intangible assets and property, plant & equipment	(0)	(1)
Other	(7)	(2)
Other expenses or loss	**(149)**	**(148)**
Total	**(112)**	**(140)**

* Restated – please see explanation below

Note 11: Other income and expenses continued

Change in presentation of other income and other expenses

The group previously presented Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates on a net basis. Management considers it to be more relevant to disclose separately the gains and the losses. 2021 numbers have been restated by reclassifying €8 million from Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates in Other expenses or loss to the same line item in Other income or gain.

Gain on sale and remeasurement of subsidiaries, joint ventures and associates of €25 million in 2022 relate to the gain on sale of InfoJobs Brazil (€22 million) and the gain on dilution of Younited (€4 million). In 2021 this line item mainly relates to the gain on dilution of Younited (€7 million).

Other income of €12 million in 2022 is mainly related to the VAT claim that was cash collected in 2022 amounting to €11 million related to costs incurred due to the acquisition and integration of eBay Classifieds Group.

Loss on sale and remeasurement of subsidiaries, joint ventures and associates of €7 million in 2022 relates mainly to the loss on the sale of the Mexican business (€5 million) and the loss on the sale of Kufar (Belarus) of €1 million and Shpock (Austria) (€1 million). In 2021 this line item mainly relates to the loss on sale of the business in Chile (€11 million) and Shpock (Austria) (€33 million).

Acquisition-related costs of €3 million and integration-related costs of €87 million in 2022 (€49 million and €47 million respectively in 2021) mainly relate to the acquisition of eBay Classifieds Group.

Digital Services Tax related to previous years of €28 million in 2022 relate to the digital services tax in France for the period 2019 to 2021.

Restructuring costs of €17 million in 2022 (€5 million in 2021) consist primarily of costs from restructuring processes in France.

Note 12: Financial items

	2022	2021
Interest income	26	9
Net foreign exchange gain	28	–
Gain on sale of equity instruments	(0)	3
Other financial income	0	1
Total financial income	**54**	**14**
Interest expense	(77)	(60)
Net foreign exchange loss	–	(2)
Other financial expenses	(26)	(15)
Total financial expenses	**(103)**	**(78)**
Net financial items	**(49)**	**(65)**

Note 12: Financial items continued

Interest expense consists of:

	2022	2021
Interest on Senior Security Notes (note 23)	(29)	(30)
Interest on EUR TLB (note 23)	(30)	(15)
Interest on USD TLB (note 23)	(13)	(7)
Interest on lease liabilities (note 31)	(2)	(2)
Interest on put options (note 20 and 24)	0	(0)
Interest expense on other borrowings measured at amortised cost	(2)	(6)
Total interest expense	**(77)**	**(60)**

In 2022, €26 million (€9 million in 2021) interest income relates to the loan denominated in Brazilian real granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda in 2020 (note 22) and €3 million gain on sale of equity instruments in 2021 relates to the sale of the shares in Bipi Mobility, S.L. (note 18).

In 2022 and 2021 the interest expenses are mainly related to new financing obtained in connection to the eCG acquisition (note 23). Other financial expenses in 2022 and 2021 are mainly due to amortisation of the costs directly attributable to the issue of the new financing using the effective interest method amounting to €22 million and €12 million respectively and in 2022 to the impairment of loans in Adevinta Ventures AS amounting to €4 million.

Note 13: Income taxes

Policy

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

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

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

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

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

Note 13: Income taxes continued

Significant judgment

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

Adevinta's income tax expense comprises the following:

	2022	2021
Current income taxes	(40)	(65)
Deferred income taxes	23	46
Tax (expense) income	**(17)**	**(19)**
Of which recognised in profit or loss from continuing operations	(10)	(19)
Of which recognised in other comprehensive income	(7)	(0)

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

	2022	2021
Profit (loss) before taxes from continuing operations	**(1,756)**	**(35)**
Tax (expense) income based on weighted average nominal tax rate*	463	9
Tax effect of share of profit (loss) of joint ventures and associates	(26)	(3)
Tax effect of impairment loss on goodwill and other intangible assets	(399)	(1)
Tax effect of gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	14	(8)
Tax effect of other permanent differences	(15)	(16)
Current period unrecognised deferred tax assets	(20)	(10)
Previously unrecognised tax losses used in current period	32	1
Reassessment of previously recognised deferred tax assets, including changes in tax rates	(69)	9
Adjustments of previously recognised income tax provisions	12	–
Other	(3)	(0)
Tax (expense) income recognised in profit or loss from continuing operations	**(10)**	**(19)**
***Weighted average nominal tax rate**	**26%**	**26%**

The weighted average nominal tax rate varies over time due to differentials in nominal tax rates and variations in profit before tax in the countries where Adevinta operates.

Tax effect of other permanent differences in 2022 and 2021 mainly includes tax effect from non-deductible operating expenses and acquisition related costs and tax-free dividends.

The expense for 2022 is positively impacted by €32 million of previously unrecognised tax losses used in the current period mainly in the Norwegian tax Group and negatively impacted by €69 million from the reassessment of previously recognised deferred tax assets in the Dutch tax group as it is uncertain whether sufficient future taxable profits will become available.

Note 13: Income taxes continued

Adjustments of previously recognised income tax provisions in 2022 include mainly an adjustment of an income tax provision related to the Mexican operations.

Tax expense for 2021 is positively impacted by €9 million from the reassessment of previously unrecognised deferred tax assets. The recognition is based on obtaining assurance that future tax benefits can now be utilised against taxable profits of tax groups in Spain and France.

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

	2022	2021
Current items	(4)	(10)
Intangible assets	766	816
Other non-current items	(29)	(21)
Unused tax losses	(113)	(149)
Calculated net deferred tax liabilities (assets)	**620**	**636**
Unrecognised deferred tax assets	134	108
Net deferred tax liabilities (assets) recognised	**754**	**744**
Of which deferred tax liabilities	757	896
Of which deferred tax assets	(3)	(152)

Adevinta's unrecognised deferred tax assets relate mainly to operations with tax losses where it's uncertain whether sufficient future taxable profits will become available, which mainly relate to operations in the Netherlands and Italy. The majority of these tax losses can be carried forward for an unlimited period.

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

	2022	2021
As at 1 January	**744**	**57**
Change included in tax expenses from continuing operations	(30)	(46)
Change included in tax expenses from discontinued operations (note 4)	33	0
Change included in other comprehensive income	7	–
Change from purchase and sale of subsidiaries	–	750
Reclassification to assets held for sale	–	(14)
Disposal through sale of businesses	–	(4)
Translation difference	(1)	2
As at 31 December	**754**	**744**

Deferred tax liabilities and assets are offset for liabilities and assets in companies which are included in local tax groups.

Note 14: Earnings per share

Policy:
Earnings per share and diluted earnings per share are presented for ordinary shares. Earnings per share is calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding, excluding treasury shares. Diluted earnings per share is calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding, adjusted for all dilutive potential shares.

The weighted average number of shares outstanding is adjusted for the effects of any potential dilutive shares as at the reporting date as follows:

- For share-based payment programmes where Adevinta is committed to match shares purchased by employees without performance conditions, by including the expected number of matching shares that would be issuable.
- For other share-based payment programmes, by including the number of shares that would be issuable based on the number of shares granted less the number of shares forfeited.

Adjusted earnings per share is calculated as profit (loss) attributable to owners of the parent adjusted for items reported in the Consolidated income statement as Other income and expenses and Impairment loss, adjusted for taxes and non-controlling interests. The number of shares included in the calculation is the same as the number for earnings per share and diluted earnings per share, as described above.

	2022	2021
Weighted average number of shares outstanding	1,224,942,981	963,425,437
Effects of dilution	3,458,347	1,707,094
Weighted average number of shares outstanding – diluted	**1,228,401,328**	**965,132,530**
Profit (loss) attributable to owners of the parent	(1,832)	(54)
Continuing operations	(1,774)	(60)
Discontinued operations	(57)	7
Earnings per share (€)	(1.50)	(0.06)
Continuing operations	(1.50)	(0.06)
Discontinued operations	(0.05)	0.01
Diluted earnings per share (€)	(1.49)	(0.06)
Continuing operations	(1.49)	(0.06)
Discontinued operations	(0.05)	0.01
Calculation of adjusted earnings per share		
Profit (loss) attributable to owners of the parent	(1,832)	(54)
Other income and expenses	112	140
Impairment loss (including joint ventures)	1,834	22
Taxes and non-controlling effect of other income and expenses and Impairment loss	(88)	(15)
Profit (loss) attributable to owners of the parent – adjusted	**26**	**93**
Earnings per share from continuing operations – adjusted (€)	0.02	0.10
Diluted earnings per share from continuing operations – adjusted (€)	0.02	0.10

Note 15: Impairment assessment

Policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Property, plant & equipment and intangible assets that have a finite useful life and right-of-use assets are reviewed for impairment whenever there is an indication that the carrying amount may not be recoverable. Impairment indicators will typically be changes in market developments, competitive situations or technological developments. Climate-related changes and events could also be impairment indicators.

An impairment loss is recognised in the Consolidated income statement if the carrying amount of an asset (cash-generating unit) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Value in use is assessed by discounting estimated future cash flows. Estimated cash flows are based on management's expectations and market knowledge for normally five years after which declining growth rates are applied for another five years in order to reach a steady state growth level. For subsequent periods growth factors that do not exceed the long-term average rate of growth for the relevant market are used. Expected cash flows are discounted using a pre-tax discount rate that takes into account the current market assessment of the time value of money and the risks specific to the assets being tested.

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

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

Estimation uncertainty

The valuation of intangible assets in connection with business combinations and the testing of intangible assets for impairment will to a large extent be based on estimated future cash flows.

Estimates related to future cash flows and the determination of discount rates to calculate present values are based on management's expectations on market developments and conditions, the competitive environment, technological development, the ability to realise synergies, interest rate levels and other relevant factors.

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

Note 15: Impairment assessment continued

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

		Goodwill		Trademarks, indefinite	
CGU	Operating segment	2022	2021	2022	2021
Online classifieds France	France	1,019	1,019	98	98
Online classified Spain	European Markets	493	493	53	19
Online classifieds Ireland	European Markets	37	37	16	16
Online classifieds Hungary	European Markets	10	30	2	2
Online classifieds Spain, Italy and Mexico	European Markets/ International Markets	–	–	–	129
Online classifieds Mexico	International Markets	–	7	–	0
Online classifieds Italy	European Markets	96	96	–	–
Online classifieds Germany (Mobile.de)	Mobile.de	1,939	2,336	1,707	1,707
Online classifieds Germany (eBayK)	European Markets	3,152	3,641	–	–
Online classifieds Belgium	European Markets	49	49	58	58
Online classifieds Belarus	European Markets	–	1	–	–
Online classifieds Netherlands	European Markets	134	134	798	798
Online classifieds Canada	International Markets	–	576	400	630
Total (note 16)		**6,930**	**8,420**	**3,132**	**3,457**

Impairment testing and assessments

At year-end 2022, Adevinta has performed impairment testing of all cash generating units (CGUs) that include goodwill and intangible assets that have an indefinite useful life. The impairment test resulted in an impairment loss of €1,719 million in 2022 and is attributable to Canada (€802 million), eBay Kleinanzeigen (€489 million), Mobile.de (€411 million) and Hungary (€17 million). The impairment charge is presented within Impairment loss in the statement of profit or loss. The impairment test has not identified any impairment loss for any other CGUs as at 31 December 2022.

Adevinta acquired the businesses in Canada, eBay Kleinanzeigen and Mobile.de as part of the eCG acquisition in June 2021 where 80% of the purchase amount was paid in Adevinta shares with the share price increasing 48% from the signing to the closing date of the transaction (share price was NOK 170 at closing) which significantly increased the goodwill attributable to the businesses. The macroeconomic uncertainties and increasing inflation during 2022 have triggered a significant increase in market interest rates and equity risk premiums. This has significantly increased the weighted average cost of capital (WACC) that Adevinta uses for discounting cash flows when estimating the recoverable amounts of its CGUs, which has resulted in the impairment loss for Canada, eBay Kleinanzeigen, Mobile.de and Hungary. In eBay Kleinanzeigen and Mobile.de the impact of the increase in WACC was partly offset by expected better mid-longer term business performance whilst for Canada and Hungary there was a negative impact considering the revised growth trajectory of the businesses.

The impairment loss for 2022 was recognised against goodwill (€1,492 million) and intangible assets with indefinite useful lives (€228 million).

Note 15: Impairment assessment continued

For the impaired CGUs, the impairment and the carrying value of goodwill and intangible assets that have an indefinite useful life were distributed across reportable segments and CGUs as follows:

€ million		Goodwill			Trademarks, indefinite		
CGU	Reportable segment	Impairment 2022	Carrying amount 31 December 2022*	Carrying amount 31 December 2021	Impairment 2022	Carrying amount 31 December 2022*	Carrying amount 31 December 2021
Canada	**International Markets**	**(574)**	–	576	**(228)**	400	630
eBay Kleinanzeigen	**European Markets**	**(489)**	3,152	3,641	**–**	–	–
Mobile.de	**Mobile.de**	**(411)**	1,939	2,336	**–**	1,707	1,707
Hungary	**European Markets**	**(17)**	10	30	**–**	2	2

* Apart from impairment losses the change in carrying amounts is impacted by acquisitions and foreign exchange rate adjustments.

The key assumptions used in impairment testing for the impaired CGUs are presented in the table below. For the CGUs that are not impaired, pre-tax discount rates are in the range between 12.1%-16.2% (2021: 8.0%-11.0%) and sustained growth rates are in the range between 2.1%-3.2% (2021: 1.2%-1.7%). Sustained growth rates in 2022 were affected by increasing prognosis for long term inflation.

	Pre-tax discount rate (Pre-tax WACC)		Post-tax discount rate (Post-tax WACC)		Sustained growth rate	
	2022	2021	2022	2021	2022	2021
Hungary	**16.3%**	11.2%	**15.2%**	10.6%	**4.7%**	3.0%
Mobile.de	**12.2%**	7.6%	**9.8%**	6.2%	**2.9%**	2.1%
eBay Kleinanzeigen	**12.0%**	7.5%	**9.8%**	6.2%	**2.9%**	2.1%
Canada	**12.9%**	9.0%	**9.8%**	7.4%	**1.8%**	2.0%

For the CGUs that are not impaired, impairment can be triggered in case of material adverse changes in key assumptions, and Spain is the most sensitive CGU where, all else being equal, there will be an impairment in case of increase in the pre-tax discount rate above 1.5% points or decrease in the sustained growth rate higher than 3.0% points. Following the impairment loss recognised for Canada, eBay Kleinanzeigen, Mobile.de and Hungary, the recoverable amounts were equal to the carrying amounts and therefore any adverse changes in key assumptions may result in further impairment.

In 2021 Adevinta recognized impairment losses related to goodwill and trademarks with an indefinite useful life of €2 million and €18 million, respectively, both related to Shpock (Austria) (disposed of in 2021, see note 4).

The carrying amounts of goodwill and other intangible assets with indefinite useful lives are disclosed above. Recoverable amounts of cash-generating units, except for Online Classified Mexico (disposed of in 2022), were estimated based on value in use. Discount rates applied take into consideration the risk-free interest rate and risk premium for the relevant country as well as any business specific risks not reflected in estimated cash flows. Expected sustained growth reflects expected growth for the relevant market.

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

Note 15: Impairment assessment continued
The impact of the Russian government invasion of Ukraine, alongside the imposition of international sanctions, is uncertain. The Group monitors the development and will adjust the key assumptions used in value in use calculations and sensitivity to changes in assumptions should a change be required.

The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value in use calculations and sensitivity to changes in assumptions should a change be required.

The recoverable amount of Online Classified Mexico was determined in 2021 based on fair value less costs of disposal (FVLCD) using Revenue multiple approach. The valuation was considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Note 16: Intangible assets

Policy
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired (note 15), and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation of intangible assets with a finite useful life is allocated on a systematic basis over their useful life. Intangible assets with an indefinite useful life are not amortised.

Costs of developing software and other intangible assets are expensed until all recognition criteria are met, including the following:

→ it can be demonstrated that the asset will generate probable future economic benefits; and
→ the cost of the asset can be measured reliably.

The cost of an internally generated intangible asset is the sum of expenditures incurred from the time all requirements for recognition as an asset are met and until the time the asset is capable of operating in the manner intended by management.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Subsequent expenditures incurred in the operating stage to enhance an intangible asset are expensed as incurred unless the asset recognition criteria, including the ability to demonstrate increased probable economic benefits, are met. Assets maintenance costs are expensed as incurred.

