Adevinta

Adevinta Annual Report 2021

Index

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.

OUR STRATEGY
With trusted brands that enjoy leading market positions, Adevinta operates a resilient business model at the centre of the second-hand economy at a time when consumers are seeking more sustainable and cost-efficient ways of buying products. In line with its new "Growing at Scale" strategy, Adevinta is focusing on five core markets (Germany, France, Spain, Benelux and Italy) and concentrating on its Motors and Real Estate verticals while continuing to build a fully transactional online experience to expand into a growing online commerce market. To ensure the Group remains at the forefront of the digital economy, Adevinta is investing in new products and technology and believes this is its best long-term differentiator.

Adevinta at a glance

We are a leading online classifieds specialist, operating digital marketplaces in 15 countries. We provide digital services to connect buyers with sellers and facilitate transactions, from real estate to cars, consumer goods and more. Our portfolio spans more than 40 digital brands, attracting approximately three billion average monthly visits. Leading digital assets include top-ranked leboncoin in France, Germany's leading classifieds sites mobile.de and eBay Kleinanzeigen, Marktplaats in the Netherlands, Fotocasa and InfoJobs in Spain, Subito in Italy, and 50% of fast-growing OLX Brasil.

In 2021, Adevinta completed its acquisition of eBay Classifieds Group and today employs around 8,100* people committed to supporting users and customers daily. Adevinta is a sustainability leader within the Dow Jones Sustainability Index (DJSI) Europe.

* Including JVs and CWs

REVENUE[1]

▲ €1,521m

2020: €1,382m

EBITDA[1]

