Adevinta

Q1 2022 Interim Report

May 24, 2022

Content

Highlights of Q1 2022

Q1 2022 results performance: as expected, in line with Q4 trends

Revenue growth[1]: 6% despite Motors headwinds

- Total consolidated revenues of €387m Strong growth in Jobs (+35%), Consumer Goods (+14%) and Real Estate (+9%)
- Strong acceleration of number of Consumer Goods transactions, especially in France (+41%) and eBay Kleinanzeigen (+212%)
- Motors back to growth (+2%) with supply shortage impact more than offset by ARPD growth and strong market shares
- Advertising revenue down 6% year-on-year due to lower OEM spend and weaker market environment
- Core markets revenue growth: +7% year-on-year (classifieds revenues up 8%, transactional services revenues up 42%)

EBITDA margin of 32.3%, up 70 bps vs Q4 2021

- Underlying EBITDA[2] of €137m
- Total consolidated EBITDA of €125m

Strong cash flow generation profile

Deleveraging priority balanced with opportunistic acceleration of share buy-back

Strategy: further execution of our *Growing at scale* plan

eCG integration roadmap on track

Portfolio optimisation progressing at pace

- Exit process underway for Australia, South Africa and Mexico
- Sale of Infojobs Brazil and Belarus completed

Continued delivery on our strategic pillars

- Increased monetisation of our Motors and Real Estate verticals
- Continued rapid scaling and product launches of our transactional services
- Ongoing shift to 1P of advertising

Outlook: all targets confirmed

Core Markets mid-to-long targets confirmed

- c. 15% average annual revenue growth
- 40-45% EBITDA margin

FY 2022 target confirmed

- Low double-digit revenue growth in core markets
- Underlying EBITDA[2] in the range of €575m to €600m excluding discontinued operations[3]
- Sequential improvement expected quarter after quarter

Synergy targets confirmed

- Expected €130m run rate EBITDA impact from synergies by 2024, of which €35m at the end of FY2022

[1] Continuing operations, excluding disposals
[2] Consolidated EBITDA before share-based compensation impact

[3] Australia and South Africa operations to be divested

Key performance indicators - Q1 2022

Group revenues	Motors
€387m ***+5% yoy*** ***+6% yoy excl. disposals***	**ARPA leboncoin / ARPL Mobile.de** **€390 / €19** ***+15% yoy / +28% yoy***

Group consolidated EBITDA	Real Estate
€125m ***32.3% margin***	**ARPA leboncoin / ARPA ebayK** **€520 / €110** ***+14% yoy / -1% yoy***

Group underlying EBITDA	Transactions
€137m ***35.3% margin***	**leboncoin / ebayK** **2.3m / 236k** ***+41% yoy / +212% yoy***

Group underlying EBITDA: consolidated EBITDA before share-based compensation impact
ARPA: Average Revenue per Account (formula for a given month: paying professional accounts revenue / # of paying professional accounts)
ARPL: Average Revenue per Listing (formula for a given month: revenue generated from dealer subscriptions, features and insertions / average monthly live listings)
Transactions based on payouts: number of payments made to sellers following a successful transaction

Message from our CEO

Adevinta has made a good start to the year, with a strong focus on delivering our commitments to customers and shareholders.

As anticipated, our first quarter performance follows the trend that we observed at the end of 2021, delivering a solid 6% revenue growth in a challenging environment. Our Classifieds revenue grew 7% year-on-year, demonstrating the resilience of our business model and strength of our market positions. Declining advertising revenues reflected the weaker macroeconomic environment, especially in non-core markets. As we continued to implement solutions with new features and drive user adoption, transactional services continued its rapid rise with revenues up 41% year-on-year.

EBITDA margin at 32.3% remained healthy and saw progressive improvement compared to Q4 2021.

The execution of our “Growing at Scale” plan meant our teams continued to develop and deploy attractive and innovative solutions aimed at improving the overall user experience and satisfaction.

Our solid financial position and cash generation profile allowed us to accelerate our share buy-back programme and to invest in transformation to operate even more efficiently in the longer term.

We made good progress with our integration roadmap and we are preparing to exit most of the TSAs with eBay in the second quarter. I am proud to see how our people have come together to set us up for success.

Finally, our portfolio optimisation is progressing at pace with the sale of Infojobs in Brazil and Kufar in Belarus, and the announced divestment of Mexico. We expect to reach an agreement on the sale of Australia and South Africa by the end of the third quarter.

I remain very positive about the many opportunities that we have ahead of us for 2022 and beyond. Despite the current challenging environment, I remain confident we will achieve the financial targets that we set for this year and our mid-to-long term targets.

Rolv Erik Ryssdal,
CEO

Financial performance

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

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

Additionally, the segment information only presents a consolidated view and does not include Joint Ventures nor associates that are not 100% consolidated (namely OLX Brasil and Willhaben). **Results from Joint Ventures and associates are presented in the line "Share of profit (loss) of joint ventures and associates"** in the profit and loss statement.

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

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

Quarterly restated figures from Q1 2019 to Q1 2022 (on a "combined" basis, adjusted for comparability) are available under the following link: www.adevinta.com/investors/financial-results-publications.

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

	Combined[1] First quarter			IFRS First quarter	
yoy%	**2021**	**2022**	**€ million**	**2022**	**2021**
5%	**368**	**387**	**Operating revenues**	**387**	**182**
-3%	**130**	**125**	**EBITDA**	**125**	**53**
	35.2%	32.3%	EBITDA margin	32.3%	29.1%
0%	**136**	**137**	**Underlying EBITDA**	**137**	**55**
	37.0%	35.3%	Underlying EBITDA margin	35.3%	30.2%
			Operating revenues per segment		
7%	112	120	France	120	112
-3%	70	68	Mobile.de	68	
10%	153	168	European Markets	168	66
-8%	31	28	International Markets	28	2
-100%	2		Disposals		2
40%	2	3	Other and Headquarters	3	2
58%	(2)	(1)	Eliminations	(1)	(2)
			EBITDA per segment		
0%	55	55	France	55	55
-12%	42	37	Mobile.de	37	
7%	62	67	European Markets	67	16
8%	10	11	International Markets	11	(1)
-100%	(2)		Disposals		(2)
-18%	(38)	(45)	Other and Headquarters	(45)	(16)
			Non-consolidated JVs		
30%	18	23	Proportionate share of revenues	23	18
-36%	4	2	Proportionate share of EBITDA	2	4

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

Operating revenues by category

Combined[1]				IFRS	
	First quarter			First quarter	
yoy%[2]	2021	2022	€ million	2022	2021
7%	269	288	Online classifieds revenues	288	142
41%	11	16	Transactional revenues	16	10
-6%	87	81	Advertising revenues	81	29
91%	1	3	Other revenues	3	1
6%	**368**	**387**	**Operating revenues**	**387**	**182**

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

During 2021, Adevinta exited operations in Chile and Shpock, which represented 2 million euros revenues in Q1 2021.