Intangible assets with a finite expected useful life are amortised on a straight-line basis from the point at which the asset is ready for use over the expected useful life. The amortisation period of software and licenses is normally 3 years, for trademarks 3 years, for customer relationships 9 to 11 years, and for other intangible assets it is between 1.5 and 10 years.

Estimation uncertainty
The amortisation method, expected useful lives and residual values used in the calculation of amortisation are based on estimates and are reassessed annually.

Adevinta has significant activities related to developing new technology to deliver digital classified and advertising products for our customers and users. Judgment is required to determine whether the asset recognition criteria are met.

Note 16: Intangible assets continued

Change in estimate

In relation to the Group's portfolio review strategy, on 24 May 2022 Adevinta announced its decision to exit Mexico. In connection to this, management has reassessed the estimated useful lives of certain trademarks within the combined CGU of Mexico, Spain and Italy with effect from 1 June 2022. The effect of the changes in 2022 is an increase in amortisation expense of €35 million. Assuming the trademarks are held until the end of their estimated useful lives, amortisation in future years in relation to these assets will be increased by €25 million in 2023 and 2024 and €10 million in 2025.

Development in net carrying amount in 2022	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licences	Customer relations	Total
As at 1 January	8,420	3,457	127	313	474	12,790
Additions	0	–	0	80	–	80
Acquired through business combinations	14	–	–	0	–	14
Disposals	(0)	(0)	(0)	(2)	–	(2)
Disposals through sales of businesses	(9)	(0)	(0)	(2)	–	(12)
Reclassifications	–	(95)	95	(0)	–	–
Amortisation	–	(0)	(88)	(124)	(53)	(265)
Impairment loss	(1,492)[1]	(228)[1]	–	(3)	–	(1,722)
Translation differences	(3)	(2)	0	1	0	(4)
As at 31 December	**6,930**	**3,132**	**134**	**263**	**421**	**10,880**
Of which accumulated cost	8,621	3,360	256	632	529	13,398
Of which accumulated amortisation and impairment loss	(1,692)	(228)	(122)	(368)	(108)	(2,518)

Development in net carrying amount in 2021	Goodwill	Trademark, indefinite	Trademarks, definite	Software and licences	Customer relations	Total
As at 1 January	936	293	2	84	7	1,322
Additions	–	11	–	56	–	67
Acquired through business combinations	7,532	3,205	150	276	497	11,660
Disposals	–	–	(0)	(1)	–	(1)
Disposals through sales of businesses	(12)	(10)	(0)	(5)	–	(27)
Reclassification to assets held for sale	(35)	(31)	–	(18)	(7)	(90)
Amortisation	–	–	(25)	(76)	(25)	(126)
Impairment loss	(2)[1]	(19)[1]	–	(2)	–	(22)
Translation differences	0	8	0	1	1	9
As at 31 December	**8,420**	**3,457**	**127**	**313**	**474**	**12,790**
Of which accumulated cost	8,620	3,457	161	555	529	13,321
Of which accumulated amortisation and impairment loss	(200)	–	(34)	(242)	(55)	(531)

(1) See note 15.

Additions in software and licenses mainly consist of internally developed intangible assets.

Note 17: Property, plant and equipment

Policy

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

The depreciable amount (cost less residual value) of property, plant & equipment is allocated on a systematic basis over its useful life.

Costs of repairs and maintenance are expensed as incurred. Costs of replacements and improvements are recognised as assets if they meet the recognition criteria.

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

Property, plant & equipment are depreciated on a straight-line basis over their estimated useful life. Depreciation schedules reflect the assets' residual value. Buildings (25-50 years), Plant and machinery (5-20 years), Equipment, furniture and similar assets (3-10 years).

Estimation uncertainty

The depreciation method, expected useful life and residual values included in the calculation of depreciation are based on estimates and are reassessed annually.

Development in net carrying amount in 2022	Equipment, furniture and similar assets	Total
As at 1 January	35	35
Additions	9	9
Reclassifications	1	1
Depreciation	(16)	(16)
As at 31 December	**28**	**28**
Of which accumulated cost	169	169
Of which accumulated depreciation and impairment loss	(141)	(141)

Note 17: Property, plant and equipment continued

Development in net carrying amount in 2021	Equipment, furniture and similar assets	Total
As at 1 January	20	20
Additions	10	10
Disposals	(0)	(0)
Reclassification to assets held for sale	(1)	(1)
Depreciation	(13)	(13)
Translation differences	(0)	(0)
Acquisitions through business combinations	19	19
Disposals through sales of businesses	(0)	(0)
As at 31 December	**35**	**35**
Of which accumulated cost	176	176
Of which accumulated depreciation and impairment loss	(141)	(141)

Additions of €9 million in 2022 and €10 million in 2021 mainly comprise improvements and new equipment for the offices in France, Spain, Netherlands, and Germany.

Note 18: Other non-current and current assets

	Non-Current		Current	
	2022	2021	2022	2021
Investments in equity and debt instruments	33	31	–	–
Public duties receivable	–	–	11	17
Prepaid expenses and deposits given	15	6	25	22
Loans issued (note 18.1)	140	160	50	0
Derivative financial instruments (note 25)				
used for hedging	66	17	–	1
held for trading at FVTPL	–	–	0	–
Other receivables	0	8	20	8
Total	**254**	**223**	**107**	**48**

Details of the Group's exposure to risks arising from current and non-current financial assets are set out in note 22.

Note 18: Other non-current and current assets continued

18.1 Interest-bearing loans issued

	Carrying amount		Fair value	
	2022	2021	2022	2021
Loans issued to joint ventures and associates (note 29)	122	160	120	177
Vendor loan notes	18	–	17	–
Total non-current interest-bearing loans	**140**	**160**	**137**	**177**
Vendor loan notes	42	0	42	0
Total current interest-bearing loans	**42**	**0**	**42**	**0**
Total	**182**	**160**	**179**	**179**

Loans issued at 31 December 2022 are denominated in BRL, € and USD (31 December 2021: in BRL).

In October 2020 Adevinta Finance AS issued a loan of BRL 949 million to OLX Brazil joint venture and the loan bears an interest of SELIC + 2% subject to 18 months grace period and has a tenor of 15 years (note 29). On 23 December 2022 Adevinta converted part of the loan into the equity instruments of OLX Brazil. The portion of the loan converted into equity corresponds to BRL 380 million (€76 million) of the principal amount leaving a remaining principal amount of BRL 569 million. After the partial conversion, the terms of the loan and the interest of the Group in the joint venture remained unchanged.

As consideration for the disposal of InfoBras in March 2022 (note 4), Adevinta issued a vendor loan note of € 17 million bearing an interest of 3.5% and maturing in 2029 with partial repayments starting from 2025.

Part of consideration for the disposal of the business in Australia in August 2022 (note 4) is a vendor loan note of €42 million (USD 44 million) bearing an interest of 3.5% and maturing in May 2023.

The fair values of non-current loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see note 24) due to the use of unobservable inputs, including own credit risk. For the short-term loans, the fair values are not materially different from their carrying amounts.

Note 19: Trade receivables

	2022	2021
Trade receivables	178	170
Less provision for impairment of trade receivables	(21)	(26)
Trade receivables, net	**157**	**143**

The breakdown of trade receivables by due date is as follows:

	2022	2021
Not due	123	116
Past due 0-45 days	24	26
Past due 46-90 days	4	6
Past due over 90 days	29	21
Total	**178**	**170**

Note 20: Financial liabilities related to business combinations and increases in ownership interests

Policy

Contingent consideration classified as financial liability is measured at fair value, incorporating the probability of the contingency occurring. Deferred considerations in business combinations and put options related to non-controlling interests over shares in subsidiaries are measured at the present value of future consideration to be paid. If the agreement with non-controlling interests implies that Adevinta may be required to acquire the shares and settle the liability within a period of twelve months from the reporting date, the liability is classified as current. Other liabilities related to put options are classified as non-current. The requirement to settle the liability is contingent on the non-controlling interests actually exercising their put options. For agreements where the option can be exercised over a defined period, the actual settlement may therefore occur in later periods than presented in the maturity profile below. See note 24 for policies related to financial instruments.

Estimation uncertainty

The liabilities are measured at fair value based on the best estimate of future considerations. The estimates take into account the principles for determination of the consideration in the existing agreements. Further the estimates take into account, when relevant, management's expectations regarding future economic development similar to that used in determining recoverable amount in impairment tests.

	Non-controlling interests' put options		Contingent consideration	
	2022	2021	2022	2021
Development in net carrying amount				
As at 1 January	2	2	3	2
Additions	–	–	3	3
Settlement (note 4)	(2)	(1)	–	(2)
As at 31 December	**–**	**2**	**6**	**3**
Of which non-current (note 21)	–	2	4	3
Of which current (note 21)	–	–	2	–
Maturity profile of the financial liabilities				
Maturity within 1 year	–	–	2	–
Maturity between 1 and 2 years	–	2	4	3

The contingent considerations recognised as at 31 December 2022 amounting to €6 million are related to the acquisition of Null leasing by €3 million on 18 March 2022 and €3 million Pixie Pixel, S.L. in 2021 (note 4).

As at 31 December 2022, the non-controlling interest's put options has been derecognised due to the sale of all the shares held by Adevinta Netherlands NV in Infobras Spain, S.L. to Priverotin XXI, S.L.U. on 30 March 2022. As at 31 December 2021, the non-controlling interest's put options amounted to €2 million and were related to Infobras Spain S.L. In 2021, LBC France, SASU paid €1 million when the previous owners of PayCar SAS exercised the option to sell their minority stake as agreed as part of the purchase agreement. The participation in PayCar SAS increased from 68.8% in 2020 to 100.0% in 2021 (note 4).

Note 21: Other non-current, current and contingent liabilities

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

A provision for restructuring costs is recognised when a constructive obligation arises. Such an obligation is assumed to have arisen when the restructuring plan is approved and the implementation of the plan has begun or its main features are announced to those affected by it.

Contingent liabilities are possible obligations arising from past events whose existence depends on the occurrence of uncertain future events or a present obligation arising from past events for which it is not probable that an economic outflow will be required to settle the obligation or where the amount of the obligation cannot be measured reliably. Adevinta classifies contingent liabilities as those events where it is less likely than not that an outflow of resources will be required from the Group. Contingent liabilities are not recognised in the consolidated financial statements, except for those arising from business combinations. Contingent liabilities are disclosed, unless the probability that an economic outflow will be required to settle the obligation is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence of uncertain future events. Contingent assets are not recognised in the consolidated financial statements. They are disclosed only where an inflow of economic benefits is probable.

A dividend does not become a liability until it has been approved by the General Meeting.

Liabilities due to be settled within twelve months after the reporting period are classified as current liabilities. Other liabilities are classified as non-current.

Estimation uncertainty
The nature of a provision leads to some degree of uncertainty. A provision is made and calculated based on assumptions at the time the provision is made and will be routinely updated when new information is available. Provisions are constantly monitored and adjusted to reflect the current best estimate.

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

Significant judgment
Management applies judgment when assessing contingent liabilities, by considering the likelihood of occurrence of future events that are uncertain, and the valuation of any potential future obligation derived from them. Contingent liabilities require a continued assessment to determine whether circumstances have changed, especially whether an outflow of resources has become probable.

The table below shows other non-current and current liabilities as of year-end:

	Non-Current		Current	
	2022	2021	2022	2021
Financial liabilities related to non-controlling interests' put options (note 20)	–	2	–	–
Contingent considerations related to business combinations (note 20)	4	3	2	–
Trade payables	–	–	43	55
Public duties payable	–	–	59	54
Accrued salaries and other employment benefits	1	1	74	56
Accrued expenses	–	–	110	81
Provision for restructuring costs (note 21.1)	11	–	4	1
Pension liabilities (note 21.2.2)	10	9	–	–
Digital service tax (note 21.3)	–	–	8	–
Financial derivatives (note 25)	–	–	0	–
Other liabilities	3	3	12	27
Total	**29**	**18**	**312**	**275**

21.1 Restructuring
The provision relates mainly to the reorganisation in France and predominantly includes termination benefits. Adevinta announced its 'Growing at Scale' strategy in November 2021. As part of this strategy Adevinta started a transformation process resulting in the loss of a number of jobs in Europe, mostly in France. In relation to this a restructuring plan for France was drawn up and announced to the local union representatives in 2022 and the restructuring is expected to be completed by 2025.

21.2 Pension plans
Adevinta has both defined contribution plans and defined benefit plans.

21.2.1 Defined contribution pension plans
In the defined contribution plans, the company pays an agreed annual contribution to the employee's pension plan, but any risk related to the future pension is borne by the employee. For these plans, the pension cost will be equal to the contribution paid to the employees' pension plan. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, hence no liability is recognised in the Consolidated statement of financial position.

Line item "Personnel expenses" in the Consolidated income statement includes an expense of €5 million in 2022 (€2 million in 2021) related to defined contribution pension plans or multi-employer pension plans accounted for as defined contribution plans.

Note 21: Other non-current, current and contingent liabilities continued

21.2.2 Defined benefit pension plans and other defined obligations

In a defined benefit plan the company is responsible for paying an agreed pension to the employee, and the risk related to the future pension is hence borne by Adevinta.

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

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

The defined benefit pension obligations relate to companies in France and Norway. In addition, there are other defined benefit obligations from companies in Italy. The net pension expense related to defined benefit pension plans and other defined benefit obligations is as follows:

	2022	2021
Net expense defined benefit obligation	**2**	**2**
Of which recognised in Profit or loss – Personnel expenses	3	2
Of which recognised in Profit or loss – Financial expenses	(0)	0
Of which recognised in Other Comprehensive Income – remeasurements of defined benefit pension liabilities	(1)	(0)

Changes in defined benefit obligations:

	2022	2021
Liability as of 1 January:	**9**	**7**
Disposals through sales of businesses	–	(0)
Current and past service cost	3	2
Settlements	(1)	(0)
Interest expense	0	0
Remeasurements	(1)	(0)
Liability as of 31 December:	**10**	**9**

Note 21: Other non-current, current and contingent liabilities continued

21.3 Digital services tax:

21.3.1 Current liabilities related to digital services tax in France

The French digital services tax legislation (DST) was enacted in July 2019 and applicable retrospectively 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, 2021 and 2022. DST expenses negatively impact Adevinta Group's EBITDA and are 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 uncertainty. The main uncertainties relate to whether the services which Schibsted Group (for 2018 and 2019) and Adevinta Group (for 2020 and 2021) provided to its users in France and other countries are to be considered within the scope of DST. The non-inclusion of some of the said services could mean the applicable worldwide revenues within the scope of DST should be below €750 million.

In Q3 2022 Adevinta received a ruling reply from the French tax authorities. Based on this ruling most of Adevinta's revenues in France would be subject to French DST. Adevinta, supported by external legal counsel opinion, disagrees with the ruling and has therefore appealed it. Despite disagreeing with this ruling, in October 2022 and in December 2022 Adevinta paid on account €11 million related to DST for 2022 and € 22 million related to FY 2019-2021. Adevinta made these payments to act in good faith and maintain its good standing status with the French tax authorities and to also prevent penalties and interest that may become due in the ensuing period should the options Adevinta is pursuing to refute the ruling not materialise. An outstanding amount of €6 million related to LBC France FY 2019-2020 period is expected to be paid in Q1 2023. The final outcome of the appeal and other actions is uncertain, but due to the existing ruling management has at 31 December 2022 decided to recognise the payments made and a provision for the outstanding amounts in the income statement in accordance with the principles in the tax ruling which amounts to €40 million (€11 million related to FY2022 presented in "Other operating expenses" and €28 million related to FY2019-2021 presented in "Other expense").

21.3.2 Current and contingent liabilities related to 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 2022 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 €12 million in total for 2022 and 2021.

Note 22: Financial risk management

Capital management and funding

Adevinta's financial risk management is predominantly controlled by a central treasury department (Corporate Finance & Risk) under policies approved by the board of directors. Adevinta's approach to risk management includes identifying, evaluating and managing risk in all activities using a top-down approach.

Adevinta's strategy and vision imply a high rate of change and development of Adevinta's operations. Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans and at a fixed foreign currency rate for the hedged foreign currency loans, purchase consideration at the fixed foreign currency rate for the hedged forecasted business combinations (note 25) and highly probable purchase of services.

Adevinta's capital structure must be sufficiently robust in order to maintain the desired investment level and to pursue growth opportunities based on strict capital allocation criteria. The financial policy in this respect shall be to keep a minimum amount of liquidity of 10% of LTM (last 12 months) revenues.