▲ €514m

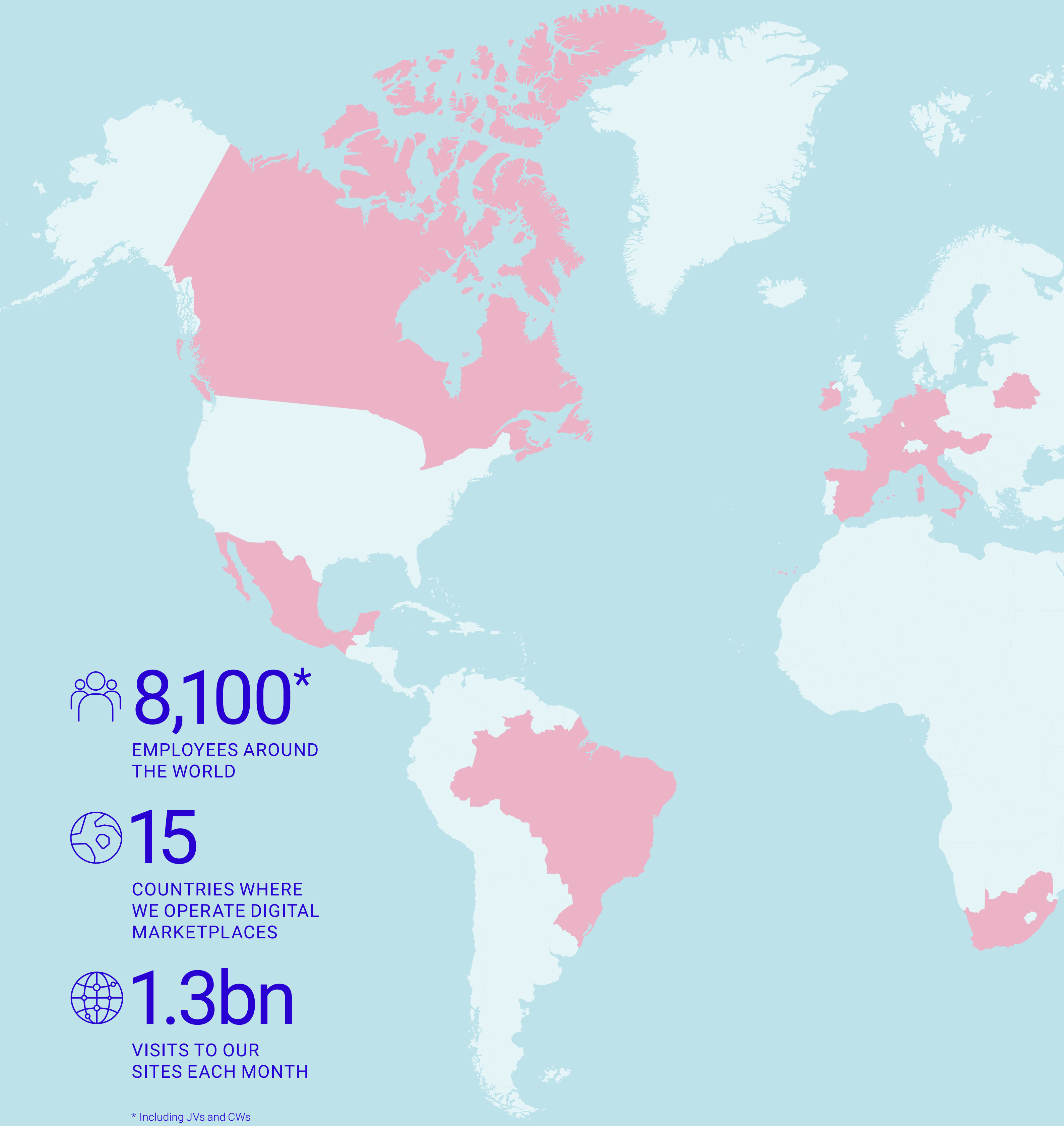
2020: €467m

[1] Continuing operations, excluding disposals. In order to facilitate comparability, 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 2020

About Adevinta


Adevinta

Global presence



8,100*

EMPLOYEES AROUND THE WORLD

15

COUNTRIES WHERE WE OPERATE DIGITAL MARKETPLACES

1.3bn

VISITS TO OUR SITES EACH MONTH

* Including JVs and CWs

Australia

Gumtree, carsguide, Autotrader

Austria

willhaben

Belarus

kufar

Belgium

2dehands, 2ememain

Brazil

OLX Brasil, zap, VivaReal

Canada

kijiji

France

leboncoin, Groupe Argus, Agriaffaires, MachineryZone, Truckscorner, avendrealouer, VIDE-DRESSING, leboncoin Hôtel, locasun, PAYCAR

Germany

ebay Kleinanzeigen, mobile.de

Hungary

Jófogás, Használtautó.hu, AUTÓNAVIGÁTOR.HU

Ireland

DoneDeal, ADVERTS.ie, daft.ie, Gumtree

Italy

InfoJobs, subito, kijiji, automobile.it

Mexico

segundamano, vivanuncios

Netherlands

Marktplaats

South Africa

Gumtree

Spain

habitaclia, milanuncios, InfoJobs, fotocasa, motos.net, coches.net

ICONS

- Generalist
- Motors
- Real estate
- Jobs

Our Brands

ADVERTS.ie

An Irish mobile-first community marketplace for people to browse, buy and sell hundreds of thousands of items online.

Agriaffaires

Leading French classifieds site dedicated to the purchase and sale of new and used agricultural, wine-growing, forestry and motorcycle equipment.

àvendre àlouer

Real estate classifieds website in France that helps users find the perfect place to live or rent, whatever type of property they are looking for.

AUTÓNAVIGÁTOR.HU

Autónavigátor is the content site of Használtautó, posting car tests and news on a daily basis as well as covering the used-car market for private buyers.

automobile.it

One of the fastest growing marketplaces for buyers and sellers of vehicles in Italy for private customers, professional sellers and advertisers.

Autotrader

Second largest vehicle dealer network in Australia, offering additional tools that give buyers information and more confidence on pricing.

carsguide

CarsGuide is number one in Australia for automotive editorial audiences with content covering car reviews, news and advice.

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

Free online classifieds marketplace that brings the joy of sustainable trade to everyone.

fotocasa

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

zap

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

Groupe Argus

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

Gumtree

Leading classifieds site in Australia, South Africa and Singapore, 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, to help people to 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.

kufar

The most well known online classifieds site in Belarus, offering extra services like cross-country delivery and instalment for new and used goods.

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.

leboncoin

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

leboncoin Hôtel

As one of the country's most visited websites, leboncoin is France's go-to destination for hotel accommodation.

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 Brasil

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

PAYCAR

Start-up specialising in peer-to-peer payment for second-hand vehicle purchases, acquired by leboncoin in 2019.

segundamano

Leading online marketplace in Mexico, helping sellers get paid fairly whilst saving buyers' money and time.

subito

Italy's leading online classifieds service is among the top ten 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.