Excluding the impact of these divestments, **combined revenues from continuing operations were up 6% in the first quarter** compared to the same period last year. Our marketplaces once again proved resilient despite continued supply pressure in the motors vertical.

- **Online classifieds revenues improved by 7% year-on-year**, supported by double-digit revenue growth in Jobs and Consumer Goods and by a high single-digit growth in Real Estate. Motors revenues were back to growth, benefitting from successful price increases, higher dealer penetration and product development with high added-value for car dealers.
- **Transactional revenues** grew by 41%, with strong traction in France, Germany and Italy.
- **Advertising revenues** were down 6% year-on-year as a result of an overall weaker advertising market, especially in automotive display advertising.

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

- **Online classifieds revenues** improved by 8%;
- **Transactional revenue**s grew by 42%;
- **Advertising revenues** were down 4%.

Gross operating profit from continuing operations (reported EBITDA) decreased by 3% compared to the first quarter of 2021, to 125 million euros. Revenue growth was offset by an anticipated increase in personnel costs due to higher charges related to (i) the ramp-up in product and technology resources to fuel product innovation and new business models, (ii) the build-up of global capacities ahead of eBay TSA exits and also (iii) higher share-based compensation (up c.5 million euros year-on-year). Costs from transactional services also increased in the quarter, in line with the adoption of the service and revenue growth. Marketing investment reduced year-on-year due to different phasing of marketing campaigns compared to last year and spend control.

Underlying EBITDA[4] from continuing operations was 137 million euros in the first quarter of 2022, representing a 35.3% underlying EBITDA margin.

[4] Consolidated EBITDA before share-based compensation impact (€(12)m in Q1 2022 vs. €(7)m in Q1 2021)

Segment information

France

	Combined[1] First quarter		€ million	IFRS First quarter	
yoy%[2]	2021	2022		2022	2021
7%	112	120	**Operating revenues**	120	112
-15%	(56)	(65)	Operating expenses	(65)	(56)
0%	55	55	**EBITDA**	55	55
	49.5%	46.1%	EBITDA margin	46.1%	49.5%

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

Traffic[5] was broadly comparable to last year. More importantly compared to 2019, traffic was up 34%. Listings were up 8% year-on-year, and up 2% compared to the previous quarter. This continued positive content development was driven by Consumer Goods (up 16% year-on-year), while Motors and Real Estate professional content continued to be impacted by market dynamics (down 6% and 11% respectively).

P2P transaction payments continued to see very strong traction in the quarter, with 2.3 million transactions (payouts), up 41% year-on-year. This evolution was supported by a successful promotional campaign in March, during which we reached a record level of transactions, and by user experience improvements (eg: new filters, payment data registration…).

Reported revenues in France grew by 7% in the first quarter of 2022. **Online classifieds revenues grew 8% year-on-year. This increase was mainly driven by Real Estate**, which continued to post double-digit growth in revenues as a result of good performance of subscription packages with high added-value for professional clients, which led to positive ARPA evolution (+14% year-on-year to €530). **Jobs also posted double-digit growth in the quarter**, supported by good performance of subscription packages. **Motors revenues grew in the quarter**, driven by the 15% ARPD increase (to €390) which more than offset declining professional volumes. **Advertising revenues were down 6% year-on-year,** as they continued to be impacted by reduced activity from media agencies and OEMs. **Revenues from transactions were up 31% year-on-year**. Consumer goods transaction volume growth was partially offset by the discounting campaign on shipping fees which took place in March and that drove adoption of the service.

EBITDA was stable compared to the first quarter of 2021, reflecting the evolution of the business mix with transactional services growing faster than other business lines and advertising declining year-on-year. The topline evolution was offset by an increase in marketing expenses (+36% year-on-year) as we launched several advertising campaigns to promote our products and drive further adoption. Our marketing efforts focused on the Consumer Goods category ("La Bonne transaction", "Le bon dépôt" campaigns) but we also promoted our transactional solution for Motors. We saw an increase in transactional costs driven by higher volumes and by the promotional campaign held in March with Mondial Relay, partly offset by a positive one-off impact from contractual negotiation with a supplier. Personnel and IT costs also increased in the quarter, as we continued to invest in product and technology for further product development. **EBITDA margin contracted 3.4 percentage points year-on-year accordingly.**

We continued to deploy our market verticalization strategy in Real Estate (eg: ongoing development of rental management offer, virtual visits for new constructions, enriched ad information with neighborhood data), **Jobs** (eg: direct apply feature), and **Holiday Rentals** (eg: continued development of calendar feature for hosts & travelers). **We also continued to improve the transactional user journey in our Motors vertical**, with the enhancement of our used cars P2P payment feature. **In Consumer Goods, we optimized our B2C marketplace solution** while we continued to improve the security of the platform (eg: phone number check).

5 Visits: every user session on a single device, based on internal data

Mobile.de

Combined[1] First quarter				IFRS First quarter	
yoy%[2]	2021	2022	€ million	2022	2021
-3%	**70**	**68**	**Operating revenues**	**68**	-
-10%	(29)	(32)	Operating expenses	(32)	-
-12%	**42**	**37**	**EBITDA**	**37**	-
	59.2%	53.7%	EBITDA margin	53.7%	-

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

Traffic[6] was 10% lower than in the first quarter of 2021, and 12% lower than 2019, as it was impacted by overall weakness in the car market. Dealer listings continued to reduce in the period (-27% year-on-year) due to the low level of available inventory in the market as a consequence of the semiconductor shortage, although we observed a slight uptick in March.

Revenues in mobile.de declined by -3% in the first quarter of 2022. Online classified revenues were down 3% year-on-year. **The negative volume impact was partly mitigated by the successful 14% listing price increase across dealers in August** (whilst maintaining our leading market position). Together with our tier pricing mechanisms and continued upselling, this resulted in a 28% year-on-year increase in average revenue per listing. Revenues from private sellers grew compared to the first quarter of 2021 which was impacted by the partial closure of the C2B network due to Covid restrictions. **Advertising revenues declined by 3% year-on-year** as they continued to be impacted by the low car production level, exacerbated by the Ukrainian crisis, and its knock-on effects on Advertising spend of OEMs.