	31 December 2022	31 December 2021
Non-current interest-bearing borrowings	2,183	2,312
Non-current lease liabilities	58	73
Current interest-bearing borrowings	9	152
Current lease liabilities	20	19
Cash and cash equivalents	(70)	(231)
Net interest-bearing debt	**2,199**	**2,324**
Equity	**8,628**	**10,385**
Net gearing (net interest-bearing debt/equity)	**0.3**	**0.2**

Senior Secured Notes (the "notes") amounting to €1,060 million consist of two tranches: €660 million aggregate principal amount of notes due in 2025, bearing interest at a rate of 2.625% per annum and €400 million aggregate principal amount of notes due in 2027, bearing interest at a rate of 3.000% per annum. The notes were issued pursuant to an indenture between, among others, Adevinta and Citibank N.A., London Branch, as trustee and security agent.

Concurrently with the consummation of the offering of the notes, Adevinta entered into a new senior secured Term Loan B facility consists of a €900 million EUR-denominated tranche (the "EUR TLB") and a USD506 million US-dollar-denominated tranche (the "USD TLB" and, together with the EUR TLB, the "Term Loan B"). The EUR TLB bears interest at a rate per annum equal to EURIBOR (subject to a floor of zero) plus 3.250%, subject to a leveraged based margin ratchet. The USD TLB bears interest at a rate per annum equal to LIBOR (subject to a 0.75% floor) plus 3.000%, subject to a leveraged based margin ratchet. Adevinta entered into a deal-contingent forward starting 3 year cross-currency interest rate swap, effectively converting the USD506 million USD TLB into €427 million with an all-in fixed rate of 3.169%.

In June 2021 the Term Loan B of USD506 million (€422 million) and €900 million was funded and Adevinta accessed into the new €450 multicurrency revolving facility that was drawn by €150 million. The new financing was registered net of their origination fees, which amounted to €106 million. The proceeds from the Term Loan B, the multicurrency credit facility and the Notes were used to, among other things, fund a portion of the cash consideration for the acquisition of eBay Classifieds Group and repay existing debt, mainly settling the existing term loan of NOK 2,150 million (€210 million) and the existing revolving credit facility (€290 million) with Nordic and international banks.

Note 22: Financial risk management continued

The Term Loan B and the Senior Secured Notes are guaranteed by certain subsidiaries of Adevinta and eBay Classifieds Group and secured by shares of the guarantors as well as certain material bank accounts and the intercompany receivables of Adevinta.

In 2022 the new €450 million multicurrency revolving facility was repaid in full (€150 million).

Adevinta's new financing contains certain financial covenants. The new €450 million multicurrency revolving facility requires a maintenance covenant to be tested if the Group uses at least 40% of the revolving credit facility commitment, ensuring the Senior Secured Net Leverage Ratio does not exceed 7.12:1. The Senior Secured Net Leverage Ratio is calculated as the sum of the Senior Secured Debt minus Cash and Cash equivalents divided by consolidated gross operating profit (EBITDA) on a pro forma basis. Consolidated EBITDA considers the last 12 months' consolidated EBITDA on a pro forma basis, adjusted by synergies, IFRS 2 changes and other adjustments.

Additionally, new financing include incurrence covenants that need to be tested in particular scenarios, such as incurring new debt, selling assets or restricted payments among others scenarios.In order to incur in new debt the Group must have a Fixed Charge Coverage Ratio of at least 2:1 and Consolidated Senior Secured Net Leverage Ratio no greater than 4.25:1 on a pro forma basis, including the effect of the new debt incurrence. Notwithstanding, the Senior Facility Agreement carves out credit baskets that could mean the incurrence of debt capped at different limits depending on the credit product.

The Senior Facility Agreement allows unlimited distributions if the Consolidated Leverage Ratio is below 4.25:1 calculated on a pro forma basis. If this ratio is not met, the agreement contemplates different limits per type of restricted payment. If the available capacity under the specific restricted payment is completed, then the Group can use the general basket limit set at the greater of €300 million and 50% of consolidated EBITDA. Examples of restricted payments under the facilities include annual dividends, share repurchase programs and general investments.

Additionally, there are some limitations regarding sales of assets with purchase price above the greater of €150 million and 20% of consolidated EBITDA, except in the case of a permitted asset swap. The agreement requires that at least 75% of the transferred consideration should be in cash, cash equivalents, the assumption by the purchaser of the Group's debt, replacement assets, any designated non-cash consideration provided that the aggregate fair market value of such does not exceed the greater of €175 million and 25% of consolidated EBITDA or a combination of the above.

There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period.

Financial risks

Adevinta is exposed to financial risks, such as currency risk, interest-rate risk, credit risk and liquidity risk. Adevinta's exposure to financial risks is managed in accordance with the financial policy.

Currency risk

Adevinta has € as its presentation currency, but through its operations in other currencies is also exposed to fluctuations in exchange rates. Adevinta has currency risks linked to both balance sheet monetary items and net investments in foreign operations. The biggest exposures for Adevinta are fluctuations in US dollar (USD) and Brazilian real (BRL).

Note 22: Financial risk management continued

The main exposures from financial instruments at 31 December, expressed in € million were as follows:

	2022			2021	
	BRL	CAD	USD	BRL	USD
Term loan (USD)	–	–	(467)	–	(445)
Loan issued (BRL) (note 18 and 29)	101	–	–	150	–
Vendor loan note issued (USD) (note 18)	–	–	42	–	–
Cross-currency swap EUR/USD (cash flow derivative)	–	–	467	–	445
Foreign currency forwards in relation to VLN (cash flow hedge)	–	–	(42)	–	–
Foreign currency forwards in relation to highly probable purchase of services and royalty receipt (cash flow hedges)	–	(36)	–	–	13
Foreign currency forwards in relation to highly probable purchase of services (hedge accounting not applied)	–	–	28	–	–

In 2022, the aggregate net foreign exchange gain recognised in profit or loss amounted to €28 million (loss of €2 million in 2021).

Instruments used by the Group

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable expenditures and receivables in US dollars, Brazilian real and canadian dollars. The risk is hedged with the objective of minimising the volatility of cost in € of highly probable forecasted expenditures and receivables.

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows in 2022:

	2022
Foreign currency forwards in relation to highly probable royalty receipt	
Carrying amount (current asset) (€ million)	–
Notional amount (€ million)	35
Maturity date	2023
Hedge ratio*:	0.8:1
Weighted average hedged rate for outstanding hedging instruments	1.46 CAD: 1 EU

* The foreign currency forwards are denominated in the same currency as the highly probable income (CAD), therefore the hedge ratio is 0.8:1.

Note 22: Financial risk management continued

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance were as follows in 2021:

	2021
Foreign currency forwards in relation to highly probable purchase of services	
Carrying amount (current asset) (€ million)	1
Notional amount (€ million)	13
Maturity date	2022
Hedge ratio*:	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	1
Change in value of hedged item used to determine hedge ineffectiveness	1
Weighted average hedged rate for outstanding hedging instruments	1.19 USD: 1 EUR

* The foreign currency forwards are denominated in the same currency as the highly probable expenditures (USD), therefore the hedge ratio is 1:1.

Sensitivity

As shown in the table above, the group is primarily exposed to changes in USD/EUR, BRL/EUR and CAD/EUR exchange rates. The table below illustrates the sensitivity of profit or loss to changes in the exchange rates:

	Impact on post-tax profit		Impact on other components of equity	
	2022 € million	2021 € million	2022 € million	2021 € million
USD/EUR exchange rate – increase 10%	(1)	1	–	–
USD/EUR exchange rate – decrease 10%	1	(1)	–	–
BRL/EUR exchange rate – increase 10%	10	15	–	–
BRL/EUR exchange rate – decrease 10%	(10)	(15)	–	–
CAD/EUR exchange rate – increase 10%	(4)	–	–	–
CAD/EUR exchange rate – decrease 10%	4	–	–	–

The sensitivity of profit or loss to changes in the exchange rates arises mainly from the Brazilian real denominated financial instruments. The Group's exposure to other foreign exchange movements is not material due to hedging.

Note 22: Financial risk management continued

Interest rate risk

Adevinta's main interest rate risk arises from long-term interest-bearing liabilities and assets with variable rates, which expose the Group to cash flow interest rate risk. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. During 2022 and 2021, the Group's borrowings at variable rates were mainly denominated in euros and US Dollar.

The Group's borrowings and receivables are carried at amortised cost.

The exposure of the Group's borrowings to interest rate changes of the borrowings at the end of each reporting period previous to hedging are as follows:

	2022	2021
Variable rate borrowings	1,156	1,424
Total borrowings	2,216	2,464
Variable borrowings as % of total borrowings	52%	58%

An analysis by maturities is provided further in this note. The percentage of total loans shows the proportion of loans that are currently at variable interest rates in relation to the total amount of borrowings.

To manage the interest rate exposure arising from the US dollar tranche of Term Loan B, Adevinta entered into a deal-contingent cross-currency and interest swap. Hedge accounting was not applied to this swap until the facility was drawn down in June 2021.

During 2022 and 2021, the Group's loan issued at variable rates were denominated in BRL.The exposure of the Group's assets to interest rate changes of the loans issued at the end of each reporting period are as follows:

	2022	2021
Loan issued at variable rates (note 29)	122	160
Total loans issued	122	161
Loan issued at variable rates as % of total loans issued	100%	100%

Instruments used by the Group

Interest rate swaps currently in place in 2022 cover approximately 36% (29% in 2021) of the variable interest loan principal outstanding. The fixed interest rates of the swap is 3.169% (30/360) and the variable rates of the loans are USD libor floored at 75 bps plus a margin subject to a leverage ratchet in the range between 2.75% and 3% (2.75% and 3% in 2021).

The interest swap contracts require settlement of net interest receivable or payable every 90 days plus the 0.25% quarterly notional amortisation. The settlement dates coincide with the dates on which interest and notional amortisation are payable on the underlying debt.

Note 22: Financial risk management continued

Effects of hedge accounting on the financial position and performance

The effects of the cross-currency interest rate swaps on the Group's financial position and performance are as follows:

	2022	2021
Cross-currency interest rate swaps:		
Carrying amount (non-current asset) (€ million)	66	17
Nominal amount (€ million)	467	445
Maturity date	2024	2024
Hedge ratio	1.09:1	1.09:1
Change in fair value of outstanding hedging instruments since 1 January	49	20
Weighted average hedged interest rate for the year	3.2%	3.2%

Sensitivity

Profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates for interest-bearing borrowings with floating interest rates where cash flows are not hedged. As per the table below an increase of 1 percentage point in the floating interest rate on borrowings would mean a change in Adevinta's interest expenses of approximately €7 million for 2022 (€4 million for 2021), remaining unchanged the principal amount of loans with floating rates.

	Impact on post-tax profit	
	2022 € million	2021 € million
Interest rate – increase by 100 basis points	(7)	(4)
Interest rate – decrease by 100 basis points (*)	7	–

* Floor at 0% Euribor facilities.

Profit or loss is sensitive to higher/lower interest income as a result of changes in interest rates for loans issued with floating rates where cash flows are not hedged. As per the table below an increase of 1 percentage point in the floating interest rate on loans issued would mean a change in Adevinta's interest income of approximately €1 million for 2022 (€2 million for 2021), remaining unchanged the principal amount of loans with floating rates.

	Impact on post-tax profit	
	2022 € million	2021 € million
Interest rate – increase by 100 basis points	1	(2)
Interest rate – decrease by 100 basis points	(1)	(2)

Note 22: Financial risk management continued

Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

Trade receivables are distributed over new and regular customers. Trade receivables consist of receivables from advertisements and other sales. Credit risk will vary among countries in which Adevinta operates. In total the credit risk is considered as low. Net carrying amount of Adevinta's financial assets, except for equity instruments, represents maximum credit exposure. The exposure as at 31 December 2022 and 2021 is disclosed in note 24. Exposure related to Adevinta's trade receivables is disclosed in note 19.

Liquidity risk

Liquidity risk is the risk that Adevinta is not able to meet its payment obligations. Adevinta has strong cash flow from operating activities and the liquidity risk is considered limited as liquidity is kept well above 10% of LTM (last 12 months) revenues. As of 31 December 2022, Adevinta had a liquidity reserve of €520 million, corresponding to 32% of revenues, and net interest-bearing debt was €2,199 million. As of 31 December 2021, Adevinta had a liquidity reserve of €531 million, corresponding to 47% of revenues, and net interest-bearing debt was €2,324 million.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

At 31 December 2022, Adevinta had €450 million undrawn of the floating rate revolving credit facility (€300 million at 31 December 2021). Subject to the continuance of financial conditions, this facility may be drawn at any time in multiple currencies and has a remaining maturity of 3.5 years.

Note 22: Financial risk management continued

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the tables are the contractual undiscounted cash flows. For interest rate swaps, the cash flows have been estimated using the last interest rate applicable at the end of the reporting period.

Contractual maturities of financial liabilities At 31 December 2022	Less than 3 months	3-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Non-derivatives							
Trade payables	43	–	–	–	–	–	43
Borrowings	19	89	88	1,347	1,234	2,777	2,193
Lease liabilities	5	15	18	35	9	82	78
Derivatives							
Gross settled (foreign currency forwards and interest rate swaps – cash flow hedge)	(6)	(18)	(57)	–	–	(81)	(67)
(inflow)	(65)	(80)	(480)	–	–	(626)	67
outflow	59	63	423	–	–	545	–

Contractual maturities of financial liabilities At 31 December 2021	Less than 3 months	3-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Non-derivatives							
Trade payables	55	–	–	–	–	–	55
Borrowings	162	65	77	860	2,092	3,106	2,464
Lease liabilities	6	15	19	44	18	102	922
Derivatives							
Gross settled (foreign currency forwards and interest rate swaps – cash flow hedge)	(1)	(3)	(4)	(21)	–	(29)	(17)
(inflow)	(11)	(24)	(21)	(444)	–	(500)	(17)
outflow	99	20	18	423	–	560	–

Note 23: Interest-bearing borrowings

	Carrying amount		Fair value	
	2022	2021	2022	2021
Non-current interest-bearing borrowings				
Bank loans	1,144	1,279	1,130	1,350
Senior Secured Notes	1,039	1,032	985	1,063
Total non-current interest-bearing borrowings	**2,183**	**2,312**	**2,115**	**2,413**
Current interest-bearing borrowings				
Bank loans and other credit facilities	5	148	5	148
Interest accrued on Senior Secured Notes	4	4	4	4
Total current interest-bearing borrowings	**9**	**152**	**9**	**152**
Total interest-bearing borrowings	**2,192**	**2,464**	**2,124**	**2,565**

The Bank Loans as at 31 December 2022 and 2021 are denominated in € and USD currency.

The Term Loan B and the Senior Secured Notes at 31 December 2022 and 2021 are guaranteed by certain subsidiaries of Adevinta and eBay Classifieds Group and secured by shares of certain of the guarantors as well as certain material bank accounts and the intercompany receivables of Adevinta.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (note 24) due to the use of unobservable inputs, including own credit risk. For the short-term borrowings, the fair values are not materially different from their carrying amounts.

Adevinta has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods, see note 22 for details.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 22.

Note 24: Financial instruments by category

Policy

Adevinta initially recognises loans, receivables and deposits on the date that they originate. All other financial assets and financial liabilities (including financial assets designated at fair value through profit or loss or other comprehensive income) are recognised initially on the trade date at which Adevinta becomes a party to the contractual provisions of the instrument. All financial instruments are initially measured at fair value plus or minus transaction costs with the exception of financial assets or financial liabilities measured at fair value through profit or loss.

Adevinta on initial recognition classifies its financial instruments in one of the following categories:

- Financial assets or financial liabilities at fair value (either through Other Comprehensive Income (OCI) or through profit or loss)
- Financial assets at amortised cost
- Equity instruments designated at fair value through OCI
- Financial liabilities at amortised cost

The classification of financial assets depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets or financial liabilities measured at fair value through profit or loss include financial assets or liabilities held for trading and acquired or incurred primarily with a view of selling or repurchasing in the near term, and derivatives that are not held for trading but not designated for hedge accounting. These financial assets and liabilities are measured at fair value when recognised initially, and transaction costs are charged to expense as incurred. Subsequently, the instruments are measured at fair value, with changes in fair value, including interest income, recognised in profit or loss as financial income or financial expenses.

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

The carrying amounts of trade and other current payables are assumed to be the same as their fair values, due to their short-term nature. Short-term loans and receivables are, for practical reasons, measured at nominal values.