VIDE·DRESSING

Online classifieds site in France for buying or reselling second-hand fashion and luxury items.

vivanuncios

Free, simple and local classifieds platform, enabling Mexican buyers and sellers to meet through its diverse set of categories.

WILLHABEN

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

Message from the CEO

In many ways Adevinta feels like a new company. During the year under review, we became bigger, better and more successful. We have become the European champion of the online classifieds industry, operating a tried-and-tested business model in markets we know well.

Adevinta performed strongly and made sound progress in 2021 following the tough environment in 2020. We started the year with organic revenue growth despite concerns over new Covid variants.

As we continued to navigate through the uncertainty of the Covid pandemic, we maintained our focus on keeping our people safe and on supporting our communities, users and customers. We maintained our leading positions in our core markets, especially in our Motors vertical despite the temporary supply pressure on microchips impacting new car production. We enhanced our product offering and user experience, and accelerated deployment of transactional solutions across our portfolio. In June, we completed our acquisition of eBay Classifieds Group (eCG) and, by year end, with the integration process firmly on track, we were seeing the initial benefits of combining our operations. At our Capital Markets Day in November, we announced Adevinta's new strategic priorities and growth ambitions that will allow us to benefit from emerging trends in consumer behaviour.

Adevinta's operating revenues[1] reached €1,521 million in 2021 (versus €1,382 million on a combined basis in 2020), with solid revenue growth of 10%, despite the Motors headwind. This increase was driven by core classifieds revenues, with strong growth from our Consumer Goods, Real Estate and Jobs verticals. We also saw strong momentum in transactional services with the investment over the last few years proving to be invaluable. EBITDA[1] also increased by 10%, from €467 million to €514 million, representing a 34% margin, flat year-on-year. Underlying EBITDA, which corresponds to EBITDA[1] before charges related to share-based compensation, reached €555 million, representing a 37% margin.

A new beginning

As we look back on 2021, in many ways Adevinta feels like a new company. During the year under review, we became bigger, better and more successful. We have become the European champion of the online classifieds industry, operating a tried-and-tested business model in markets we know well. The key change over the past year is the scale of our opportunities, brands and assets, and the opportunities this scale presents. We have strong financial capacity as a combined business with revenue of more than €1.5 billion delivering robust profitability of 34% and generating strong cash flows. Adevinta is moving forward with an array of strengths; we are the largest pure-play classifieds player in the western world, serving more than one billion people and with leading positions in 15 markets. Among our 8,100 employees, we have close to 3,000 working in product and technology teams that drive our platforms and innovation each day.

We closed 2021 with our markets and business well positioned. In France, leboncoin is a household name. In Germany, mobile.de is the biggest vehicle marketplace in Europe while eBay Kleinanzeigen is Germany's top classifieds portal. In the Netherlands, Marktplaats is the country's largest online marketplace. In Spain, we hold number one positions in motors and jobs and the number two slot in real estate. In Italy, we hold four strong and respected brands covering online classifieds, recruitment and motors. Outside Europe, we are considered to be the online classifieds champion in Brazil.

[1] Continuing operations, excluding disposals. In order to facilitate comparability, 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 2020

COMBINED OPERATING REVENUES[1] 2021

€1,521m

2020: €1,382m

People

Our talented teams around the world excelled in every aspect throughout the year despite a variety of challenges and pressures. Our people not only had to tolerate and overcome the disruption caused by the pandemic. Many of them had the extra workload of closing the eCG transaction while simultaneously doing the initial groundwork on the integration programme. This required a big effort from many of our employees. I'd like to extend my sincere gratitude for their professionalism and their hard work. Moreover, our people will continue to drive our future achievements. By bringing together the employees from Adevinta with those of eCG we have created a group of experts who stand out within our industry. I am confident that their combined skills, creativity and enthusiasm will be the key to our success as we pursue our ambitious goals.

Our refreshed strategy

Europe's digital space is developing rapidly, and we have built the largest European-based digital platform too. This gives us strength, and as we leverage that to improve experiences for our customers, we create value for Adevinta.