EBITDA dropped by -12% in the first quarter as a result of the topline evolution combined with an increase in personnel expenses (up 31% year-on-year), due to last year's positive one-off impact (c.2 million euros) and higher share-based compensation. Additionally, the ramp-up in product and technology resources started to accelerate to support new business initiatives. **EBITDA margin contracted 5.5 percentage points year-on-year accordingly.**

We acquired Null-leasing in March 2022, after a successful market test at the end of 2021. This acquisition will enable mobile.de to expand its products and services offering, in line with Adevinta's strategy. **We continued to optimize our C2B proposition** (eg: adjusted contracts, better connection of our C2B sourcing tool with dealer listings) while we continued to optimize listing performance for professional clients by leveraging data-driven recommendations to a broader set of tools for our dealers.

Regarding our pricing strategy, we successfully implemented on April 1st 2022 a new pricing adjustment, which includes a dealer price increase and a car value factor.

[6] Visits: every user session on a single device, based on internal data, adjusted for consent impact

European Markets

The European Markets segment comprises primarily eBay Kleinanzeigen in Germany, Marktplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, Automobile.it and Kijiji in Italy; Daft, Done Deal and Adverts in Ireland; Hasznaltauto, Jofogas and Autonavigator in Hungary, Kufar in Belarus (sold on 20 May 2022) and Willhaben in Austria.

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

	Combined[1] First quarter			IFRS First quarter	
yoy%[2]	2021	2022	€ million	2022	2021
10%	**153**	**168**	**Operating revenues**	**168**	**66**
-11%	(91)	(101)	Operating expenses	(101)	(50)
7%	**62**	**67**	**EBITDA**	**67**	**16**
	40.7%	39.9%	EBITDA margin	39.9%	24.2%

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

Revenues in the European markets segment increased by 10% in the first quarter of 2022, supported by very strong growth in Spain (+16% year-on-year) and Italy (+18% year-on-year) and by solid performance at eBay Kleinanzeigen (+9% year-on-year). Online classified revenues were up by 16%, driven by growth in all verticals, while display advertising revenues were down 4% year-on-year, due to a weaker advertising market compared to the strong first quarter in 2021 and lower OEM spending. Transactional revenues continued to see strong traction, and doubled compared to the same period last year.

EBITDA increased by 7% compared to the first quarter of 2021. The positive topline evolution was partly offset by an increase in personnel expenses to support product development as well as marketing and sales support, in line with the growth of the business. Transactional costs also increased, in line with the adoption of the service. Marketing costs reduced by 7% in the period, driven by lower spending at eBay Kleinanzeigen (higher spending in the first quarter of 2021 behind "Payments Launch" campaign). **EBITDA margin contracted 0.8 percentage point year-on-year accordingly**.

eBay Kleinanzeigen revenues grew 9% in the period and reached 53 million euros. This was driven by significant momentum in all verticals, especially in Consumer Goods. This evolution was partially offset by a decline in advertising, behind a global weaker market and high comps in 2021. Compared to the first quarter of 2019, traffic[7] was up 39%. Transactional revenues tripled in the period, benefiting from the launch of our shipping offer at the end of 2021.
Listings increased by 6% year-on-year and by 4% compared to the previous quarter. We continued to gain market share in Real-Estate (+18% professional clients year-on-year), while our SMB offer pursued its strong momentum (+41% subscribers year-on-year). We optimized further our transactional services with the introduction of Klarna invoice payment and the scaling of our shipping solution. We also improved our visibility and convenience features for our SMB clients while reinforcing security and trust.

[7] Visits: every user session on a single device, based on internal data, adjusted for consent impact

In Spain, revenues saw strong growth of 16% in the period and reached 51 million euros. This was driven by strong performance in online classifieds, up 19% year-on-year supported by the continued recovery of the Jobs vertical (+42% year-on-year). The Motors and Real-Estate verticals continued to see strong revenue growth (+8% year-on-year) fueled by a higher dealer penetration and by ARPU growth respectively. Advertising and transactional revenues were flat year-on-year.
In the quarter, we continued to improve the user experience in all our verticals (eg: new labels, keywords and CV completeness indicator in Jobs, new filtering capabilities in Motors, new valuation tool in Real-Estate). We also refreshed the branding of our two Motors marketplaces, coches.net and motos.net, in line with our ambition of becoming a 360 mobility solution.

Benelux revenues were flat compared to the first quarter of 2021 at 36 million euros. Growth in Consumer Goods revenues (+6% year-on-year), supported by higher insertion fees, was offset by a decline in advertising revenues (-5% year-on-year), behind traffic softness. Transactional revenues were slightly up year-on-year.
In the quarter we launched our C2B proposition for Motors to enable dealers to purchase cars directly from customers through Marktplaats and we further reinforced the security and trust of our platforms. We also prepared for the launch in the second quarter of our new buyer protection service, in line with our proposition uplift strategy for transactions.

In Italy, revenues grew 18% mainly driven by double-digit growth in the Jobs and Motors verticals and by the strong momentum of transactional services (launched in August 2021). The number of transactions increased by 40% when compared to the fourth quarter of 2021. Advertising revenues were down year-on-year, driven by softer programmatic performance.

In Ireland, revenues grew 7% year-on-year, with continued good performance in Motors and Real Estate despite the market environment.

In Willhaben (not included in segment information), revenues grew 12% year-on-year, with an outstanding performance in Jobs. Transactional services continued their good performance, supported by a high number of transactions.

International Markets

International Markets comprises Kijiji in Canada, Autotrader, Gumtree and Carsguide in Australia, Segundamano and Vivanuncios in Mexico, Gumtree in South Africa, and OLX and Infojobs Brazil (sold on 30 March 2022) in Brazil.

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

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

	Combined[1] First quarter			IFRS First quarter	
yoy%[2]	**2021**	**2022**	**€ million**	**2022**	**2021**
-8%	**31**	**28**	**Operating revenues**	**28**	**2**
16%	(21)	(17)	Operating expenses	(17)	(3)
8%	**10**	**11**	**EBITDA**	**11**	**-1**
	32.7%	38.3%	EBITDA margin	38.3%	-32.4%

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

The international markets revenues were down 8% year-on-year, driven by a 16% contraction in advertising revenues and by a 4% contraction in Online classified revenues.

EBITDA was up by 7% compared to the first quarter of 2021, as the top line evolution was mitigated by a reduction of 48% in marketing spending. **EBITDA margin improved by 6 percentage points year-on-year accordingly**.

Canada revenues declined by 7% compared to the first quarter of 2021 due to soft advertising performance driven by continued vibrancy pressure and soft direct display revenues. Online classifieds were also down in the quarter driven by lower volumes in Motors and by lower on-site insertion and feature fees in Real Estate.