Adevinta classifies its investments in equity instruments as Financial assets at fair value through profit or loss unless an irrevocable election is made at initial recognition to classify the investments as equity instruments designated at fair value through OCI (FVOCI). Currently all equity instruments are classified as FVOCI. When designated at FVOCI, gains and losses are never recycled through profit or loss. Dividends are recognised as financial income in the Consolidated income statement. The carrying amount of investments in equity instruments is included in the Consolidated statement of financial position item "Other non-current assets". Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial liabilities not included in any of the above categories are classified as financial liabilities measured at amortised cost. Financial liabilities measured at amortised cost are included in the Consolidated statement of financial position items "Non-current interest-bearing borrowings", "Lease liabilities, non-current ", "Other non-current liabilities", "Current interest-bearing borrowings", "Lease liabilities, current" and "Other current liabilities". After initial measurement, these liabilities are measured at amortised cost using the effective interest method. Effective interest is recognised in profit or loss as financial expenses. Short-term financial liabilities are, for practical reasons, measured at nominal values.

Note 24: Financial instruments by category continued

Adevinta had written put options over the equity of its subsidiary Infobras Spain, S.L. until the business was sold. Changes in the put option liability's carrying amount were recognised through OCI because they related to changes in the parent's ownership interest that did not result in the parent losing control over a subsidiary.

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

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

Adevinta assesses, at each reporting date, the general pattern of deterioration or improvement in the credit quality of debt instruments carried at amortised costs or FVOCI. The amount of Expected Credit Loss (ECL) recognised as a loss allowance or provision depends on whether there has been a significant increase in credit risk.

For trade receivables, Adevinta applies the practical expedient to the carrying amount through the use of an allowance account reflecting the lifetime expected credit losses. The loss is recognised as other operating expenses in the Consolidated income statement. Impairment of all other financial assets is recognised as financial expenses.

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

Financial assets and liabilities measured at fair value are classified according to the reliability of the inputs used in determining fair value:

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

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

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Changes in fair value recognised in other comprehensive income are presented in “Changes in fair value of financial instruments” or in “Net gain/(loss) on cash flow hedges” (note 25) line items. Changes in fair value recognised in profit or loss are presented in “Financial income”, “Financial expenses” and “Other income and expenses” line items.

Estimation uncertainty

Certain financial instruments are measured at fair value. When no quoted market price is available, fair value is estimated using different valuation techniques.

Note 24: Financial instruments by category continued

Carrying amount of assets and liabilities divided into categories:

31 December 2022	Note	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial assets at fair value through OCI	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
Other non-current assets	18, 25	140	33	66	–	–	239
Trade receivables	19	157	–	–	–	–	157
Other receivables	18	88	–	–	–	–	88
Cash and cash equivalents		70	–	–	–	–	70
Total assets		**448**	**33**	**66**	**–**	**–**	**547**
Non-current interest-bearing borrowings	23	–	–	–	2,183	–	2,183
Other non-current liabilities	21, 31	–	–	–	58	4	62
Current interest-bearing borrowings	23	–	–	–	9	–	9
Other current liabilities	21, 25, 31	–	–	–	175	2	177
Total liabilities		**–**	**–**	**–**	**2,425**	**6**	**2,431**

31 December 2021	Note	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial assets at fair value through OCI	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	Total
Other non-current assets	18, 25	169	31	17	–	–	–	217
Trade and other receivables		183	–	–	–	–	–	183
Other current financial assets	18	–	–	–	–	–	–	–
Cash and cash equivalents		231	–	–	–	–	–	231
Total assets		**583**	**31**	**17**	**–**	**–**	**–**	**631**
Non-current interest-bearing borrowings	23	–	–	–	2,312	–	–	2,312
Put options over non-controlling interests	20	–	–	–	–	–	2	2
Other non-current liabilities	21, 31	–	–	–	73	3		75
Current interest-bearing borrowings	23	–	–	–	152	–	–	152
Other current liabilities	21, 25, 31	–	–	–	163	–	–	163
Total liabilities		**–**	**–**	**–**	**2,699**	**3**	**2**	**2,704**

Note 24: Financial instruments by category continued

Adevinta's financial assets and liabilities measured at fair value, analysed by valuation method:

31 December 2022	Level 1	Level 2	Level 3	Total
Cross-currency interest rate swap (note 25)	–	66	–	66
Equity instruments at fair value through OCI (note 18)	–	–	33	33
Contingent consideration related to business combinations and non-controlling interests' put options (note 20)	–	–	(6)	(6)

31 December 2021	Level 1	Level 2	Level 3	Total
Cross-currency interest rate swap (note 25)	–	17	–	17
Forwards related to the purchase of services (note 25)	–	1	–	1
Equity instruments at fair value through OCI (note 18)	–	–	31	31
Contingent consideration related to business combinations and non-controlling interests' put options (note 20)	–	–	(5)	(5)

Specific valuation techniques used to value financial instruments include:

- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the reporting date.

Changes in level 3 instruments:

	2022	2021
Net carrying amount 1 January	26	12
Additions	7	1
Disposals	(3)	(3)
Settlements	4	2
Changes in fair value recognised in other comprehensive income	(7)	15
Change in fair value recognised in profit or loss	–	0
Net carrying amount 31 December	**27**	**26**

Significant unobservable inputs used in level 3 fair value measurements for unlisted equity securities were based on the results of the new financing rounds offered to third parties.

Note 25: Derivatives and hedging activities

Policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, and on an ongoing basis, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The effective portion of changes in the fair value of derivatives designated as hedging instruments in cash flow hedges is recognised in other comprehensive income and is accumulated in the hedging reserve. The ineffective portion is recognised in profit or loss.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial item (such as services), the deferred hedging gains and losses are included within the initial cost of this item. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (e.g. through cost of services provided).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.
- In other cash flow hedges the hedging reserve will be reclassified to profit or loss when the hedged expected future cash flows affect profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial item such as service. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Changes in the fair value of derivatives not designated as hedging instruments are recognised in financial income or expenses.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Derivatives not designated as hedging instruments are classified as current or non-current assets or liabilities depending on their remaining maturity.

Note 25: Derivatives and hedging activities continued

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Adevinta or the derivative counterparty.

The Group enters into cross-currency interest rate swap that has similar critical terms as the hedged item, such as reference rate, payment dates and notional amount. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- differences in the timing of cash flows of the hedged items and the hedging instruments;
- changes to the forecasted amount of cash flows of hedged items and hedging instruments;
- different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.

Hedge ineffectiveness in relation to the interest rate swaps was negligible for 2022 and 2021.

Derivatives not designated as hedging instruments

The Group used foreign currency-denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures in 2022 and 2021.

The deal-contingent cross-currency swap USD/EUR linked to the USD TLB in dollars was designated under hedge accounting when the USD TLB was drawn in June 2021 (note 22). Changes in fair value of this swap were recognised in profit or loss until hedge accounting was designated. Changes in fair value of the deal-contingent forward in respect of the cash consideration for the forecasted acquisition of eBay Classifieds Group were recognised in profit or loss until this instrument was designated for hedge accounting.

Derivatives not designated as hedging instruments in the Consolidated statement of financial position are as follows:

	31 December 2022 € million	31 December 2021 € million
Current liabilities		
Foreign currency forwards not designated as hedging instruments	(0)	–

Note 25: Derivatives and hedging activities continued

The effect of the derivatives not designated as hedging instruments in the Consolidated income statement is as follows:

	2022 € million	2021 € million
Net (loss) on foreign currency forwards not designated as hedging instruments included in financial (expenses)	0	–
Net (loss) on cross-currency interest rate swaps not designated as hedging instruments included in financial (expenses)	–	(3)

Derivatives designated as hedging instruments

Cash flow hedges

The Group is holding the following derivative instruments which have been designated as hedging instruments to hedge future exposures in currency and interest rate risks related to forecasted cash flows:

	Maturity						
	Less than 1 months	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	>1 year	Total
As at 31 December 2022							
Foreign exchange forward contracts (highly probable forecasted flows)							
Notional amount (in EUR)	–	41	–	–	–	–	41
Average forward rate (USD/EUR)	–	1.0598	–	–	–	–	–
Notional amount (in EUR)	3	5	9	10	9	–	36
Average forward rate (CAD/EUR)	1.4483	1.4516	1.4574	1.4633	1.4673	–	–
Cross-currency swap contracts (borrowings)							
Notional amount (in EUR)	–	–	–	–	–	467	467
Average forward rate (USD/EUR)	–	–	–	–	–	1.18510	1.18510

Note 25: Derivatives and hedging activities continued

	Maturity						
	Less than 1 months	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	>1 year	Total
As at 31 December 2021							
Foreign exchange forward contracts (highly probable forecasted flows)							
Notional amount (in EUR)	2	3	5	3	–	–	13
Average forward rate (USD/EUR)	1.19078	1.19180	1.19390	1.19572	–	–	–
Cross-currency swap contracts (borrowings)							
Notional amount (in EUR)	–	–	–	–	–	445	445
Average forward rate (USD/EUR)	–	–	–	–	–	1.18510	1.18510

Hedging instruments recognised in the Consolidated statement of financial position are as follows:

	Notional amount € million	Carrying amount € million	Line item in the Consolidated statement of financial position
As at 31 December 2022			
Foreign currency forward contracts in relation to USD vendor loan note	41	0	Trade receivables and other current assets
Cross-currency swap contracts	467	66	Other non-current assets

	Notional amount € million	Carrying amount € million	Line item in the Consolidated statement of financial position
As at 31 December 2021			
Foreign currency forward contracts in relation to the purchase of services	13	1	Trade receivables and other current assets
Cross-currency swap contracts	445	17	Other non-current assets

Note 25: Derivatives and hedging activities continued

The changes of hedged items presented in the Hedging reserve in consolidated statement of financial position are as follows:

Hedging reserve, € million	2022	2021
Foreign currency forward contracts in relation to USD vendor loan note	(2)	–
Foreign currency forward contracts in relation to highly probable purchase of services	–	1
Cross-currency swap contracts (€/USD)	(27)	2
Cross-currency swap contracts (€/NOK)	–	4
Highly probable forecasted business combination	–	56
Total	**(29)**	**63**

The changes of the cash flow hedges (net effect of hedging instruments and hedged items) presented in the Consolidated statement of other comprehensive income are as follows:

Total hedging gain/(loss) recognised in OCI (Hedging reserve), € million	2022	2021
Borrowings	22	7
Loans issued	(2)	–
Foreign currency forward contracts in relation to the purchases of services	(1)	1
Highly probable forecasted business combination	–	56
Total	**19**	**65**

Note 26: Equity

Principle

Own equity instruments which are acquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Consideration paid or received is recognised directly in equity.

The transaction costs of issuing or acquiring own equity instruments are accounted for as a deduction from equity, net of any related income tax benefit. The transaction costs incurred across reporting periods (that is, transactions costs incurred in the current reporting period but the equity instruments are not yet issued and will be issued in the future) are deferred until the issued equity instrument is recognised.

Note 26: Equity continued

The development in share capital and other paid-in equity is set out in the Consolidated statement of changes in equity.

	Total number of shares					
	Shares outstanding		Treasury shares		Issued	
	Class A	Class B	Class A	Class B	Class A	Class B
As at 31 December 2020	**684,896,275**	**–**	**52,227**	**–**	**684,948,502**	**–**
Capital increase	342,474,251	197,520,228	–	–	342,474,251	197,520,228
Increase in treasury shares	(1,700,000)	–	1,700,000	–	–	–
Decrease in treasury shares	431,173	–	(431,173)	–	–	–
Conversion of class B shares into class A shares	138,264,160	(138,264,160)	–	–	138,264,160	(138,264,160)
As at 31 December 2021	**1,164,365,859**	**59,256,068**	**1,321,054**	**–**	**1,165,686,913**	**59,256,068**
Increase in treasury shares	(10,000,000)	–	10,000,000	–	–	–
Decrease in treasury shares	2,673,052	–	(2,673,052)	–	–	–
As at 31 December 2022	**1,157,038,911**	**59,256,068**	**8,648,002**	**–**	**1,165,686,913**	**59,256,068**

The total share capital of the Company is NOK 244,988,596.20 divided into 1,165,686,913 class A shares (ordinary shares) and 59,256,068 class B shares (non-voting shares), in total 1,224,942,981 shares, each with a nominal value of NOK 0.20. The class A shares represent NOK 233,137,382.60 and the class B shares represent NOK 11,851,213.60 of the total share capital.

The class B shares are not listed on the Oslo Stock Exchange, but are exchangeable into class A shares on a one-for-one basis on the terms and conditions set out in the Company's amended Articles of Association.

Shares outstanding

The share capital of Adevinta ASA as at 31 December 2020 was NOK 136,989,700.40 divided into 684,948,502 ordinary shares, each with a nominal value of NOK0.20.

In relation to the completion of Adevinta ASA's acquisition of eBay Classifieds Group, on 24 June 2021, as part of the consideration for the acquisition of eCG, eBay International Management B.V. subscribed for 137,737,961 ordinary shares ("class A shares") in Adevinta ASA. Further, eBay International Holding GmbH subscribed for 204,736,290 class A shares and 197,520,228 shares of a new class of non-voting shares ("class B shares") in Adevinta ASA.

As a result, eBay, through its indirect ownership in eBay International Management B.V. and eBay International Holding GmbH, indirectly owned as of 24 June 2021 342,474,251 class A shares representing approximately 33.3% of the class A shares and associated voting rights in the Company, and 197,520,228 class B shares, which together with the class A shares issued to eBay amounted to approximately 44% of the Company's outstanding share capital. On 25 June 2021 the share capital increase was registered in the Norwegian Register of Business Enterprises.

On 14 July 2021 an agreement between eBay Inc. and Permira was signed, which committed eBay to sell approximately 125 million class A shares in Adevinta (10.2% stake in Adevinta) to funds advised by Permira. eBay additionally granted Permira a 30-day option to purchase an additional 10 million class A shares at the same price. 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.

Note 26: Equity continued

Following completion of the transaction between eBay Inc. and Permira, eBay International Management B.V. held 2,994,233 class A shares in the Company and eBay International Holding GmbH, which is 100% owned by eBay, converted 138,264,160 class B shares into class A shares, which resulted in eBay International Holding GmbH holding 343,000,450 class A shares and 59,256,068 class B shares.

As a result of the foregoing, eBay, through its ownership in eBay International Management B.V. and eBay International Holding GmbH, indirectly owned 345,994,683 class A shares, representing approximately 29.7% of the class A shares and associated voting rights in the Company, and 59,256,068 class B shares, which together with the class A shares issued to eBay, amounted to approximately 33.1% of the Company's outstanding share capital.

On November 28, 2022, eBay Inc., through its subsidiary eBay International Holding GmbH, has sold 1,019,568 class A shares in Adevinta ASA, to comply with the regulatory requirements set by the Austrian competition authorities for the acquisition of eBay Classifieds Group by Adevinta. As a result of the foregoing, eBay, through its ownership of eBay International Management B.V. and eBay International Holding GmbH, indirectly owned in total 344,975,115 Class A Shares, representing approximately 29.6% of the Class A Shares and associated voting rights in the Company, and 59,256,068 Class B Shares. In total, eBay indirectly owns 404,231,183 shares in the Company representing approximately 32.999% of the Company's outstanding share capital.

The Annual General Meeting of Adevinta ASA on 29 June 2021 granted authorisation to the Board, due to the closing of the acquisition of the eBay Classified Group, to increase the company's share capital on one or more occasions by up to NOK 24,498,859 by the issue of shares in any or all share classes as may be issued at the time of the use of the authorisation, to raise new convertible loans on one or several occasions up to a total amount of NOK 7,500,000,000 and to acquire and dispose of own shares in any or all share classes as may be issued at the time of the use of the authorisation in Adevinta ASA with the total nominal value of the shares acquired by the Company not exceeding NOK 24,498,859 and the minimum amount which can be paid for the shares is NOK 20 and the maximum amount is NOK 750. The Board of Directors is free to decide on the acquisition method and possible subsequent sale of the shares. Shares acquired may be used in relation to incentive schemes for employees of the Adevinta group, as consideration in connection with acquisition of businesses and/or to improve the Company's capital structure. The authority shall remain in force until the Annual General Meeting in 2022, but in no event later than 30 June 2022.

There have been no developments in shares outstanding during 2022.

The Annual General Meeting of Adevinta ASA held 29 June 2022, authorised the Board to buy-back own shares up to a nominal value of NOK 24,498,859 with a minimum amount of NOK 20 and a maximum amount of NOK 750 paid per share. The Board is free to decide on the acquisition method and possible subsequent sale of the shares. The shares may serve as settlement in the company's share-based incentive schemes, as well as employee share saving plans, and may be used as settlement in acquisitions, and to improve the company's capital structure. This authorisation is valid until the next Annual General Meeting of the Company in 2023, but in no event later than 30 June 2023.