We know that driving further growth requires strong execution and focus on the biggest opportunities. We therefore conducted a strategic review following the completion of the eCG acquisition to determine our key priorities, and to assess how we should invest for the highest return.

The result was our new strategic plan entitled 'Growing at Scale':

- → Focus on our five core geographic markets
- → Concentrate on high-quality verticals
- → Become fully transactional in consumer goods
- → Leverage technology and transform our advertising

By prioritising investment for growth in our five core markets, we can reduce complexity and execute much faster.
Our core markets of Germany, France, Spain, Benelux and Italy give us strong positions and the greatest growth potential.
They also generate 70% of revenues from high quality vertical streams. Our increased size means we now have the ability to continually innovate, to discover what works and then to apply it internationally. By capturing our inherent synergies, especially in terms of technology, we can develop once and use many times.

Given our focus on our core markets, we concluded that our operations in Australia and South Africa would benefit from new owners, and we are therefore divesting these businesses. In the pursuit of further simplification and value maximisation, we have also placed operations in our remaining markets – Canada, Belarus, Hungary and Mexico – under strategic review. At the same time, we continue to support our operations in Ireland, Austria and Brazil.

Our high-quality verticals include Motors and Real Estate, each of which presents a significant opportunity to increase monetisation. Looking ahead, we will strengthen digital and transactional capabilities to create a seamless end-to-end online experience for consumers and car dealers. In Real Estate, we will improve monetisation and explore adjacent markets that can provide value-added services.

We are shifting to a fully transactional model in our Consumer Goods vertical in response to the rapidly expanding e-commerce market and fast-changing consumer behaviours. The first Adevinta brand to develop its transaction model by offering integrated services such as payment and delivery was leboncoin. As we expand this across our brands, we will unlock a significant new revenue stream.

In advertising, we are adapting to an increasingly dynamic market by evolving our advertising model. We will invest in products based on first party data to reduce reliance on third parties. This will allow us to sell more targeted products to our advertisers.

Our vision of sustainable commerce

Why do millions of people buy and sell second-hand goods on our sites? One reason is that trading on Adevinta's trusted platforms directly contributes to a better society and a better life. People want to buy second-hand not only because it is attractively priced and perhaps simpler to acquire, but also because they are thinking about how traditional consumer behaviour is contributing to the world's environmental and social problems. While this trend is a catalyst for Adevinta's business, consumers looking to buy second-hand also want the end-to-end convenience of e-commerce. We are creating that full value chain in online classifieds that consumers expect when buying and selling goods and services online. Our vision is for more sustainable commerce to shape a healthy society, and I truly believe that our business model will make this vision a reality. I have provided more detail in my introduction to our sustainability report.

Responding to the Ukraine conflict

We reacted to the news of the Russian government invasion of Ukraine in February 2022 with extreme concern for the safety and well-being of employees affected. Our online classifieds operation in Belarus – Kufar – is based in Minsk, the nation's capital. Belarus borders both Ukraine and Russia, and we employ more than 130 people at Kufar. Many of our staff in Belarus are from Ukraine and Russia, and staff in other Adevinta operations outside this region have Russian or Ukrainian nationality. Our top priority throughout this conflict has been to identify and address the needs of all our employees. Our support has included offering assistance obtaining visas or in relocating employees, providing the option to take a period of crisis leave or arranging appropriate mental health resources.

In addition to rendering appropriate personal assistance, we have been keen to help with charitable donations that support people impacted by this conflict. Adevinta therefore set up a programme to match donations by employees. We decided to support the Red Cross at a global level due to their strong reputation, their track record of responding to crises, and their ability to process donations from anywhere in the world.

> We are shifting to a fully transactional model in our Consumer Goods vertical in response to the rapidly expanding e-commerce market and fast-changing consumer behaviours

Outlook

Since we were established as a stand-alone company in 2019, we have created the largest pure-play classifieds business in the western world. But we know there is still much to do. Building on the strong foundations we laid in 2021, we have embarked on a programme to grow Adevinta at scale, and our emphasis now is on execution. We are well positioned to continue growing strongly both through traditional classifieds, with reduced reliance on third parties, and by deepening our transactional services offering. In Motors and Real Estate, we are increasingly offering innovative services to support car dealers and real estate agents.