Mexico revenues were down 4%, led by softness in the Real Estate vertical driven by reduction in paid marketing spend.

OLX Brasil (not included in segment information) increased revenues by 20% year-on-year in local currency and reached 35 million euros (100% view). Revenue growth was driven by the continued expansion of the triple-bundle strategy across brands in Real-Estate, by strength in Motors from both private and dealer revenues and by high liquidity and conversion in Consumer Goods. Transactional revenues doubled in the period. Advertising revenues, on the other hand, were down impacted by a weaker market.
EBITDA amounted to 3 million euros (100% view) and decreased by 38% in local currency compared to the same period last year. This evolution was led by a higher impact from management long-term incentive in OLX Brazil (ESOP) and by higher marketing and sales expenses, mostly due to incentives and promotional costs related to OLX Pay (our goods transactional payment service) and to Zap Group market and brand positioning program. Personnel expenses increased as well, as we continued to invest product and technology resources in order to support product development and new ventures. EBITDA margin was 10% in the quarter.
We continued to improve the user experience on OLX platform (eg: cross-platform harmonization of filters, improvement of ad view with new photo gallery and map in Real Estate, Cars Price Reference feature for buyers in Motors) while we deployed our listings deduplication feature on our Zap and VivaReal platforms.

Other and Headquarters

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

The Other and Headquarters EBITDA decreased by 7 million euros year-on-year to (45) million euros in the first quarter of 2022. This evolution was driven by:

- The increase in headquarter costs, to (17) million euros, in the context of the eCG integration and higher impact from share-based compensation;
- The increase in central product and technology costs, to (27) million euros, with higher personnel-related expenses as the group continued to build-up global capabilities in order to achieve economies of scale, along with higher IT and license costs.

Integration progress

In the first quarter of 2022, we continued to focus on delivering our "Growing at Scale" strategy.

We see increasing benefits from cross-markets collaboration thanks to the sharing of expertise and best practices within the centers of excellence:

- Our Transactional Transformation Team (TTT) was established in March to drive transaction efforts jointly across markets, with a first priority to engage with the Core Markets to understand their transactional business, priorities, opportunities and needs. TTT and marketplaces have already agreed on immediate priorities and collaboration areas to boost 2022 transactional growth;
- We increased cooperation between our Motors Center of Excellence and the different markets to implement a group-wide vision of a transactional Motors business.

We are progressing at pace on the optimisation of our portfolio:

- We have launched the sale process of our Australian and South-African assets in the first quarter;
- On 30 March, we completed the sale of our 76.2% stake in InfoJobs Brazil;
- On 27 April, we announced our plans to exit Kufar, by transferring 100% of Kufar shares to the existing local team and on 20 May, the sale was completed;
- On 24 May, we announced our decision to exit our Mexican assets;
- We continue to assess the options for the two remaining assets under strategic review, Canada and Hungary, and we expect to come to a decision by the end of the year.

We continue to focus on our integration roadmap. Our main achievements in the period include:

- The local deployment of our procurement organization and the initiation of the local synergy analysis;
- The releases of major systems for our TSA exits and new operating models (EPM-Onestream, ERP- SAP, G-Suite);
- Further rationalization of our local footprint in overlapping geographies (Italy, Mexico);
- First synergies executed in the IT landscape. We are now targeting more synergies in the Infrastructure and Data fields;
- Global contracts secured for programmatic advertising, that will unlock synergies in 2022 and onwards.

In the coming months, we will continue to implement our synergy initiatives. We expect most of the TSAs to be exited in June, as planned, with a few selected limited extensions for the third quarter of 2022. In the second quarter, we will also launch the rationalization of our platforms and the handover to local teams. This will start delivering synergies from the second half of 2022.

Through the above mentioned initiatives, **c. 75% of our targeted run-rate synergies for the full year 2022 have already been executed at the end of the first quarter and we are confident that we can achieve our run-rate EBITDA synergy targets of 35 million euros in FY 2022 and 130 million euros in year 3.**

Outlook

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

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

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

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

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

In the short term, we are facing temporary headwinds with low production levels of new cars globally that have knock-on effects on used car listing volumes and on OEM marketing spend.
Throughout the year, the financial performance is expected to mirror the recovery trajectory in motors volumes, demand evolution, planned pricing initiatives and the ramp-up of synergies, resulting in progressive acceleration in revenue growth and margin improvement.

We expect Core Markets revenue growth to be low double digit for the full year and Group underlying EBITDA[8] in the range of 575 to 600 million euros excluding discontinued operations.

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

In mobile.de, we will benefit from further pricing initiatives implemented in April 2022, as well easing comps throughout the year. The expected delay in industry volume recovery is likely to be offset by softening demand induced by the overall macroeconomic environment. The resulting improvement between supply and demand is expected to have a positive impact on average live listing year-on-year development, which strongly drives the platform's monetization level. In parallel we will continue to invest to improve our product offering and build new business lines e.g. online buying and selling.

In European markets we expect continued growth throughout 2022, on the back of a solid jobs market in Spain and further ramp-up at eBay Kleinanzeigen. Transactional services are expected to further accelerate as we enhance products and increase adoption. We will continue to drive monetization in Motors and Real Estate and to improve competitive product offerings in these categories.

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

[8] Consolidated EBITDA before share-based compensation impact (€(41)m in FY2021)

Group Overview

Results

Revenue increased by 112% in the first quarter of 2022 to €387 million, compared to the same period last year, mainly due to the eCG acquisition. Our marketplaces once again proved resilient despite continued supply pressure in the motors vertical.

Operating expenses increased by 103% in the first quarter of 2022 to €262 million mainly due to the eCG acquisition. There was an anticipated increase in personnel costs due to d to (i) the ramp-up in product and technology resources to fuel product innovation and new business models, (ii) the build-up of global capacities ahead of eBay TSA exits and also (iii) higher share-based compensation and importantly costs from transactional services in line with the adoption of the service and revenue contribution.

Gross operating profit (EBITDA) increased by 136% to €125 million in the first quarter of 2022, compared to €53 million in the same period in 2021.

Depreciation and amortisation increased by €(50) million in the quarter, where €(51) million was driven by the eCG acquisition.

Share of profit (loss) of joint ventures and associates in the first quarter of 2022 decreased by €6 million compared to the same period in 2021 mainly driven by lower results in Brazil.

Other income and expenses was positive with €1 million in the quarter (first quarter of 2021 at €(25) million) mainly due to the gain on sale of InfoJobs Brazil (Brazil) of €22 million compared to the loss on sale of Yapo (Chile) of €(11) million in the same period in 2021. Integration expenses related to the eCG acquisition have increased, partly offset by a decrease in acquisition costs. Other income and expenses are disclosed in note 4 to the condensed consolidated financial statements.