At the Annual General Meeting of 29 June 2022 it was also resolved to authorise the Board to increase the share capital of Adevinta ASA, cf. the Public Limited Liability Companies Act Section 10-14 (1). The Board's authorisation may be carried out on multiple occasions, but should not exceed an aggregate of NOK 24,498,859. The Board was further authorised to issue convertible loans to a total amount of NOK 7,500,000,000 (or equivalent in other currencies) whereby the share capital may be increased by a total of NOK 24,498,859 as a result of such conversions taking place. Both the Board's authorisation to increase the share capital and the issuance of convertible loans is restricted so that they cannot be utilised to issue shares and convertible loans that in the aggregate would result in a share capital increase in excess of the Maximum Amount upon full conversion of any convertible loans. The authorisation will lapse at the time of the next Annual General Meeting in the company, but no later than 30 June 2023.

As at 31 December 2022, voting rights held by Schibsted, eBay and Permira were 30%, 30% and 12%, respectively (rounded).

Note 26: Equity continued

Treasury shares

Adevinta ASA held 52,227 treasury shares as of 31 December 2020.

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 at the Oslo Stock Exchange amounting to €22 million. In 2021, a total of 431,173 treasury shares were transferred to employees in connection with the settlement of share-based incentives schemes and sold through brokers to cover the participant's tax liabilities in relation to the shares transferred. Further information with respect to these programmes is published on our website.

On 24 February 2022, Adevinta ASA announced the decision to initiate a buy-back of up to 10 million of its own shares. The share buy-back programme is structured into two tranches. The first tranche was completed on 22 March 2022 and comprised a buy-back of 4 million shares amounting to €37 million. The second tranche was completed on 18 October 2022 and comprised a buy-back of 6 million shares amounting to €42 million. The purpose of the buy-back was to acquire shares to be used as settlement in the Company's share-based incentive plans over the next 3 years. In 2022, a total of 2,673,052 treasury shares were transferred to employees in connection with the settlement of share-based incentives schemes and sold through brokers to cover the participant's tax liabilities in relation to the shares transferred. As a result, Adevinta ASA held 8,648,002 treasury shares as of 31 December 2022. Further information with respect to these programmes is published on our website.

Note 27: Non-controlling interest

		2022					2021				
	Location	Non-controlling interest (%)	Profit (loss) attributable to NCI	Dividends paid to NCI	Other	Accumulated NCI	Non-controlling interest (%)	Profit (loss) attributable to NCI	Dividends paid to NCI	Other	Accumulated NCI
Distilled SCH group	Dublin, Ireland	50.00%	7	(10)	(0)	14	50.00%	6	(8)	–	18
Infojobs Brasil Atividades de Internet Ltda	São Paulo, Brazil	23.77%	1	–	(1)	0	23.77%	(0)	–	0	(0)
Other			0	–	(0)	0		(0)	–	(0)	(0)
Total			**8**	**(10)**	**(1)**	**14**		**6**	**(8)**	**(0)**	**18**

"Other" movements mainly correspond to currency translation adjustments.

When put options are granted to holders of non-controlling interests, the related accumulated non-controlling interest is derecognised.

There are no material subsidiaries with non-controlling interest and hence no financial information is disclosed.

Note 28: Supplemental information to the consolidated statement of cash flows

Principle
Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

The following amounts of interest paid, and interest and dividends received, are classified as cash flows from operating activities:

	2022	2021
Interest paid	(74)	(58)
Interest received	5	0

Aggregate cash flows arising from obtaining control of subsidiaries and businesses:

	2022	2021
Cash in acquired companies (note 4)	(0)	(66)
Acquisition cost other current assets	(0)	(448)
Acquisition cost non-current assets	(13)	(2,819)
Aggregate acquisition cost assets	**(14)**	**(3,334)**
Liabilities assumed (note 4)	–	1,087
Contingent consideration (note 4)	3	3
Acquisition of subsidiaries, gross of cash acquired	**(10)**	**(2,243)**
Cash in acquired companies (note 4)	0	66
Settlement of contingent consideration – Null Leasing	(1)	–
Settlement of contingent consideration originated in prior periods – Locasun SARL and Pilgo SAS (note 20)	–	(2)
Settlement of other consideration – payment of SAS SNEEP and options related to PayCar SAS (note 4 and note 20)	–	(2)
Acquisition of subsidiaries, net of cash acquired	**(11)**	**(2,181)**

In the year-ended 31 December 2021, in addition to cash consideration, Adevinta issued 539,994,479 shares (€9,023 million) as a consideration for the acquisition of eBay Classifieds Group (notes 4 and 26).

Note 28: Supplemental information to the consolidated statement of cash flows continued

Changes in liabilities arising from financing activities:

	Interest-bearing borrowings	Put obligations	Lease liabilities
Debt as at 1 January 2022	**2,464**	**2**	**92**
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings (note 22)	(321)	–	–
Payment of lease liabilities (note 31)	–	–	(19)
Interest expense (note 20 and note 31)	80	–	–
Interest payment	(74)	–	–
Payment of commitment fees	(4)	–	–
Disposed through sales of businesses (note 31)	(2)	(2)	(1)
Additions (note 23 and note 31)	–	–	6
Foreign exchange adjustments (note 22 and note 31)	28	–	–
Transaction costs charged to expense related to new financing (note 12)	16	–	–
Loan origination fees reclassified to prepayments	3	–	–
Reclassification of interest expense from non-current interest payable	2	–	–
Debt at 31 December 2022	**2,193**	**–**	**78**

Note 28: Supplemental information to the consolidated statement of cash flows continued

	Interest-bearing borrowings	Put obligations	Lease liabilities
Debt as at 1 January 2021	**1,561**	**2**	**100**
Cash flows from financing activities			
New interest-bearing loans and borrowings (note 22)	1,380	–	–
Borrowings released from escrow account	1,060	–	–
Repayment of interest-bearing loans and borrowings (note 22)	(493)	–	–
Payment of lease liabilities (note 31)	–	–	(20)
Interest expense (note 20 and note 31)	–	0	–
Change in fair value recognised in profit or loss (note 20)	–	(0)	–
Closing of the escrow account	(1,060)	–	–
Acquired through business combinations (related to operations in Australia and South Africa) (note 31)	–	–	15
Disposed through sales of businesses (note 31)	–	–	(1)
Reclassification to assets held for sale (operations in Australia and South Africa) (note 31)	–	–	(3)
Additions (note 23 and note 31)	–	–	3
Partial or full termination (note 31)	–	–	(1)
Settlement (note 20)	–	(1)	–
Foreign exchange adjustments (note 22 and note 31)	23	–	0
Transaction costs charged to expense related to new financing (note 12)	12	–	–
Transactions costs paid in advance in 2020 and reclassified to borrowing in 2021	(11)	–	–
Cash flows from financing activities related with derivatives (loan in NOK)	(9)	–	–
Debt at 31 December 2021	**2,464**	**2**	**92**

The gross proceeds from the issuance in November of 2020 of Senior Secured Notes (€1,060 million) were placed as at 31 December 2020 into a segregated escrow account pledged in favour of the holders of the notes. In June 2021, immediately prior to completion of the acquisition of eBay Classifieds Group, the gross proceeds of the Notes were released from escrow (note 22).

Proceeds from sale of subsidiaries, net of cash sold:

	2022	2021
Proceeds from sale of subsidiaries	22	316
Cash sold	(10)	(41)
Proceeds from sale of subsidiaries, net of cash sold	**12**	**274**

Note 28: Supplemental information to the consolidated statement of cash flows continued

Change in ownership interests in subsidiaries consists of:

	2022	2021
Increase in ownership interest – from settlement of put options related to PayCar SAS (note 4 and note 20)	–	1
Change in ownership interests in subsidiaries	**–**	**1**

Note 29: Transactions with related parties

Principles

The largest shareholders of Adevinta ASA are Schibsted ASA, eBay Inc. and Permira, having significant influence over Adevinta ASA by holding voting rights of 30%, 30% and 12%, respectively. Related parties relationships are defined to be the entities having significant influence over Adevinta (Schibsted ASA, eBay Inc. and Permira), entities outside the Adevinta Group that are under control (either directly or indirectly), joint control or significant influence by Schibsted ASA, eBay Inc. or Permira, Adevinta's ownership interests in joint ventures and associates or members of the key management personnel of Adevinta ASA.

Related parties are in a position to enter into transactions with the company that would potentially not be undertaken between unrelated parties.

All transactions by Adevinta with related parties have been conducted in accordance with current internal pricing agreements within the Schibsted Group, eBay Group and Adevinta Group.

Adevinta has ownership interests in joint ventures and associates. Adevinta Finance AS issued a loan, in October 2020, to OLX Brazil joint venture amounting to BRL949 million to finance the acquisition of Grupo Zap (note 18). The loan bears an interest of SELIC + 2% subject to 18 months grace period and has a tenor of 15 years. In 2022 the portion of the loan corresponding with BRL 380 million (€76 million) of the principal amount was converted into equity instruments of OLX Brazil (note 18). In 2022, €24 million (€9 million in 2021) interest income has been recognised in relation to this loan (note 12).

In connection with the acquisition of the eBay Classifieds Group, Adevinta entered in June 2021 into a transaction services agreement for a limited time period with eBay Group covering mainly access to third-party systems, eBay tools and infrastructure, and the delivery of finance shared service accounting processes, HR processes, IT network support, and some limited legal services.

In June 2021, immediately after the acquisition of the eBay Classifieds Group, Adevinta sold its subsidiary eBay Denmark 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. Adevinta entered into related cost-sharing arrangements with eBay Denmark.

Other transactions with related parties by Adevinta are largely related to support services from the Schibsted Group entities such as IT, external staff costs and professional services.

For remuneration to management, see note 9 and the Adevinta 2022 Remuneration Report.

For information on dividend payments and contributions to and from related parties see Consolidated statement of changes in equity.

Note 29: Transactions with related parties continued

Transactions with related parties affect the consolidated financial statements as summarised below.

Summary of transactions and balances with other related parties:

€million	2022	2021
Consolidated income statement		
Revenues	4	3
Other operating expenses	(18)	(14)
Gross operating profit (loss)	**(14)**	**(10)**
Other income and expenses	**0**	**0**
Operating profit (loss)	**(14)**	**(10)**
Profit (loss) before taxes	**(14)**	**(10)**
Consolidated statement of financial position		
Trade receivables and other current assets	3	2
Current assets	**3**	**2**
Other current liabilities	1	1
Current liabilities	**1**	**1**

Summary of transactions and balances with Bom Negócio Atividades de Internet Ltda (joint venture):

€million	2022	2021
Consolidated income statement		
Financial income	24	9
Profit (loss) before taxes	**24**	**9**
Consolidated statement of financial position		
Other non-current assets	122	160
Non-current assets	**122**	**160**
Other current assets	7	–
Current assets	**7**	**–**

Note 30: Auditors' remuneration

Details on the fees to the Group's auditors for the fiscal year 2022:

€million	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Adevinta Group					
EY	2	0	0	0	2
Other auditors	1	0	0	0	1
Total	**3**	**0**	**0**	**0**	**3**
Adevinta ASA					
EY	0	0	0	0	0

Details on the fees to the Group's auditors for the fiscal year 2021:

€million	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Adevinta Group					
EY	2	0	0	0	2
Other auditors	0	0	0	0	0
Total	**2**	**0**	**0**	**0**	**2**
Adevinta ASA					
EY	0	0	0	0	0

Note 31: Lease agreements

Policy

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

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

Note 31: Lease agreements continued

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

In relation to leases acquired in a business combination, Adevinta measures the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets are measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavorable terms of the lease when compared with market terms.

Lease liabilities are subsequently increased by interest expenses, reduced by lease payments made and remeasured to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments. A lease modification is a change in the lease term, a change in the assessment of an option to purchase the underlying asset in the context of a purchase option or a change in the future lease payments.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the underlying asset.

Adevinta mainly has lease contracts for office buildings and vehicles used in its operations. For most leases of office equipment, such as personal computers, photocopiers and coffee machines, Adevinta has applied the recognition exemption for leases of low-value assets (below €5,000).

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

Estimation uncertainty

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

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

Note 31: Lease agreements continued

Effects of leases on the consolidated financial statements

The Group's leases are primarily related to office buildings. Leases of cars are also recognised, while leases of office equipment, such as personal computers, photocopiers and coffee machines, to a large degree are considered of low value and not included. There are no significant variable lease payments.

The most significant leases are:

User of the office building	Address	End of lease term
Adevinta Spain and HQ Functions	Cuidad de Granada 150, Barcelona	2028
Adevinta France	85 Rue de Faubourg Saint Martín, Paris	2026
Adevinta France	UFO – 26 Rue des Jeuneurs, Paris	2029
Subito Italy	Via Benigno Crespi, Milano	2025
Distilled Ireland	Latin Hall 8, Dublin	2025
Markplaats BV	Wibaustraat 224, Renault BLDG, Amsterdam	2025
Mobile.de GmbH and eBay Kleinanzeigen	J9, Albert Einstein Ring 26, Kleinmachnow	2025

Consolidated income statement

	2022	2021
Expense related to short-term leases and low value assets	(4)	(2)
Gross operating profit (loss)	**(4)**	**(2)**
Depreciation of right-of-use asset	(19)	(18)
Share of profit (loss) of joint ventures and associates	(1)	(1)
Operating profit (loss)	**(24)**	**(22)**
Sublease financial income	0	0
Interest expense on lease liabilities (note 12)	(2)	(2)
Currency translation differences	(0)	(0)
Profit (loss) before taxes	**(26)**	**(24)**

Note 31: Lease agreements continued

Consolidated statement of financial position

Carrying amount of right-of-use asset recognised and the movements during the period	Buildings and land	Equipment, furniture and similar assets	Total
As at 1 January 2022	82	1	82
Additions	4	2	6
Disposed through sales of businesses	(1)	–	(1)
Partial or full termination	(0)	–	(0)
Depreciation – profit (loss) from continuing operations	(18)	(1)	(19)
Depreciation – profit (loss) from discontinued operations	–	–	–
Currency translation differences	(0)	(0)	(0)
As at 31 December 2022	**67**	**2**	**69**

Carrying amount of right-of-use asset recognised and the movements during the period	Buildings and land	Equipment, furniture and similar assets	Total
As at 1 January 2021	88	1	89
Additions	2	1	2
Acquired through business combination	15	0	15
Disposed through sales of businesses	(1)	–	(1)
Reclassification to assets held for sale (operations in Australia and South Africa)	(3)	–	(3)
Partial or full termination	(1)	(0)	(1)
Depreciation – profit (loss) from continuing operations	(17)	(1)	(18)
Depreciation – profit (loss) from discontinued operations	(1)	–	(1)
Currency translation differences	(0)	0	0
As at 31 December 2021	**82**	**1**	**82**

Note 31: Lease agreements continued

Carrying amount of lease liabilities recognised and the movements during the period

As at 1 January 2022	92
Additions	6
Disposed through sales of businesses	(1)
Lease payments (including €2 million of interest)	(21)
Accretion of interest	2
Translation differences	0
As at 31 December 2022	**78**
Of which current	20
Of which non-current	58

Carrying amount of lease liabilities recognised and the movements during the period

As at 1 January 2021	100
Additions	3
Acquired through business combination	15
Disposed through sales of businesses	(1)
Reclassification to assets held for sale (operations in Australia and South Africa)	(3)
Partial or full termination	(1)
Lease payments (including €2 million of interest)	(24)
Accretion of interest	2
Translation differences	0
As at 31 December 2021	**92**
Of which current	19
Of which non-current	73

Lease liabilities acquired through business combinations in 2021 are mainly related to the office leases of Marktplaats BV in the Netherlands and Mobile.de GmbH in Germany.

Note 31: Lease agreements continued

Maturity analysis of lease liability as at 31 December	2022	2021
<3 months	5	6
3 months to 1 year	15	15
1 to 2 years	18	19
2 to 5 years	35	44
>5 years	9	18
Total	**82**	**102**

This table presents undiscounted amounts.

Consolidated statement of cash flows

The following amounts related to leases and net investment in sublease are recognised in the Consolidated statement of cash flows:

	2022	2021
Net cash flow from operating activities	(6)	(4)
Net cash flow from financing activities (note 28)	(19)	(20)
Total	**(25)**	**(24)**

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

Future cash flows to which Adevinta is potentially exposed that are not reflected in the lease liability

The Group has no significant leases that have not yet commenced as at 31 December 2022.

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

	Between 1 and 5 years	More than 5 years	Total
Extension options expected not to be exercised	8	59	67
Termination options expected not to be exercised	11	0	11
Total	**19**	**59**	**78**

Expenses related to short-term leases are expected to remain insignificant in 2023.

Note 31: Lease agreements continued

Net investment in sublease

The net investment in sublease relates to part of the London office. This lease has been terminated during 2022.