We are creating additional value by focusing on core markets, and by continuing to leverage technology and expertise. We expect our core markets to generate an average revenue growth per annum of 15% in the mid-to-long term, driving EBITDA margins of between 40% and 45%. We believe the impact of the supply shortage in our Motors vertical will be temporary and that conditions will improve in the second half of 2022, although there will be a financial impact. We will also continue to invest in product and technology supported by investment in marketing to drive long-term growth. Key to our continued success is accessing the best talent, using data to drive key investment decisions and product development, and rolling out new services across Europe.

Technology will continue to play a major role in our business model and we know we can only succeed if we have world-class products and the right people to build them. Sharing, learning and reusing our technology strengths is a key requirement and will be at the heart of everything we do. I am confident we have the size and scale to move at pace.

We have come a long way since our IPO in April 2019 and have many opportunities. We have laid strong foundations across the business geographically, in our verticals, in our technology platform, and in terms of revenue and our employee brand. We plan to continue consolidating our industry and are well positioned to embark on our next phase of development. In many ways, our journey is just beginning. I am more excited about Adevinta's future than ever before.

Rolv Erik Ryssdal
CEO Adevinta

Board of Directors

Board of Directors of Adevinta ASA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11

1

Orla Noonan

Board Chair

Orla Noonan 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 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 and at Believe since 2021. She is a graduate of HEC Paris and has a BA in Economics from Trinity College, Dublin.

Shares held in Adevinta: 5,030

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: 0

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: 0

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: 0

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 Skogen Lund 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 Skogen Lund 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 has served as Vice President, Corporate and Business Development at eBay since February 2016. In this role, he oversees eBay's acquisitions, investments, acquisition 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 degree in Economics from Cambridge University, England.

Shares held in Adevinta: 0

Growing at Scale

Adevinta has made sound progress since it demerged from Schibsted in April 2019 and completed its subsequent IPO. Our objectives were to focus, consolidate and grow.

During 2021, the Group continued to address those aims by simplifying the business, reinforcing its strengths and focusing on the biggest opportunities. With the completion on 25 June of our acquisition of eBay Classifieds Group (eCG), the classifieds arm of eBay Inc. (eBay), we have doubled in size and brought together two strong companies. We have been able to confirm the high quality of eCG and we feel more than ever that this was the right choice for Adevinta and an excellent strategic fit. This is a major step forward in building our position in the market. We are now the clear leader in online classifieds with a diversified and complementary portfolio of assets and brands, and a powerful European base. We have an ambitious plan to grow at scale and believe Adevinta has started an exciting new chapter.

Adevinta's new Board

As the year closed, Adevinta had three main shareholders: Schibsted, eBay and Permira. eBay became a shareholder in June following the completion of Adevinta's acquisition of eCG, with payment made in cash and in Adevinta shares. This consideration meant eBay held approximately 44% of Adevinta's total outstanding share capital. Permira, the global private equity firm, became a shareholder in October following the sale by eBay of a 11% stake in Adevinta to funds advised by Permira, following which eBay's stake in Adevinta reduced from 44% to 33%.

We announced the new composition of our Board at the end of June. There were five new appointments initially, comprising three independent directors and two additional directors from eBay. They were: Michael Nilles, Chief Digital & Information Officer, Henkel KGaA; Julia Jäkel, formerly the CEO of Gruner + Jahr; Aleksander Rosinski, VP & Senior Advisor, Schibsted; Marie Oh Huber, SVP, Chief Legal Officer, General Counsel, eBay; and Mark Solomons, VP Corporate and Business Development, eBay. In addition, Terje Seljeseth stepped down from his position on the Board and we thank him for his valuable contribution since 2019.

These high-profile leaders bring a wealth of international expertise from diverse sectors, including media, technology, digital innovation, integration and online marketplaces, which will help to strengthen Adevinta's foundations and drive the Group forward.

In October, Dipan Patel, Partner and Head of Consumer with Permira, joined Adevinta's Board. Permira is focused on transformational growth at scale and has an extensive track record in investing in both online marketplaces and the broader technology sector. Adevinta will benefit from this deep expertise and from Permira's vast experience of integrating large projects following our acquisition of eCG.