Operating profit (loss) in the quarter amounted to €55 million (€(12) million in the first quarter of 2021). Please also refer to notes 3 and 4 to the condensed consolidated financial statements.

Net financial items showed an income of €18 million in the quarter compared to a loss of €18 million in 2021, mainly due to foreign exchange gain in Q1 2022 driven by the appreciation of the exchange rate of the BRL against the EUR partly offset by an increase in interest expenses and other financial expenses related to the financing obtained in connection to the eCG acquisition. Net financial items are disclosed in note 5 to the condensed consolidated financial statements.

The Group reported a tax income of €4 million (6 percent) compared to a tax expense of €7 million (24 per cent) in Q1 2021. The reported tax rate in the quarter is positively affected by an adjustment of an income tax provision related to the Mexican operations. Please also see Note 6 for the relationship between Profit (loss) before tax and the reported tax expense.

Basic earnings per share in the first quarter of 2022 is €0.06 compared to €(0.06) in the first quarter of 2021. Adjusted earnings per share in the first quarter of 2022 is €0.04 compared to €0.01 in the first quarter of 2021.

Financial position

The carrying amount of the Group's assets increased by €35 million to €14,282 million during 2022, mainly due to foreign exchange gain in Q1 2022 driven by the appreciation of the exchange rate of the BRL against the EUR, increasing both the investments in joint ventures and associates and the other non-current assets, and the appreciation of the exchange rate of the CAD against the EUR, increasing carrying amounts of the assets related to the Canadian business, partly offset by the depreciation and amortisation expense of the quarter.

The carrying amount of the Group's liabilities decreased by €119 million to €3,742 million during 2022, mainly due to a the partial repayment of the multicurrency revolving facility by €75 million, a decrease in deferred tax liabilities by €21 million, mainly due to amortisation of intangible assets, and a decrease in trade payables by €28 million.

The Group's equity ratio is 74% as at 31 March 2022 compared to 73% as at 31 December 2021.

The Group had at 31 March 2022 net interest-bearing debt of €2,368 million (see specification in Definitions and Reconciliations below) and €499 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.

Cash flow

Net cash flow from operating activities was €41 million in the first quarter of 2022, compared to €40 million in the same period of 2021. The improvement in profit before tax was partly set off by an increase in tax payments and non-cash items.

Net cash flow from investing activities was €(38) million in the first quarter of 2022, compared to €2 million in the same period of 2021. The increase in cash outflow is mainly due to the increase in the development and purchase of intangible assets and property, plant and equipment and the proceeds received from the sale of Yapo (Chile) in 2021.

Net cash flow from financing activities was €(119) million in the first quarter of 2022, compared to €(27) million in the same period of 2021. The increase in cash outflow is mainly due to the partial repayment of the multicurrency revolving facility by €75 million.

CEO succession

Rolv Erik Ryssdal informed and agreed with the Board that he will retire as CEO and leave the business by February 2023 when the Group will release its 2022 annual results.

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

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

Repurchase of shares by Adevinta ASA

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 purpose of the buy-back is to acquire shares to be used as settlement in the Company's share-based incentive plans over the next 3 years.

The Adevinta Performance Share Plan granted to some senior employees in 2019 was paid in treasury shares in January 2022 with a pay-out of 393,194 treasury shares. In addition, 232,310 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred. In addition, in February 2022 18,707 treasury shares were transferred to the employees, after withholding tax, in relation to bonus matching shares given to employees who enrolled in the employee share saving plan (40,814 gross treasury shares).

Covid pandemic

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Management continues monitoring Covid developments.

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. It is still too early to say how this will affect Adevinta's broader business.

When we announced our new strategic plan in November 2021, we identified Belarus, as one of our operations to be placed under review. Subsequently on 27 April 2022 Adevinta announced its decision to exit Belarus and on 20 May 2022 a sales agreement was signed with the local management as buyers and closing of the deal at the same date.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

	First quarter		Year
€ million	**2022**	**2021**	**2021**
Operating revenues	**387**	**182**	**1,139**
Personnel expenses	(121)	(70)	(368)
Other operating expenses	(141)	(59)	(415)
Gross operating profit (loss)	**125**	**53**	**356**
Depreciation and amortisation	(65)	(15)	(156)
Share of profit (loss) of joint ventures and associates	(6)	(0)	(8)
Impairment loss	(0)	(25)	(22)
Other income and expenses	1	(25)	(140)
Operating profit (loss)	**55**	**(12)**	**29**
Net financial items	18	(18)	(65)
Profit (loss) before taxes	**72**	**(30)**	**(35)**
Taxes	4	(7)	(19)
Profit (loss) from continuing operations	**77**	**(37)**	**(54)**
Profit (loss) from discontinued operation	**(2)**	**-**	**7**
Profit (loss) attributable to:			
Non-controlling interests	3	1	6
Owners of the parent	72	(38)	(54)
Earnings per share in €:			
Basic	0.06	(0.06)	(0.06)
Diluted	0.06	(0.06)	(0.06)

Condensed consolidated statement of comprehensive income

€ million	First quarter 2022	First quarter 2021	Year 2021
Profit (loss)	**75**	**(37)**	**(48)**
Remeasurements of defined benefit pension liabilities	0	-	0
Income tax relating to remeasurements of defined benefit pension liabilities	(0)	-	(0)
Net gain/(loss) on cash flow hedges	-	84	56
Change in fair value of financial instruments	0	-	16
Items not to be reclassified subsequently to profit or loss	**0**	**84**	**72**
Exchange differences on translating foreign operations	99	(6)	22
Net gain/(loss) on cash flow hedges	6	(1)	7
Items to be reclassified subsequently to profit or loss	**105**	**(7)**	**29**
Other comprehensive income	**106**	**77**	**101**
Comprehensive income	**180**	**40**	**53**
Comprehensive income attributable to:			
Non-controlling interests	1	1	5
Owners of the parent	179	39	48

Condensed consolidated statement of financial position

€ million	31 March 2022	31 December 2021
Intangible assets	12,817	12,790
Property, plant and equipment and right-of-use assets	113	118
Investments in joint ventures and associates	427	370
Other non-current assets	426	375
Non-current assets	**13,783**	**13,653**
Trade receivables and other current assets	265	247
Cash and cash equivalents	124	231
Assets held for sale	110	115
Current assets	**499**	**593**
Total assets	**14,282**	**14,247**
Equity attributable to owners of the parent	10,521	10,368
Non-controlling interests	19	18
Equity	**10,540**	**10,385**
Non-current interest-bearing borrowings	2,322	2,312
Other non-current liabilities	965	987
Non-current liabilities	**3,287**	**3,299**
Current interest-bearing borrowings	85	152
Other current liabilities	344	383
Liabilities directly associated with the assets held for sale	26	27
Current liabilities	**455**	**563**
Total equity and liabilities	**14,282**	**14,247**