Net investment in sublease	2022	2021
As at 1 January	1	2
Lease payments received	(1)	(2)
Accretion of interest	–	0
Translation differences	–	0
As at 31 December	**–**	**1**
Of which current	–	1
Of which non-current	–	–

Note 32: Events after the balance sheets date and other information

The Russian government invasion of Ukraine

The Russian government invasion of Ukraine, alongside the imposition of international sanctions, has a pervasive economic impact. Adevinta is monitoring the development, including updating risk assessment and measures.

Sales process for the business in Hungary

When we announced our new strategic plan in November 2021, we identified Hungary as one of our operations to be placed under strategic review. On 23 February 2023, we announced the launch of the sale process for Hungary, which was the last remaining business under strategic review. A sale of Hungary is not expected to have a material impact on the financial statements of the Group.

CFO transition

Uvashni Raman, Adevinta's CFO since April 2019, has decided to step down in autumn 2023 and a global search for a replacement has been initiated. Uvashni Raman has played a key role in creating Adevinta as an independent organisation, implementing our IPO in 2019 and in the acquisition and integration of eCG. We thank Uvashni for her dedication to Adevinta and wish her the best for future endeavors.

Other than the matters described above, no further matters have arisen since 31 December 2022 that 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.

Note 33: Changes from Interim Financial Report Q4 2022 to Annual Report 2022

After publishing the Q4 2022 interim report, Adevinta has made some changes to the YTD December 2022 figures initially reported in the Q4 2022 interim report. The adjustments relate to impairment of the investment in the joint venture for Brazil.

Adevinta obtained updated information about the financial prognosis for the joint venture after publishing its Q4 2022 interim report. This has resulted in an €80 million impairment loss being reported in the 2022 annual financial statements compared to what was reported in the Q4 2022 interim report, resulting in an increase in the Share of losses of joint ventures and associates and an increase in Loss for the year attributable to the owners of the parent of €80 million in the consolidated income statement, with a corresponding decrease in Comprehensive income in the consolidated statement of comprehensive income. Basic earnings per share decreased from (1.43) to (1.50), diluted earnings per share decreased from (1.43) to (1.49).

Furthermore, this adjustment resulted in a decrease of €80 million in the Investments in joint ventures and associates, Total assets and the Equity attributable to owners of the parent in the consolidated statement of financial position compared to the consolidated financial statements in the Q4 2022 interim report.

Note 34: Ownership

Subsidiaries	Country of incorporation	% holding
Editora Balcão Ltda	Brasil	100.0%
Adevinta France SASU	France	100.0%
SCM Local SASU	France	100.0%
LBC France SASU	France	100.0%
Locasun SASU	France	100.0%
Adevinta Product & Tech France SASU	France	100.0%
SAS SNEEP	France	100.0%
MBDE GmbH	Germany	100.0%
Oak Germany Buyer GmbH	Germany	100.0%
Mobile.de GmbH	Germany	100.0%
eBay Kleinanzeigen GmbH	Germany	100.0%
Null-Leasing DSB Deutschland GmbH	Germany	100.0%
Adevinta Classified Media Hungary Kft.	Hungary	100.0%
Adevinta Classified Media Ireland Ltd	Ireland	100.0%
Distilled SCH Ltd	Ireland	50.0%
Distilled SCH Shared services Ltd	Ireland	50.0%
Distilled SCH Nominees Ltd	Ireland	50.0%
Distilled Financial Services Ltd	Ireland	50.0%
Daft Media Ltd	Ireland	50.0%
Adverts Marketplace Ltd	Ireland	50.0%
Done Deal Ltd	Ireland	50.0%

Note 34: Ownership continued

Subsidiaries	Country of incorporation	% holding
Skupe Net Ltd	Ireland	50.0%
Gumtree Ireland Ltd	Ireland	50.0%
Subito.it S.r.l	Italy	100.0%
IM S.r.l.	Italy	100.0%
InfoJobs Italia S.r.l.	Italy	100.0%
Automobile.it S.r.l.	Italy	100.0%
Vivanuncios Classifieds Mexico, S. de R.L. De CV	Mexico	100.0%
Adevinta Oak Holdings B.V.	Netherlands	100.0%
Adevinta Netherlands NV	Netherlands	100.0%
Hebdo Mag Brazil Holdings BV	Netherlands	100.0%
SnT Netherlands BV	Netherlands	100.0%
Marktplaats BV	Netherlands	100.0%
Marktplaats Bemiddeling BV	Netherlands	100.0%
Adevinta Ventures BV	Netherlands	100.0%
Adevinta NV	Netherlands	100.0%
Adevinta Finance AS	Norway	100.0%
Adevinta Ventures AS	Norway	100.0%
SnT Classified ANS	Norway	100.0%
Marketplaces Austria Holding AS	Norway	100.0%
Adevinta Products & Technology SLU	Spain	100.0%
Adevinta Information Services S.L.	Spain	100.0%
Adevinta Holdco Spain SLU	Spain	100.0%
Adevinta Ibérica SLU	Spain	100.0%
Locasun Spain SLU	Spain	100.0%
Adevinta Spain SLU	Spain	100.0%
Adevinta Ventures AB	Sweden	100.0%
Adevinta Growth Partner AB	Sweden	100.0%
Adevinta Products & Technology UK Limited	United Kingdom	100.0%
Adevinta UK Ltd	United Kingdom	100.0%
Gumtree IP ROW Holding Ltd	United Kingdom	100.0%

Note 34: Ownership continued

Subsidiaries	Country of incorporation	% holding
Kijiji Canada Ltd	Canada	100.0%
Kjiijj Classifieds, LLC	USA	100.0%
alaMaula Argentina S.R.L.	Argentina	100.0%
2ememain Belgium BVBA	Belgium	100.0%
Gumtree Software Engineering (Shanghai) Co, Limited	China	100.0%

Joint ventures	Country of incorporation	% holding
Willhaben internet service GmbH & Co KG	Austria	50.0%
Car4You GmbH	Austria	50.0%
Willhaben internet service GmbH	Austria	50.0%
Autopro24 Datenmanagement GmbH	Austria	50.0%
Bom Negocio Atividades de Internet Ltda	Brazil	50.0%
ZAP S.A. Internet	Brazil	50.0%
Vivareal Internet Ltda.	Brazil	50.0%
Geoimovel tecnologia e informaçao imobiliaria Ltda.	Brazil	50.0%
Suahouse.com Tecnologia e Gestao imoiliaria Ltda.	Brazil	50.0%
DataZap S.A. Intellgencia imobiliaria	Brazil	50.0%
Infoprop Brasil Tehnologia Ltda	Brazil	50.0%
OLX Pay Instituição de Pagamento Ltda	Brazil	50.0%
Soh serviços de tecnologia da informação ltda	Brazil	50.0%
OLX Participaçoes Ltda	Brazil	50.0%
Silver Brazil JVCO BV	Netherlands	50.0%

Associate companies	Country of incorporation	% holding
Younited SA	France	7.8%
703 Search BV	Netherlands	31.5%
CustoJusto Unipessoal Lda	Portugal	30.0%

Income statement

for the year ended 31 December

€ thousand	Note	2022	2021
Operating Revenues	**3**	**11,605**	**50,152**
Personnel expenses	4	(5,431)	(3,378)
Other operating expenses	5,20	(20,763)	(67,263)
Depreciation and amortization	10	(669)	(262)
Other income	6	11,155	–
Other expenses	7	(2,895)	(1,135)
Operating profit (loss)		**(6,998)**	**(21,886)**
Financial income	8	99,055	255,427
Financial expenses	8	(2,600,833)	(55,663)
Net financial items		**(2,501,778)**	**199,764**
Profit (loss) before taxes		**(2,508,776)**	**177,878**
Taxes	9	(13,748)	–
Profit (loss) after taxes		**(2,522,524)**	**177,878**

Statement of financial position

for the year ended 31 December

€ thousand	Note	2022	2021
ASSETS			
Deferred tax assets	9	–	–
Intangible assets	10	1,632	6,312
Investments in subsidiaries	11	6,319,230	8,813,983
Other non-current assets	12	2,568,394	2,965,644
Non-current assets		**8,889,256**	**11,785,939**
Other current assets	12	448,276	381,685
Cash and cash equivalents	13	13,740	5,950
Current assets		**462,016**	**387,635**
Total assets		**9,351,272**	**12,173,574**
EQUITY AND LIABILITIES			
Share capital	14	24,384	24,384
Other paid-in capital	14	9,914,900	9,918,983
Treasury shares	14	(70,581)	(17,183)
Retained earnings	14	(2,088,375)	434,300
Equity		**7,780,328**	**10,360,484**
Pension liabilities	16	3,117	1,180
Other non-current liabilities	17,18	1,186,703	1,375,238
Non-current liabilities		**1,189,820**	**1,376,418**
Current liabilities	**17,18**	**381,124**	**436,672**
Total equity and liabilities		**9,351,272**	**12,173,574**

Statement of cash flows

for the year ended 31 December

€ thousand	Note	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		(2,508,776)	177,878
Taxes paid	9	–	–
Depreciation and amortization	10	669	262
Impairment of shares	8,11	2,543,543	–
Capitalised interest income	8,12	(92,514)	(47,867)
Net effect pension liability	16	1,786	409
Other non-cash items and change in working capital		180,883	(388,095)
Net cash flow from operating activities		**125,591**	**(257,413)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant & equipment	10	4,011	(6,266)
Change in subsidiaries' receivables and liabilities in cash pool (net)	12,17	(199,341)	66,325
Increase of non-current loans to subsidiaries	12	–	(1,350,792)
Repayment of non-current loans to subsidiaries	12	482,146	43,559
Acquisitions of and capital increase in subsidiaries	11	(45)	(2,474)
Net cash flow from investing activities		**286,771**	**(1,249,648)**
Net cash flow before financing activities		**412,362**	**(1,507,061)**
CASH FLOW FROM FINANCING ACTIVITIES			
Net sale (purchase) of treasury shares	14	(57,893)	(16,727)
Increase of non-current loans from group	17	–	7,081
Repayment of non-current loans from group	17	(31,679)	–
New interest-bearing loans and borrowings	17	–	1,479,649
Repayment of interest-bearing loans and borrowings	17	(315,000)	–
Net cash flow from financing activities		**(404,572)**	**1,470,003**
Net increase (decrease) in cash and cash equivalents		**7,790**	**(37,058)**
Cash and cash equivalents as at 1 January		**5,950**	**43,008**
Cash and cash equivalents as at 31 December	**13**	**13,740**	**5,950**

Notes to the parent company financial statements

Note 1: Company information

Adevinta ASA is the parent company of the Adevinta Group. The activities of Adevinta ASA mainly include a part of the group's executive management, financing, provision of management and financing services to other group companies and other activities as a consequence of being listed on the Oslo stock exchange.

Schibsted ASA had retained a majority interest of 59% in Adevinta ASA until 25 June 2021. Pursuant to the acquisition of eCG, the economic interest held by Schibsted decreased to 33% and eBay Inc obtained an economic interest of 44% and neither party had control over the Adevinta Group. The major shareholders as at 31st December 2022 are Schibsted, eBay and Permira holding 30%, 30% and 12% of voting rights, respectively. None of the parties have control over the Adevinta Group. See note 15 Shareholder structure for further ownership details.

The financial statements for Adevinta ASA for the year 2022 were approved by the Board of Directors on 20 April 2023 and will be proposed to the General Meeting in June 2023.

Note 2: Significant accounting policies

The financial statements for Adevinta ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP).

All amounts are in euros (€) thousand, which is Adevinta ASA's functional and presentation currency, unless otherwise stated.

Cash and cash equivalents

Adevinta ASA is the ultimate owner of Adevinta's multi-currency cash pool system. Adevinta ASA's funds in the cash pool are classified as cash and cash equivalents. The subsidiaries' positions in the cash pool are recognised as receivables and liabilities in Adevinta ASA's statement of financial position. Liabilities and receivables are classified in their entirety as current.

Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

Classification

An asset or liability is classified as current when it is part of a normal operating cycle, held primarily for trading purposes, falls due within 12 months or when it consists of cash or cash equivalents on the statement of financial position date. Other items are classified as non-current.

Shares

Subsidiaries are all entities controlled, either directly or indirectly, by Adevinta ASA. For further information concerning evaluation as to whether Adevinta ASA controls an entity, please see note 2 (Basis for preparing the consolidated financial statements) in the consolidated financial statements.

Shares are classified as investment in subsidiaries from the date Adevinta ASA effectively obtains control of the subsidiary (acquisition date) and until the date Adevinta ASA ceases to control the subsidiary.

Subsidiaries are recognised according to the cost method and are yearly tested for impairment. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

Group contributions and dividends received are recognised as financial income, provided that they do not represent a repayment of capital invested. If dividends and/or group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the statement of financial position.

Note 2: Significant accounting policies continued

Property, plant & equipment and intangible assets

Property, plant & equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant & equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Impairment losses are reversed if the basis for the impairment is no longer present.

Leases

Leases are classified as either finance leases or operating leases. Leases that transfer substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases. All of the company's leases are considered to be operational. Lease payments related to operating leases are recognised as expenses over the lease term.

Foreign currency

Adevinta ASA's functional currency is euros (€). Foreign currency transactions are translated into the functional currency on initial recognition by using the spot exchange rate at the date of the transaction. Foreign currency monetary items are translated with the closing rate at the reporting date. Foreign currency gains and losses are reported in the income statement in the lines "Financial income" and "Financial expenses," respectively.

Trade receivables

Trade receivables are recognised at nominal value less provision for expected loss.

Treasury shares

Acquisition and proceeds from sale of treasury shares are accounted for as equity transactions.

Pension plans

Adevinta ASA has chosen, in accordance with NRS 6, to use measurement and presentation principles according to IAS 19R Employee Benefits.

The accounting principles for pension are consistent with the Group principles, as described in note 21 (Other non-current and current liabilities) in the consolidated financial statements.

Share-based payment

Adevinta ASA accounts for share-based payment in accordance with NRS 15A Share-based Payment. NRS 15A requires share-based payments to be accounted for as required by IFRS 2 Share-based Payment. See note 10 (Share-based payment) in the consolidated financial statements for additional information.

Revenue recognition

Revenues from rendering of services are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Taxes

Tax expense (tax income) comprises current tax payable and changes to deferred tax assets and/or liabilities. Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the financial statements and the tax basis of tax losses carried forward. Deferred tax assets are recognised only when it is probable that the asset will be utilised against future taxable profit. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Note 2: Significant accounting policies continued

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Adevinta ASA makes an assessment both at the inception of the hedge relationship as well as on an ongoing basis, whether the derivatives are expected to be highly effective in offsetting the changes in the fair value or cash flows for the respective hedged items during the period for which the derivatives are in place and designates the derivatives as a hedging instrument or not, accordingly.

The effective portion of changes in the fair value of derivatives designated as hedging instruments in cash flow hedges is recognised in equity and is accumulated in the hedging reserve. In the case of purchase of non-financial assets, the hedging reserve will be reclassified to the carrying amount of these assets when such assets are recognised in the statement of financial position. In other cash flow hedges the hedging reserve will be reclassified to profit or loss when the hedged expected future cash flows affect profit or loss.

Changes in the fair value of currency derivatives, not designated as hedging instruments, are recognised in financial income or expenses.

Provisions and contingent liabilities

Provisions are recognised in the financial statements when it is more probable than not that future uncertain events will result in outflow of economic resources based on the best estimate of the amount to be paid. Contingent liabilities are possible obligations arising from past events whose existence depends on the occurrence of uncertain future events or a present obligations arising from past events for which it is not probable that an economic outflow will be required to settle the obligation or where the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the financial statements. Contingent liabilities are disclosed in notes to the financial statements, unless the probability that an economic outflow will be required to settle the obligation is remote.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and cash on hand.

Note 3: Operating revenues

	2022	2021
Management services to subsidiaries	11,605	50,152
Operating revenues	**11,605**	**50,152**

Operating revenues consist of management services provided to other group companies.

Note 4: Personnel expenses

	2022	2021
Salaries and wages	2,080	1,591
Social security costs	551	601
Net pension expense (note 16)	1,781	407
Other personnel expenses	70	38
Share-based payment	949	741
Total personnel expenses	**5,431**	**3,378**
Number of FTEs	2	1

Remuneration of the Board is included in personnel expenses. Board directors are not included in the number of FTEs.

On August 15th 2022 Antoine Jouteau was designated CEO of Adevinta ASA and his remuneration, as well as the former CEO Rolv Erik Ryssdal' remuneration, is included in Personnel expenses. For further information concerning remuneration to management and share-based payment, see note 9 (Personnel expenses and remuneration) and note 10 (Share-based payment) in the consolidated financial statements.