The Board as a whole, therefore, brings together a diverse group of highly experienced people from across our geographies who are fully engaged and dedicated to Adevinta's success. The participation of eBay and Permira is a clear vote of confidence in Adevinta while the composition of the new Board reflects our commitment to diversity and marks a new phase for the Group. Moreover, our appointment of two independent directors with deep knowledge of, and expertise in, Germany reflects our ambition for this key European market to make a larger contribution to Adevinta's long-term development.

> "Our new strategy builds on our unparalleled scale, leadership positions and technology to accelerate sustainable growth

Growing at Scale

In November at our Capital Markets Day, we revealed our new strategy "Growing at Scale" that identifies four priorities. We will focus on five core markets of Germany, France, Spain, Benelux and Italy, concentrate on our Motors and Real Estate verticals and their potential for increased monetisation, and continue building our fully transactional capability in order to expand into a growing online commerce market. Finally, our commitment to leveraging technology and transforming advertising revenue will continue.

Our new strategy builds on our unparalleled scale, leadership positions and technology to accelerate sustainable growth. Our four priorities will allow Adevinta to benefit from significant emerging trends in consumer behaviour.

Scale is an important driver for Adevinta that allows us to introduce solutions from the centre to our local markets and brands. A stand-alone company in a specific domestic market does not have the resources to do that. eCG's operations have their biggest assets in Europe and strong complementary brands that closely match those of Adevinta. With the increased scale of our operations following our eCG acquisition, the immediate opportunity is to create deeper synergies and collaboration between our European markets with the aim of bringing the full e-commerce value chain to our industry. Our continuing work on developing our transactional model, offering car finance, delivery services, verification and much more, is integral to this.

We are building a powerful European base that will share our existing deep expertise and best practice. When that phase is complete, it will provide Adevinta with an excellent springboard for operations in other parts of the world. Our expansion and development will be on the back of our strong platform for organic growth, but will include appropriate acquisitions, all aided by our vision of bringing the simplicity, appeal and integration of e-commerce to the world of online classifieds.

Strengthening our sustainability profile

Adevinta is acutely aware of its role at the heart of the circular economy and its ability to connect people in the communities and countries in which it operates. Our business implicitly encourages more sustainable consumption and we have become a European circular economy champion.

In 2021, a global consulting firm reviewed our current environmental, social and governance (ESG) position in the context of the new combined group. The review was a comprehensive assessment of our current ESG profile that considered the views of key stakeholders and included a materiality analysis.

Following this work, we have decided to concentrate on three key areas:

- **Lead** the transition towards circular and responsible consumption
- **Ensure** we are a purpose-driven and inclusive marketplace for everyone
- **Embed** ESG governance, data and fraud protection throughout the organisation

Our new framework is a foundation for implementing deeper ESG strategies. We will devote time and resources to ensure we build on everything Adevinta has achieved to date. Adevinta's CEO, Rolv Erik Ryssdal, has provided more detail regarding our intentions in his introduction to our sustainability report.

Looking ahead

Adevinta's acquisition of eCG brings together two great companies and the process of integrating them is on track. It creates a globally scaled online classifieds leader and a European tech champion. It gives Adevinta a clear lead in accelerating innovative products and services and creating best-in-class integrated solutions that will enhance the experience of users and customers.

The classifieds business model is evolving rapidly on the back of trends in the digital economy. Consumers are demanding more convenient user journeys, while professional sellers are rethinking their operating models and demanding more efficient digital content and advertising solutions. These trends bring a range of monetisation opportunities. We are already responding vigorously by migrating our transactional model to businesses in Europe to enlarge our addressable market, and to make online classifieds a better and more valuable service for both our private and professional customers. The combined technology and product development know-how of our enlarged organisation reinforces our ability to innovate.

Adevinta has an experienced Board with a strong management team leading a first-rate workforce. With our already strong positions in important markets, and the vision and ambition to grasp the significant opportunities we see for creating maximum value for shareholders, we firmly believe we have an exciting future that will keep us at the forefront of the digital economy. The expanded Board has been built for the purpose of supporting a dynamic and ambitious company; Adevinta has a clear intention to grow at scale. The Board will continue its overriding aim of delivering value by facilitating the immediate development of existing and new businesses, by supporting investment in technology and product development, and by seeking appropriate acquisitions. We will strive to ensure that Adevinta fully capitalises on the numerous trends we see in the online classifieds sector.