Condensed consolidated statement of cash flows

€ million	First quarter 2022	First quarter 2021	Year 2021
Profit (loss) before taxes from continuing operations	72	(30)	(35)
Profit (loss) before taxes from discontinued operations	(3)	-	7
Profit (loss) before taxes	**69**	**(30)**	**(28)**
Depreciation, amortisation and impairment losses	69	40	180
Share of loss (profit) of joint ventures and associates	6	0	8
Dividends received from joint ventures and associates	-	1	3
Taxes paid	(20)	(9)	(92)
Sales losses (gains) on non-current assets and other non-cash losses (gains)	(20)	11	33
Net loss on derivative instruments at fair value through profit or loss	-	(1)	3
Accrued share-based payment expenses	12	1	32
Unrealised foreign exchange losses (gains)	(35)	9	3
Other non-cash items and changes in working capital and provisions	(40)	17	51
Net cash flow from operating activities	**41**	**40**	**193**
Development and purchase of intangible assets and property, plant & equipment	(22)	(11)	(77)
Acquisition of subsidiaries, net of cash acquired	(10)	(2)	(2,181)
Proceeds from sale of intangible assets and property, plant & equipment	-	-	0
Proceeds from sale of subsidiaries, net of cash sold	(2)	15	274
Net sale of (investment in) other shares	(3)	(1)	3
Net change in other investments	(0)	-	(3)
Net cash flow from investing activities	**(38)**	**2**	**(1,983)**
Net cash flow before financing activities	**3**	**42**	**(1,790)**
New interest-bearing loans and borrowings	-	-	2,440
Repayment of interest-bearing loans and borrowings	(76)	-	(493)
Net sale (purchase) of treasury shares	(37)	(22)	(22)
Lease payments	(6)	(4)	(20)
Dividends paid to non-controlling interests	-	-	(8)
Net cash flow from financing activities	**(119)**	**(27)**	**1,898**
Effects of exchange rate changes on cash and cash equivalents	1	0	1
Net increase (decrease) in cash and cash equivalents	**(115)**	**16**	**109**
Cash and cash equivalents at start of period	231	131	131
Cash and cash equivalents attributable to assets held for sale at start of period	9	-	-
Cash and cash equivalents at end of period	**124**	**145**	**231**
Cash and cash equivalents attributable to assets held for sale at end of period	**1**	**2**	**9**

Condensed consolidated statement of changes in equity

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2021	**1,203**	**19**	**1,222**
Comprehensive income	48	5	53
Transactions with the owners	9,117	(7)	9,110
Costs of hedging transferred to the carrying amount of goodwill acquired in a business combination	*88*	-	*88*
Issue of ordinary shares as consideration for a business combination	*9,023*	-	*9,023*
Capital increase	-	*0*	*0*
Share-based payment	*23*	-	*23*
Dividends paid to non-controlling interests	-	*(8)*	*(8)*
Change in treasury shares	*(17)*	-	*(17)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 December 2021	**10,368**	**18**	**10,385**
Comprehensive income	179	1	180
Transactions with the owners	(26)	0	(25)
Share-based payment	*3*	-	*3*
Change in treasury shares	*(29)*	-	*(29)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 March 2022	**10,521**	**19**	**10,540**

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2021	**1,203**	**19**	**1,222**
Comprehensive income	39	1	40
Transactions with the owners	(21)	0	(21)
Share-based payment	*1*	-	*1*
Change in treasury shares	*(22)*	-	*(22)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 March 2021	**1,220**	**21**	**1,241**

Notes

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

The Adevinta Group was established 9 April 2019 following demergers of Schibsted Multimedia AS and Schibsted ASA and the consequential transfer of Schibsted's online classifieds operations outside the Nordics to Adevinta ASA. The shares of Adevinta ASA are listed on the Oslo Stock Exchange. Schibsted 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 has control over the Adevinta Group. In July 2021, an agreement between eBay Inc. and Permira was signed, which committed eBay to sell approximately 125 million shares in Adevinta (10% stake) to funds advised by Permira. On 29 July 2021, Permira exercised the 30-day option granted by eBay to purchase an additional 10 million Class A shares at the same price. The transaction between eBay Inc. and Permira was completed on 18 November 2021, and eBay sold 134,743,728 Class A Shares in Adevinta, representing an 11% stake in Adevinta, to Permira. After this transaction, voting rights held by Schibsted, eBay and Permira are 35%, 30% and 12%, respectively.

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

The accounting policies adopted are consistent with those followed in preparing the Group's annual consolidated financial statements for 2021.

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

Note 2. Changes in the composition of the Group

Acquisition of Null-Leasing

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. Most of the purchase price is allocated to goodwill.

Disposal of InfoJobs Brazil

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 recognised in other income and expenses, 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.

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 is expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa are available for immediate sale in their present condition and their sale is highly probable. Therefore, these subsidiaries have been classified as held for sale as at 31 March 2022 and are measured at the lower of its carrying amount and fair value less costs to sell. Furthermore, these operations constitute major geographical locations and are therefore classified as discontinued operations. The carrying amount of goodwill included in this disposal group as at 31 March is €37 million.

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 were presented as discontinued operations.

The disposal of Gumtree UK and Motors.co.uk. resulted in a gain, with no impact on income tax. The gain was presented within the profit from discontinued operations 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.

The financial performance and cash flow information related to the discontinued operations in Q1 2022 and for the period from 25 June to 31 December 2021 (Year 2021 column) are disclosed below. For further information relating to the discontinued operations, please refer to note 4 in Adevinta's Annual Report for 2021.