Note 5: Other operating expenses

	2022	2021
Rent and maintenance	17	15
Office and administrative expenses	271	332
Professional fees	17,835	10,056
Acquisition related costs	8	37,853
Integration related cost	1,796	19,007
Other	836	–
Other operating expenses	**20,763**	**67,263**

Acquisition-related costs and integration-related costs are mainly attributed to the acquisition of eBay Classifieds Group.

Note 6: Other income

	2022	2021
Other income	(11,155)	–
Other income	**(11,155)**	**–**

Other income in 2022 is due to a VAT refund received from the Norwegian Tax Authorities related to acquisition and integration costs incurred in 2020 and 2021.

Note 7: Other expenses

	2022	2021
Transition costs	1,115	825
Other costs	1,780	310
Other expenses	**2,895**	**1,135**

Transition costs mainly relate to the establishment of Adevinta's own corporate functions following the spin-off from Schibsted in 2019.

Note 8: Financial items

Financial income consists of:

	2022	2021
Interest income	92,540	48,041
Interest income cash pool	4,544	1,365
Dividends from subsidiaries	–	–
Foreign exchange gain (agio)	1,970	60,970
Other financial income	1	145,051
Total	**99,055**	**255,427**

Financial expenses consist of:

	2022	2021
Interest expenses	41,506	38,666
Interest expenses cash pool	–	–
Interest expenses on pension plans (note 16)	15	12
Impairment loss on shares (note 11)	2,543,543	–
Foreign exchange loss (disagio)	1,808	7,770
Other financial expenses	13,961	9,215
Total	**2,600,833**	**55,663**

Interest income relates to income on long-term loans to group companies as well as interest income from the cash pool. Foreign exchange gain in 2021 was mainly due to deal-contingent foreign currency forward contracts entered in relation to the eBay Classifieds Group acquisition and a currency and interest swap entered into for the USD part of a senior secured Term Loan B facility established to partly finance the acquisition, see note 18 (Financial risk management and interest-bearing borrowings), which were not designated as hedging instruments. Other financial income corresponds in 2021 mainly to financing costs related to long term Interest-bearing borrowings and loss on derivatives charged to other group companies in relation to the eCG acquisition.

Interest expenses consist predominantly of the interest expenses on the Notes and EUR TLB as described in note 17 (Non-current and current liabilities). Other financial expenses in 2022 and 2021 include the amortization of origination fees and other financial expenses.

Note 9: Income taxes

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2022	2021
Profit (loss) before taxes	(2,508,776)	177,878
Currency exchange difference[1]	73,470	(15,084)
Impairment loss on shares	2,543,543	–
Other permanent differences	48	310
Change in temporary differences[2]	2,048	(156,069)
Effect of unrecognised actuarial gain (loss) in the pension liability	(151)	25
Taxable income before use of tax losses carried forward	**110,182**	**7,060**
Use of tax losses carried forward from previous years for which no deferred tax asset has been recognised	(47,690)	(7,060)
Taxable income before group contributions	**62,492**	**–**
Group contribution	(62,492)	–
Taxable income	**–**	**–**
Tax rate	22%	22%

(1) The currency exchange difference occurs as a result of the parent company financial statements being presented in EUR and tax return being filed in NOK.
(2) Change in temporary differences and taxable losses to carry forward from previous years differ from the movement in the table "net deferred tax liability (asset)" below due to changes in the final tax return that was presented after parent company financial statements were approved.

Taxes payable and taxes charged to expenses are calculated as:

	2022	2021
Tax related to Group contributions payable	13,748	–
Tax expense	**13,748**	**–**

Effective tax rate is a result of:

	2022	2021
Profit (loss) before taxes	(2,508,776)	177,878
Tax charged based on nominal rate	(551,931)	39,133
Tax effect permanent differences	559,557	74
Tax effect currency exchange differences	16,163	(3,319)
Change in temporary differences not booked	451	(34,335)
Use of tax losses carried forward from previous years for which no deferred tax asset has been recognised	(10,492)	(1,553)
Tax expense	**13,748**	**–**

Note 9: Income taxes continued

The net deferred tax liability (asset) consists of the following:

	2022	2021
Temporary differences related to:		
Intangible assets	(169)	(178)
Pension liabilities	(3,117)	(1,180)
Other current liabilities	350	73
Temporary differences	**(2,936)**	**(1,285)**
Taxable losses to carry forward(2)	-	(17,307)
Total basis for deferred tax liability (assets)	**(2,936)**	**(18,592)**
Tax rate	22%	22%
Net deferred tax liability (asset) with applicable year's tax rate	(646)	(4,090)
Deferred tax assets not booked	646	4,090
Net deferred tax liability (asset)	**–**	**–**

The company does not register any deferred tax assets as it is currently not probable that these deferred tax assets can be recovered.

Note 10: Intangible Assets

Intangible assets in net carrying amount in 2022

	Intellectual Property (IP)	Consolidation tool	Other	Total
As at 1 January	**4,189**	**2,076**	**46**	**6,311**
Additions	–	179	–	179
Disposals	(4,189)		–	(4,189)
Amortisation	–	(623)	(46)	(669)
As at 31 December	**–**	**1,632**	**–**	**1,632**
Of which accumulated costs	–	2,255	1,376	3,631
Of which accumulated amortization and impairment loss	–	(623)	(1,376)	(1,999)

Note 10: Intangible Assets continued

Intangible assets in net carrying amount in 2021

	Intellectual Property (IP)	Consolidation tool	Other	Total
As at 1 January	**–**	**–**	**308**	**308**
Additions	4,189	2,076	–	6,265
Disposals	–	–	–	–
Amortisation	–	–	(262)	(262)
As at 31 December	**4,189**	**2,076**	**46**	**6,311**
Of which accumulated costs	4,189	2,076	1,376	7,641
Of which accumulated amortization and impairment loss	–	–	(1,330)	(1,330)

Pursuant to the acquisition of eCG in 2021, Adevinta ASA acquired some IP related to Kijiji Canada amounting to €4,189 thousand. This IP has been transferred at net book value to a subsidiary of the Group in March 2022.

Note 11: Subsidiaries and associates

Adevinta ASA is the ultimate parent company in the Adevinta Group with operations worldwide. For more information about these operations, see note 6 (Operating segments) to the consolidated financial statements.

Shares in subsidiaries directly owned by Adevinta ASA:

	Ownership and voting share	Location	Total Equity	Result (100%)	Carrying amount 2022	Carrying amount 2021
Adevinta Finance AS	100%	Oslo, Norway	1,750,368	145,029	2,142,970	2,094,225
Adevinta Oak Holdings BV	100%	Amsterdam, Netherlands	(955,583)	(25,663)	4,176,215	6,719,758
Adevinta N.V.	100%	Amsterdam, Netherlands	45	–	45	–
Total					**6,319,230**	**8,813,983**

As of 24th June 2021 Adevinta ASA acquired 100% ownership of eBay Classifieds Holding B.V. Pursuant this acquisition, Adevinta Oak Holdings BV was merged with eBay Classifieds Holding B.V. ("disappearing company") with effective date 26th June 2021. As per effective date, eBay Classifieds Holding B.V. ceased to exist and Adevinta Oak Holdings BV absorbed all assets and liabilities from eBay Classifieds Holding B.V.

In 2022 management has performed impairment assessment of the company's investment in subsidiaries. In relation to this, impairment losses have been recognized for Adevinta Oak Holdings BV of €2,543,543 thousand due to lower recoverable amounts.

Note 12: Other non-current and current assets

	Non-current		Current	
	2022	2021	2022	2021
Group companies' receivables in cash pool	–	–	333,707	107,077
Other receivables from Group companies	2,568,394	2,965,644	113,774	274,354
Prepaid expenses	–	–	3	6
Other receivables	–	–	792	248
Total	**2,568,394**	**2,965,644**	**448,276**	**381,685**

Non-current receivables from Group companies in 2022 consist of a loan to Adevinta France SASU of €113,327 thousand (€113,393 thousand in 2021), a loan to LBC France SASU of €13,687 thousand (€21,262 thousand in 2021), a loan to Adevinta Finance AS of €935,067 thousand (€1,357,815 thousand in 2021) and a loan to Oak Germany Buyer GmbH of €1,506,313 thousand (€1,453,086 thousand in 2021). 2021 includes a loan to Adevinta Holdco Spain SLU of €20,088 thousand that has been repaid in 2022.

Note 13: Cash and cash equivalents

	2022	2021
Net assets in cash pool	13,544	5,235
Net assets outside the cash pool	196	715
Total Cash and cash equivalents	**13,740**	**5,950**

Adevinta ASA has a multi-currency cash pool with Danske Bank and with BNP Paribas. These cash pools have been established to optimise liquidity management for Adevinta.

The Group has an uncommitted overdraft facility of €10 million linked to the cash pool with BNP Paribas. At year end 2021 and 2022, this facility was not drawn.

Excess liquidity is placed in Adevinta's relationship banks, in the cash pool or in the short-term money market.

Note 14: Equity

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
Equity as at 31 December 2021	**24,384**	**(17,183)**	**9,918,983**	**434,300**	**10,360,484**
Change in treasury shares	–	(53,398)	(4,495)	–	(57,893)
Share-based payment	–	–	412	–	412
Unrecognised actuarial gain (loss) in pension plans, net of tax	–	–	–	(151)	(151)
Profit (loss)	–	–	–	(2,522,524)	(2,522,524)
Equity as at 31 December 2022	**24,384**	**(70,581)**	**9,914,900**	**(2,088,375)**	**7,780,328**

As part of the consideration for the acquisition of eCG, Adevinta ASA issued a new class of non-voting shares ("Class B Shares") on 25 June 2021 and set up a dual-share class structure. The class B shares are not listed on the Oslo Stock Exchange, but are exchangeable into class A shares on a one-for-one basis on the terms and conditions set out in the Company's amended Articles of Association. The share capital of Adevinta ASA is NOK 244,988,596.20 consisting of 1,165,686,913 ordinary Class A Shares and 59,256,068 Class B Shares (non-voting shares), each with a nominal value of NOK 0.20. For more information on number of shares, see note 26 (Equity) in the consolidated financial statements.

The Annual General Meeting of Adevinta ASA held 29 June 2022, authorised the Board to buy-back own shares up to a nominal value of NOK 24,498,859 with a minimum amount of NOK 20 and a maximum amount of NOK 750 paid per share. The Board is free to decide on the acquisition method and possible subsequent sale of the shares. The shares may serve as settlement in the company's share-based incentive schemes, as well as employee share saving plans, and may be used as settlement in acquisitions, and to improve the company's capital structure. This authorisation is valid until the next Annual General Meeting of the Company in 2023, but in no event later than 30 June 2023.

At the Annual General Meeting of 29 June 2022 it was also resolved to authorise the Board to increase the share capital of Adevinta ASA, cf. the Public Limited Liability Companies Act Section 10-14 (1). The Board's authorisation may be carried out on multiple occasions, but should not exceed an aggregate of NOK 24,498,859 (Maximum Amount). The Board was further authorised to issue convertible loans to a total amount of NOK 7,500,000,000 (or equivalent in other currencies) whereby the share capital may be increased by a total of NOK 24,498,859 as a result of such conversions taking place. Both the Board's authorisation to increase the share capital and the issuance of convertible loans is restricted so that they cannot be utilised to issue shares and convertible loans that in the aggregate would result in a share capital increase in excess of the Maximum Amount upon full conversion of any convertible loans. The authorisation will lapse at the time of the next Annual General Meeting in the company, but no later than 30 June 2023.

In 2022 Adevinta ASA acquired 10,000,000 of its own shares at a total purchase price including broker fees of NOK 792.5 million (equivalent to €79.4 million). The purpose of the buy-backs was to have treasury shares available to settle share-based long-term incentive schemes obligations in the upcoming future. In 2022 Adevinta ASA has transferred a total of 2,673,052 treasury shares with respect to long-term incentive schemes (NOK 261.8 million, equivalent to €26 million). As a result, Adevinta ASA held 8,648,002 treasury shares as of 31 December 2022.

In 2021 Adevinta ASA acquired 1,700,000 of its own shares at a total purchase price including broker fees of NOK 227.4 million (equivalent to €22.4 million) and transferred a total of 431,173 treasury shares with respect to long-term incentive schemes (NOK 57.2 million, equivalent to €5.7 million).

Adevinta ASA holds 8,648,002 treasury shares as of 31 December 2022 (1,321,054 as of 31 December 2021).

Note 15: Shareholder structure

The 20 largest shareholders as at 31 December 2022

	Total number of shares	% of shares
eBay Inc.*	404,231,183	33 %
Schibsted ASA	344,803,374	28.1 %
Clearstream Banking S.A.**	138,355,942	11.3 %
Danske Bank	36,200,791	3 %
Folketrygdfondet	25,194,140	2.1 %
Blommenholm Industrier AS	17,093,587	1.4 %
State Street Bank and Trust Comp**	14,205,620	1.2 %
JPMorgan Chase Bank, N.A., London**	10,487,961	0.9 %
Goldman Sachs International*	10,486,342	0.9 %
Adevinta ASA	8,648,002	0.7 %
The Northern Trust Comp, London Br*	8,132,921	0.7 %
The Bank of New York Mellon**	7,351,793	0.6 %
JP Morgan SE	7,051,000	0.6 %
Goldman Sachs & Co. LLC	7,027,115	0.5 %
NTGS SE LUX-Alecta Tjanstepensn	5,875,326	0.5 %
BNP Paribas**	5,703,100	0.5 %
JPMorgan Chase Bank, N.A., London**	5,490,821	0.4 %
State Street Bank and Trust Comp**	5,233,295	0.4 %
State Street Bank and Trust Comp**	4,802,932	0.4 %
State Street Bank and Trust Comp**	4,205.003	0.3 %
Total 20 largest shareholders		**87.5 %**

* Through eBay International Management B.V. and eBay International Holding GmbH
** Nominee account

The list of shareholders is based on the public VPS list. The number of shareholders as at 31 December 2022 is 5,438 compared to 5,143 in 2021. Foreign ownership is 64% as at 31 December 2022 versus 62.7% in 2021. See note 26 (Equity) in the consolidated financial statements for more information regarding number of shares.

Note 15: Shareholder structure continued

Number of shares owned by the Board and the Group management:

	Number of shares
Orla Noonan (Chairman of the Board)	20,030
Kristin Skogen Lund (Member of the Board)	–
Peter Brooks-Johnson (Member of the Board)	1,938
Sophie Javary (Member of the Board)	–
Julia Jaeckel (Member of the Board)	–
Michael Nilles (Member of the Board)	–
Dipan Patel (Member of the Board)	–
Marie Oh Huber (Member of the Board)	–
Mark Solomons (Member of the Board)	–
Aleksander Rosinski (Member of the Board)	–
Fernando Abril-Martorell (Member of the Board)	23,000
Alex Alexander (Product & Technology)	–
Uvashni Raman (CFO)	52,940
Antoine Jouteau (CEO)	58,865
Gianpaolo Santorsola (European Markets)	71,449
Zac Candelario (International Markets)	3,685
Ajay Bathia (Mobile.de)	68,218
Nikki Dexter (People & Communications)	24,871
Total Board and Group management	**324,996**

Note 16: Pension plans

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjeneste-pensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2022 as well as 2021 the pension plans covered 1 working member. Note 21 (Other non-current and current liabilities) in the consolidated financial statements contains further description of the pension plans.

Amounts recognised in the statement of financial position:

	2022	2021
Present value of funded defined benefit liabilities	–	–
Fair value of plan assets	–	–
Present value (net of plan assets) of funded defined benefit liabilities	**–**	**–**
Present value of unfunded defined benefit liabilities	3,117	1,180
Net pension liabilities	**3,117**	**1,180**
Social security tax included in present value of defined benefit liabilities	380	148

Changes in pension liabilities:

	2022	2021
As at 1 January	1,180	796
Net pension expense	1,786	409
Contributions/benefits paid	–	–
Unrecognized actuarial (gain) loss recognized in equity (incl. tax)	151	(25)
As at 31 December	**3,117**	**1,180**

New measurement of defined benefit obligation includes:

	2022	2021
Actuarial gains and losses arising from changes in financial assumptions	–	–
Other effects of remeasurement (experience deviation)	(151)	25
Remeasurement of defined benefit liabilities	**151**	**(25)**

Note 17: Non-current and current liabilities

	Non-current		Current	
	2022	2021	2022	2021
External interest-bearing borrowings (note 18)	1,180,178	1,337,034	3,876	147,176
Financial derivatives	–	–	13	–
Group companies' liabilities in cash pool	–	–	303,962	276,672
Other liabilities to Group companies	6,525	38,204	72,702	5,437
Other liabilities	–	–	571	7,387
Total	**1,186,703**	**1,375,238**	**381,124**	**436,672**

In November 2020, Adevinta ASA issued Senior Secured Notes (the "Notes") amounting to € 1,060 million. The notes consist of two tranches: €660 million aggregate principal amount of notes due in 2025, bearing interest at a rate of 2.625% per annum and €400 million aggregate principal amount of notes due in 2027, bearing interest at a rate of 3.000% per annum (both paid semiannually). The notes were issued pursuant to an indenture between, among others, Adevinta and Citibank N.A., London Branch, as trustee and security agent, see note 22 (Financial risk management) and 23 (Interest-bearing borrowings) in the consolidated financial statements.