	First quarter		Year
€ million	**2022**	**2021**	**2021**
Revenue	16	-	71
Expenses	(14)	-	(59)
Gross operating profit / (loss)	2	-	12
Operating profit / (loss)	(2)	-	10
Profit / (loss) after income tax	(2)	-	10
Gain / (loss) on sale of the subsidiary after income tax and fair value measurement adjustment	-	-	(3)
Profit / (loss) after income tax from discontinued operations	**(2)**	**-**	**7**
Exchange differences on translation	4	-	0

	First quarter		Year
€	**2022**	**2021**	**2021**
Basic earnings per share from discontinued operations	(0.00)	-	0.00
Diluted earnings per share from discontinued operations	(0.00)	-	0.00

	First quarter		Year
€ million	**2022**	**2021**	**2021**
Net cash inflow / (outflow) from operating activities	(8)	-	7
Net cash inflow / (outflow) from investing activities (in 2021 includes an inflow of € 4 million and an outflow of € 12 million both related to sale of Gumtree UK and Motors.co.uk)	(0)	-	(8)
Net cash inflow / (outflow) from financing activities	(0)	-	(1)
Net increase / (decrease) in cash generated by discontinued operations	**(8)**	-	**(2)**

Note 3. Operating segment disclosures

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

Based on the new internal reporting structure, Adevinta has identified France, Mobile.de, European Markets and International Markets as reportable operating segments.

- France comprises primarily leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun, PayCar, L'Argus and Pilgo.
- Mobile.de comprises Mobile.de in Germany.
- European Markets comprises primarily eBay Kleinanzeigen in Germany, Markplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, Automobile and Kijiji in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary and Kufar in Belarus (sold in Q2 2022). Furthermore, Adevinta's share of the net profit (loss) of willhaben in Austria is included in operating profit (loss).
- International Markets comprises Segundamano and Vivanuncios in Mexico, Kijiji and Kijiji Autos 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, Anapro and Grupo Zap) 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 on normal commercial terms.

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

Operating revenues and profit (loss) by operating segments

First quarter 2022 **€ million**	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	**Total**
Operating revenues with third parties	120	74	162	28	-	3	-	**387**
Operating revenues from other segments	0	(6)	6	0	-	(0)	(1)	**(0)**
Operating revenues	**120**	**68**	**168**	**28**	**-**	**3**	**(1)**	**387**
Gross operating profit (loss)	55	37	67	11	-	(45)	-	**125**
Operating profit (loss)	**48**	**21**	**39**	**17**	**(2)**	**(68)**	**-**	**55**

First quarter 2021 **€ million**	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	**Total**
Operating revenues with third parties	111	-	66	2	2	1	-	**182**
Operating revenues from other segments	0	-	0	0	-	2	(2)	**-**
Operating revenues	**112**	**-**	**66**	**2**	**2**	**2**	**(2)**	**182**
Gross operating profit (loss)	55	-	16	(1)	(2)	(16)	-	**53**
Operating profit (loss)	**48**	**-**	**13**	**(1)**	**(40)**	**(32)**	**-**	**(12)**

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

Disaggregation of revenues by category

First quarter 2022 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Online classifieds revenues	92	67	108	21	-	-	**288**
Advertising revenues	15	7	50	8	-	1	**81**
Transactional revenues	12	-	3	0	-	-	**16**
Other revenues	0	-	0	(0)	-	-	**0**
Revenues from contracts with customers	**120**	**74**	**162**	**28**	**-**	**1**	**384**
Revenues from lease contracts and other revenues	0	-	0	0	-	2	**2**
Operating revenues	**120**	**74**	**162**	**28**	**-**	**3**	**387**

First quarter 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Online classifieds revenues	85	-	54	2	1	0	**142**
Advertising revenues	16	-	11	0	1	-	**29**
Transactional revenues	10	-	0	-	0	-	**10**
Other revenues	0	-	0	0	-	-	**1**
Revenues from contracts with customers	**111**	**-**	**66**	**2**	**2**	**0**	**181**
Revenues from lease contracts and other revenues	0	-	0	0	-	1	**1**
Operating revenues	**111**	**-**	**66**	**2**	**2**	**1**	**182**

Full year 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Online classifieds revenues	343	136	321	48	1	0	**849**
Advertising revenues	69	15	131	19	2	4	**240**
Transactional revenues	38	-	5	-	0	-	**44**
Other revenues	0	-	0	0	-	-	**1**
Revenues from contracts with customers	**451**	**151**	**457**	**67**	**3**	**4**	**1,134**
Revenues from lease contracts and other revenues	0	-	1	0	0	5	**6**
Operating revenues	**451**	**151**	**458**	**67**	**3**	**9**	**1,139**

Value-added services revenues are reported within Online classifieds revenues.

Note 4. Other income and expenses and impairment loss

€ million	First quarter 2022	First quarter 2021	Year 2021
Restructuring costs	(0)	0	(5)
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	20	(11)	(37)
Gain (loss) on sale of intangible assets, property, plant & equipment	0	-	(1)
Acquisition-related costs	(1)	(5)	(49)
Integration related costs	(17)	(8)	(47)
Other	(1)	(0)	(2)
Total other income and expenses	**1**	**(25)**	**(140)**

Gain (loss) on sale of subsidiaries, joint ventures and associates of €20 million in Q1 2022 relates mainly to the gain on sale of InfoJobs Brazil (Brazil) and the loss of €(11) million in Q1 2021 relates to the sale of Yapo (Chile).

Integration-related costs of €(17) million in Q1 2022 (€(8) million in Q1 2021) mainly relate to the acquisition of eBay Classifieds Group.

On initial classification as held for sale of Shpock, an **impairment loss** was recognised amounting to €(25) million in Q1 2021, which was allocated to goodwill and other intangible assets.

Note 5. Net financial items

€ million	First quarter 2022	First quarter 2021	Year 2021
Interest income	5	1	9
Interest expense	(19)	(9)	(60)
Net foreign exchange gain (loss)	37	(9)	(2)
Net other financial income (expenses)	(6)	(0)	(11)
Net financial items	**18**	**(18)**	**(65)**

Interest expense in Q1 2022 and Q1 2021 is mainly due to new financing obtained in connection to the eCG acquisition.

Net foreign exchange gain in Q1 2022 is mainly due to the appreciation of the BRL against the EUR, increasing the value in EUR of the loan in BRL granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture). **Net foreign exchange loss** in Q1 2021 was mainly due to the depreciation of the BRL against the EUR, decreasing the value in EUR of the loan in BRL granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture).

Net other financial expenses in Q1 2022 are mainly due to amortisation of the costs directly attributable to the issue of the new financing obtained in connection to the eCG acquisition using the effective interest method.