Concurrently with the consummation of the offering of the Notes, Adevinta ASA entered into a new senior secured Term Loan B facility consisting of a €900 million EUR-denominated tranche (the "EUR TLB") and a $506 million U.S. dollar-denominated tranche (the "USD TLB" and, together with the EUR TLB, the "Term Loan B"). In June 2021 both EUR and USD tranches were fully drawn to finance the acquisition of eBay Classifieds Group, Adevinta ASA drew down €317,590 thousand from the EUR TLB facility agreement and the rest of the EUR tranche and full USD tranche were drawn by Adevinta Oak Holding BV. In 2022 Adevinta ASA repaid €165 million of the EUR TLB. As of 31 December 2022 non-current external interest-bearing borrowings are shown net of costs related to the issuance of debt amounting to €32,412 thousand (€40,556 thousand in 2021) that are deferred and amortized over the life of the related debt. The accumulated amortization in 2022 charged to the profit and loss account amounted to €8,144 thousand (€4,279 thousand in 2021).

In November 2020 Adevinta ASA entered into a Senior Facilities Agreement that included a five year multicurrency Revolving Credit Facility ("RCF EUR Loan") for a total amount of €450 million also contingent on the eBay Classifieds Group acquisition, of which €150 million were drawn as of 31 December 2021. As of 31 December 2022 the drawn portion of the RCF EUR Loan has been repaid. Current External interest-bearing borrowings as of 31 December 2022 corresponds to the accrued interest payable in the short term that amounted to €3,876 thousand in 2022 (€4,436 thousand in 2021).

Financial derivatives relate to a foreign currency hedge in accordance with the group's financial policy, see note 18 (Financial risk management and interest-bearing borrowings) below and note 22 (Financial risk management) and 25 (Derivatives and hedging activities) in the consolidated financial statements.

The non-current liabilities to group companies consist of a loan from Adevinta Oak Holdings BV of €6,525 thousand. A loan from Adevinta Finance AS of €31,679 thousand has been repaid in 2022.

Other current liabilities to Group companies corresponds mainly to Group Contributions by €62,492 thousand and accruals for intercompany invoices pending to be received.

Note 18: Financial risk management and interest-bearing borrowings

Financial risk management

Funding and control of refinancing risk is handled by Adevinta's Corporate Finance and Risk function. To fund the eBay Classifieds Group acquisition, in Q4 2020 Adevinta ASA completed the placement of Senior Secured Notes (the "Notes"), see note 17 (Non-current and current liabilities). Concurrently with the consummation of the offering of the Notes, Adevinta ASA entered into a new senior secured Term Loan B facility consisting of a €900 million EUR-denominated tranche (the "EUR TLB") and a $506 million U.S. dollar-denominated tranche (the "USD TLB" and, together with the EUR TLB, the "Term Loan B"). Adevinta used the proceeds from the Notes and Term Loan B to, among other things, fund a portion of the cash consideration for the acquisition of the eBay Classifieds Group ("eCG") and refinance existing debt.

Since June 2021, Adevinta's Group main funding sources are the Revolving Credit Facility of €450 million (fully undrawn), Senior Secured Notes of €1,060 million and Term Loan B facility of €900 million and $506 million. After repayments performed in 2022, the current EUR Term Loan B facility amounts to €735 million (fully drawn).

As per note 17 (Non-current and current liabilities) Adevinta ASA entered into certain derivatives to hedge currency risks. For management of currency risk, see note 22 (Financial risk management) and 25 (Derivatives and hedging activities) in the consolidated financial statements. For the financial statements of Adevinta ASA hedge accounting has not been applied.

Interest-bearing borrowings, composition and maturity profile:

	Non-current		Current	
	2022	2021	2022	2021
Bonds issued	1,060,000	1,060,000	–	–
Bank and institutional loans	152,590	317,590	–	150,000
Loan from Group companies	6,525	38,204	–	–
Total principal amounts	**1,219,115**	**1,415,794**	**–**	**150,000**
of which maturity beyond five years	552,590	717,590	–	–

For more details on bank loans and credit facilities, see note 23 (Interest-bearing borrowings) in the consolidated financial statements.

Note 19: Guarantees

Adevinta ASA has issued parent company guarantees as security for payment of office rent in selected subsidiaries for €278 thousand (€648 thousand in 2021).

The Term Loan B and the Notes are guaranteed by certain subsidiaries of the Adevinta Group and are secured by shares of certain of the guarantors, as well as, material bank accounts and the intercompany receivables of Adevinta Group.

Note 20: Transactions with related parties

Adevinta ASA has business agreements with companies in the Group. The pricing of all transactions with Group companies are based on the arm's length principle.

	2022	2021
Operating revenues from other Group companies	11,605	50,152
Purchase of goods and services from Schibsted ASA	63	100
Purchase of goods and services from other Group companies	17,500	9,764
Financial income from other Group companies	97,057	192,591
Financial expenses from other Group companies	404	610

Remuneration to management

See note 4 above and note 9 and note 10 to the consolidated financial statements for information concerning remuneration to management and share-based payment.

Note 21: Events after the reporting period

Please see note 32 (Events after the balance sheet date) in the consolidated financial statements for information about events after the reporting period.

Declaration by the Board of Directors and CEO

We confirm that, to the best of our knowledge, the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole, and that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

20 April 2023
Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Kristin Skogen Lund
Board member

Sophie Javary
Board member

Peter Brooks-Johnson
Board member

Aleksander Rozinski
Board member

Julia Jaekel
Board member

Michael Nilles
Board member

Mark Solomons
Board member

Marie Oh Huber
Board member

Dipan Patel
Board member

Antoine Jouteau
CEO

Independent Auditor’s report

To the Annual Shareholders’ Meeting of Adevinta ASA

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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Adevinta ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Adevinta ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2022, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders in 2018 for the accounting year 2018.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

Basis for the key audit matter

Investments that have a small headroom between calculated recoverable amount and carrying amount are sensitive to changes in management estimates and are dependent on future growth in profitability to recover goodwill. Estimates related to future profitability and cash flows and the determination of discount rates to calculate present values are based on management`s expectations, relying on external evidence to the extent available, on market developments, the competitive situation, technological development, the ability to realize synergies, interest rate levels and other relevant factors. The use of different assumptions could produce significantly different value in use estimates. Since goodwill is material and subject to estimation uncertainty, impairment assessment of goodwill was a key audit matter.

Our audit response

We assessed the key assumptions used by management in their assessment of recoverable amount and whether there is an indication of impairment by comparing the carrying amount to the calculated recoverable amount. Our procedures included assessing the identification of cash generating units and testing of assumptions used in the value in use model, including estimates related to forecasted future cash flows and the estimated weighted average cost of capital. As part of our procedures, we discussed the forecasted sales, the current market situation, and expectations about future growth with management. We also tested supporting documentation related to budgets and sales forecasts and the mathematical accuracy of the value in use calculation and assessed sensitivity analysis of the critical assumptions prepared by management. We used a valuation specialist to assist us in evaluating the discount rate applied.

We refer to note 3 Significant accounting judgments and major sources of estimation uncertainty and note 15 Impairment assessments for additional information.

Revenue recognition and cut-off

Basis for the key audit matter

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. A good or service is considered transferred when the customer obtains control. Adevinta has products and services with various contractual terms and different pricing elements in contracts with customers throughout the Group. Some revenue is recognized over a period whilst others

Our audit response

We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. Further, we considered the Group's accounting policies for revenue recognition. We have on a sample basis compared sales transactions, recognized before and after the balance sheet date to customer contracts and performance obligations and assessed whether the implied revenue recognition

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at a certain point in time. Several IT-systems provide input to the revenue recognition processes and there have been significant changes to these processes in recent years. Due to the complexity of the revenue models and the supporting IT-systems, there is a risk of revenue not being recognized in the correct period. Hence, cut-off of revenue was a key audit matter.

criteria are in compliance with the group accounting policies.

We refer to note 7 Revenue recognition for additional information.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Building a better working world

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Adevinta ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name adevintaasa-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

Alternative performance measures

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 (APM). 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 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.

Measure	Description	Reason for including
Adjusted net cash flow from operating activities	Adjusted net cash flow from operating activities is defined as: → EBITDA; → plus the decrease or minus the increase in non-cash items (including share-based compensation), change in working capital and provisions related to EBITDA; → minus the payment of income tax; → minus development and purchase of property, plant and equipment and intangible assets; → minus IFRS 16 lease payments.	Management believes that it is a useful indicator of the amount of cash flows generated by operating activities, after income tax.
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 EBITDA	Underlying EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation excl. share-based compensation.	Shows performance regardless of capital structure, tax situation and share-based compensation 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.

Measure	Description	Reason for including
Underlying EBITDA margin	Gross operating profit (loss) excl. share-based compensation/Operating revenues.	Shows the operations' performance regardless of capital structure, tax situation and share-based compensation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
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 the eCG acquisition.
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 fluctuations and changes in consolidation scope.

Reconciliation of EBITDA (before other income and expenses, impairment, joint ventures and associates)	Year 2022	Year 2021
Gross operating profit (loss)	**548**	**356**
= EBITDA (before other income and expenses, impairment, JVs and associates)	548	356

Reconciliation of underlying EBITDA	Year 2022	Year 2021
EBITDA	548	356
Share-based compensation	31	31
Underlying EBITDA	**579**	**387**

Reconciliation of liquidity reserve	31 December 2022	31 December 2021
Cash and cash equivalents	70	231
+ Unutilised drawing rights on credit facilities	450	300
– Liquidity reserve	**520**	**531**

Reconciliation of net interest-bearing debt	31 December 2022	31 December 2021
Non-current interest-bearing borrowings	2,183	2,312
Lease liabilities, non-current	58	73
Total non-current liabilities	**2,241**	**2,384**
Current interest-bearing borrowings	9	152
Lease liabilities, current	20	19
Total current liabilities	**29**	**171**
Total interest-bearing debt	**2,270**	**2,555**
Cash and cash equivalents	(70)	(231)
Net interest-bearing debt	**2,199**	**2,324**

Share information

Shareholders

Shareholders	31 December 2022
Number of registered shareholders	5,438
Share of non-Norwegian shareholders	17.0%
Average daily trading value FY2021	905,792

Source: VPS/Oslo Stock Exchange/Reuters

Largest country of ownership (VPS)

Largest country of ownership (VPS)	31 December 2022
United States	39%
Norway	36%
Luxembourg	13%
United Kingdom	5%
Denmark	3%
Ireland	1%
France	1%
Belgium	1%
Other	1%

Source: VPS

The trading data in the table above are based on data from the Oslo Stock Exchange.

Adevinta conducts a quarterly analysis of shareholders registered at nominee accounts. A list of Adevinta's shareholders including those registered at nominee accounts is presented below. The list is updated as of 31 December 2022

Rank	Name	% of shares outstanding	Number of shares
1	eBay Inc.*	33.0%	404,231,183
2	Schibsted ASA	28.1%	344,803,374
3	Astinlux Finco S.à r.l.	11.2%	136,875,162
4	Danske Bank A/S	3.0%	36,392,199
5	Baillie Gifford & Co.	2.8%	34,571,756
6	Folketrygdfondet	2.1%	25,194,140
7	Blommenholm Industrier AS	1.4%	17,093,587
8	Capital World Investors	1.0%	12,048,386
9	Vor Capital LLP.	0.9%	11,081,712
10	The Vanguard Group, Inc.	0.8%	9,363,219
11	DNB Asset Management AS	0.7%	9,099,741
12	Premier Miton Investors	0.7%	8,377,725
13	BlackRock Institutional Trust Company, N.A.	0.7%	7,991,768
14	KLP Fondsforvaltning AS	0.5%	6,583,640
15	Eminence Capital, LP	0.5%	6,531,996
16	Fidelity Management & Research Company LLC	0.5%	6,387,962
17	Alecta pensionsförsäkring, ömsesidigt	0.5%	5,875,326
18	Storebrand Kapitalforvaltning AS	0.4%	4,949,664
19	Handelsbanken Kapitalförvaltning AB	0.4%	4,751,664
20	Fidelity International	0.3%	3,576,600

* Through eBay International Management B.V. and eBay International Holding GmbH

The shareholder identification data are provided by Nasdaq. The data are obtained through an analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Adevinta share register. Whilst every reasonable effort is made to verify all data, neither Nasdaq or Adevinta can guarantee the accuracy of the analysis.

Dividend and buyback of shares

Distribution of dividend and opportunity to buyback shares are regarded as suitable ways to adapt the capital structure. The Board of Directors has adopted a dividend policy that allows for development of Adevinta's business and further growth. The Company's eventual aim is to pay a stable and growing dividend going forward while maintaining flexibility to invest in growth. The focus in the medium term remains on deleveraging. The Company does not expect to pay any dividend in 2023.

On 24 February 2022, Adevinta ASA announced its decision to initiate a buy-back programme of up to 10 million of its own shares, structured into a first tranche of up to four million shares expected to end no later than in June 2022, and a second tranche of up to six million shares expected to end no later than in January 2023. On 22 March 2022 Adevinta ASA announced its completion of the first tranche, with a total of four million shares purchased. The second tranche of the buyback was accelerated and initiated on 6 April 2022 and running until 28 June 2022, the backstop per 2021 AGM authorisation. The continuation of the second tranche of the share buyback was resumed on 30th August 2022 per 2022 AGM authorisation. On 19 October 2022 Adevinta ASA announced the completion of the second tranche, with a total of six million shares purchased. The purpose of the buy-back was to acquire shares to be used as settlement in the Company's share-based incentive plans over the next 3 years.

Shareholder structure

On November 28, 2022, eBay, through its subsidiary eBay International Holding GmbH, has, sold 1,019,568 class A shares in Adevinta ASA, to comply with the regulatory requirements set by the Austrian competition authorities for the acquisition of eBay Classifieds Group by Adevinta.

On November 30, 2022, Schibsted sold 24,498,860 shares in Adevinta ASA and simultaneously entered into a total return swap with financial exposure to 36,748,289 shares in Adevinta ASA.

As a result of the foregoing, the shareholding and voting rights of Adevinta's major shareholders as at 31 December 2022 are summarised below:

- Schibsted owns a 28% stake in Adevinta and 30% voting rights
- eBay owns a 33% stake in Adevinta and 30% voting rights
- Permira owns a 11% stake in Adevinta and 12% voting rights

Currently, both Schibsted and aBay are represented at the Board of directors by 2 directors, and Permira by one director, in accordance with Adevinta's Articles of Association. For further information on the eCG transaction and the transaction between eBay Inc. and Permira, as well as the development of the shareholding in 2022, please refer to Note 26 (Equity) to the consolidated financial statements.

Share structure

Adevinta was listed on the Oslo Stock Exchange with two share classes on 10 April 2019. The A shares carried 10 votes per share whereas the B shares carried one vote. During the fall of 2019 the company collapsed the share classes into one, with equal rights for all shareholders.

As part of the consideration for the acquisition of eCG, Adevinta ASA issued a new class of non-voting shares ("Class B Shares") on 25 June 2021 and set up a dual-share class structure. The class B shares are not listed on the Oslo Stock Exchange, but are exchangeable into class A shares on a one-for-one basis on the terms and conditions set out in the Company's amended Articles of Association.

The share capital of Adevinta ASA is composed of 1,165,686,913 ordinary Class A Shares and 59,256,068 Class B Shares (nonvoting shares).

For further information, please refer to Note 26 (Equity) to the consolidated financial statements.

Return

The Adevinta share is listed on the Oslo Stock Exchange with the ticker code ADE. The share is among the most traded in Norway and is a constituent of the Oslo Stock Exchange Benchmark Index.

Adevinta is covered by sell-side analysts in Scandinavia and London. As of the date of this report, twenty-three sell-side institutions, thirteen of which are based outside Scandinavia, are officially covering the Adevinta share.

The Adevinta share produced a total return for shareholders of (44)% in 2022. By comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a return of (1)%.

Share price development for Adevinta compared to various indices and peers can be accessed at Adevinta.com/ir.

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