Note 6. Income taxes

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

€ million	First quarter 2022	First quarter 2021	Year 2021
Profit (loss) before taxes from continuing operations	72	(30)	(35)
Tax (expense) income based on weighted average nominal tax rate*	(19)	7	9
Tax effect of share of profit (loss) of joint ventures and associates	(2)	0	(3)
Tax effect of impairment loss on goodwill and other intangible assets	-	0	(1)
Tax effect of gain on sale and remeasurement of subsidiaries, joint ventures and associates	8	(3)	(8)
Tax effect of other permanent differences	(3)	(1)	(16)
Current period unrecognised deferred tax assets	(1)	(10)	(10)
Previously unrecognised tax losses used in current period	10	-	1
Reassessment of previously recognised deferred tax assets, including changes in tax rates	0	-	9
Adjustments of previously recognised income tax provisions	12	-	-
Other	0	0	-
Taxes recognised in profit or loss from continuing operations	**4**	**(7)**	**(19)**
***Weighted average nominal tax rate**	**26%**	**25%**	**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. **Adjustments of previously recognised income tax provisions** in the first quarter of 2022 include mainly an adjustment of an income tax provision related to the Mexican operations.

Note 7. Contingent liabilities

Digital Services Tax in France

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

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

- The supply, by electronic means, of a digital interface that allows users to contact and interact with other users, in particular in view of delivering goods or services directly between those users.
- Services provided to advertisers or their agents enabling them to purchase advertising space located on a digital interface accessible by electronic means in order to display targeted advertisements to users located in France, based on data provided by such users.

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

- €750 million of worldwide revenue; and,
- €25 million of revenue generated in France.

The DST applies to digital services revenue for 2019, 2020, 2021 and 2022. If applicable to Adevinta, the DST will negatively impact Adevinta Group's EBITDA. The DST amount payable is deductible for corporate income tax purposes.

Due to the complexity of the law the assessment of whether DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. However, management currently assesses that it is less likely than not that French DST is applicable to Adevinta Group and hence no provision has been recognized for DST as at 31 March 2022.

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 current interpretation points to the non-inclusion of some of the said services which means the applicable worldwide revenues within the scope of DST should be below €750 million.

Should the interactions with the French Tax Authorities and other actions conclude differently, the DST amounts applicable to Adevinta are not expected to exceed €32 million in total for 2019, 2020, 2021 and YTD March 2022. Management will continue to work with the French tax authorities to obtain further clarification on this matter.

Digital Services Tax in Spain

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

The assessment of the extent that Spanish DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. The main uncertainties relate to whether the services which Adevinta Group provided to its users in Spain are to be considered within the scope of DST. The current interpretation points to the non-inclusion of some of the said services and hence the provision for DST in Spain recognized as at 31 March 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 €7 million in total for 2021 and YTD March 2022.

Note 8. Events after the balance sheets date

Share buy-back

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

The first tranche was completed on 22 March 2022.

The second tranche of the buy-back of up to 6 million shares was expected to be launched subsequent to the 2022 Annual General Meeting, and subject to renewal of the shareholder authorisation at the Annual General Meeting to be held on 29 June 2022. However, in light of prevailing market conditions Adevinta ASA decided on 6 April 2022 to launch the second tranche, earlier than initially planned. The second tranche is expected to end no later than 28 June 2022. From 6 April 2022 until 13 May 2022, Adevinta ASA purchased a total of 1,704,477 treasury shares at the Oslo Stock Exchange.

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

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

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

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

Covid pandemic

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Management continues monitoring Covid developments.

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. It is still too early to say how this will affect Adevinta's broader business.

When we announced our new strategic plan in November 2021, we identified Belarus, as one of our operations to be placed under review. Subsequently on 27 April 2022 Adevinta announced its decision to exit Belarus and on 20 May 2022 a sales agreement was signed with the local management as buyers and closing of the deal at the same date.

Sale of Mexican assets

When we announced our new strategic plan in November 2021, we identified Mexico as one of our operations to be placed under strategic review. Subsequently on 24 May 2022 Adevinta announced its decision to exit Mexico.

Other than the matters described above, no further matters have arisen since 31 March 2022 which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

Definitions and Reconciliations

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

APMs should not be considered as a substitute for 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.

As from Q1 2022 the following changes have been introduced to APMs:

- Underlying tax rate is no longer considered significant for understanding the Group's performance, because this APM is mainly relevant where there are significant operating losses for which no tax benefit is recognised. However, Adevinta has sold many of its emerging markets and acquired eCG which makes the results of the loss making markets and their distortion of the tax rate less relevant. This APM is therefore not included in Adevinta's external financial reporting as from Q1 2022. Instead, a reconciliation of tax expenses is disclosed in the notes to the condensed consolidated interim financial statements.
- Underlying EBITDA is considered significant for understanding the Group's performance due to increased share based compensation to employees as part of their remuneration package and, hence, this APM is included in Adevinta's external financial reporting as from Q1 2022.

Measure	Description	Reason for including
EBITDA/Gross operating profit (loss)	EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss)/Operating revenues.	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
Underlying 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.
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)

	First quarter		Year
€ million	**2022**	**2021**	**2021**
Gross operating profit (loss)	**125**	**53**	**356**
= EBITDA (before other income and expenses, impairment, JVs and associates)	125	53	356

Underlying EBITDA

	31 March		Year
€ million	**2022**	**2021**	**2021**
EBITDA	125	53	356
Share-based compensation	12	2	31
Underlying EBITDA	**137**	**55**	**387**

Liquidity reserve

	31 March		Year
€ million	**2022**	**2021**	**2021**
Cash and cash equivalents	124	145	231
Unutilised drawing rights on credit facilities	375	335	300
Liquidity reserve	**499**	**480**	**531**

Net interest-bearing debt

	31 March		Year
€ million	**2022**	**2021**	**2021**
Non-current interest-bearing borrowings	2,322	1,276	2,312
Lease liabilities, non-current	68	76	73
Total non-current liabilities	**2,390**	**1,352**	**2,384**
Current interest-bearing borrowings	85	302	152
Lease liabilities, current	17	18	19
Total current liabilities	**102**	**320**	**171**
Total interest-bearing debt	**2,492**	**1,672**	**2,555**
Proceeds from the borrowings placed in the escrow account	-	(1,060)	-
Cash and cash equivalents	(124)	(145)	(231)
Net interest-bearing debt	**2,368**	**468**	**2,324**

Earnings per share - adjusted

	First quarter		Year
€ million	**2022**	**2021**	**2021**
Profit (loss) attributable to owners of the parent	72	(38)	(54)
Other income and expenses	(1)	25	140
Impairment loss	0	25	22
Taxes and non-controlling interests related to other income and expenses and impairment loss	(5)	(6)	(15)
Adjustments of previously recognised income tax provisions	(12)	-	-
Profit (loss) attributable to owners of the parent - adjusted	**54**	**6**	**93**
Earnings per share – adjusted (EUR)	0.04	0.01	0.10
Diluted earnings per share – adjusted (EUR)	0.04	0.01	0.10

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