Looking ahead, we continue to build our position as a European technology leader, managed out of Europe but operating in other markets too. With the additional European operations that come from our acquisition of eCG, we have strengthened our status as a European technology company. We look forward to supporting the legislative development of our industry.

Following the tragic news of the Russian government invasion of Ukraine, Adevinta is carefully monitoring the impact on our online classifieds operation Kufar in Belarus, which borders Ukraine and Russia. Our top priority has been to support any employees at Kufar, or indeed in other Adevinta operations around the world, who have been impacted by the conflict in any way. Rolv Erik Ryssdal has provided more information in his CEO message about how we are helping.

The Group's financial results

Consolidated revenues in 2021 amounted to €1,139 million compared to €673 million in 2020, an increase of 69%, mainly due to the eCG acquisition. Barring the impact of the acquisition, revenues increased compared to 2020, demonstrating the resilience of our marketplaces, despite further supply pressure in our Motors vertical.

Consolidated EBITDA amounted to €356 million (compared to €182 million in 2020), an increase of 95% (see the section on each business area for more detail).

Share of profit of joint ventures and associates decreased from €16 million in 2020 to €(8) million in 2021. A gain of €17 million recognised in 2020 within this line item was attributable to the disposal of the investment in Silver Indonesia, which was swapped for cash and a 6% stake in the online marketplace Carousell operating in Asia. Barring this effect, the decrease was mainly due to lower results in Brazil, largely explained by the increase in financial expenses and costs related to the share-based incentive schemes offset by the decrease in acquisition-related costs.

Impairment loss in 2021 was €(22) million (€(43) million in 2020), mostly reflecting impairment loss related to classification of Shpock (Finderly GmbH and Shpock Services LKH Ltd) as held for sale. Impairment loss of €(43) million in 2020 related to Yapo (Chile).

In 2021, the Group's other income and expenses amounted to €(140) million (€(39) million in 2020). This is primarily due to acquisition- and integration-related costs, mainly related to the acquisition of eCG, and the loss on sale of subsidiaries and associates, most of which arose from the divestment of Yapo (Chile) and Shpock (Austria), partly offset by the gains on dilution of Younited (France).

Operating profit in 2021 amounted to €29 million (€56 million in 2020).

Financial position and cash flow

The carrying amount of the Group's assets increased by €10,924 million to €14,247 million during 2021, mainly due to the eCG acquisition (increase in assets amounting to €12,351 million). This increase in assets has been partially compensated by a decrease of €1,060 million due to the release of the funds from the Notes issued on 5 November 2020 that were previously in an escrow account and recognised in "Other current assets''. Those funds have been utilised to fund the eCG acquisition. In addition, the assets acquired in relation to eCG Denmark amounting to €301 million were immediately sold to Schibsted after initial recognition.

The carrying amount of the Group's liabilities increased by €1,760 million to €3,862 million during 2021, mainly due to the eCG acquisition (increase in liabilities amounting to €1,087 million). The Group's net interest-bearing debt increased by €1,854 million to €2,324 million. Immediately prior to completion of the acquisition of eCG, the Term Loan B of US$ 506 million (€422 million) and €900 million were funded and Adevinta entered into a multicurrency revolving facility that was drawn by €150 million. These loans were registered net of their origination fees. The proceeds from the Term Loan B, the multicurrency credit facility and the Notes were mainly used to finance the eCG acquisition and repay existing debt, mainly settling the existing term loan of NOK 2,150 million (€(210) million) and the existing revolving credit facility (€286 million).

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

Net cash flow from operating activities was €184 million for the year, compared to €105 million in 2020. The increase is primarily related to the increase in operating profit and a positive impact of adjustments for changes in working capital and non-cash items, partly offset by the increase in tax payments, other expenses and interest expenses. Net cash flow from investing activities was €(1,983) million for the year, compared to €(317) million in 2020. The increase in cash outflow is mainly due to 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 higher than the acquisition of debt and equity instruments of joint ventures and associates in 2020. Net cash flow from financing activities was €1,898 million for the year, compared to €272 million in 2020. The increase is primarily related to the cash received from the new financing obtained in 2021 related to the eCG acquisition, partly offset by repayments of borrowings and by the acquisition of 1,700,000 treasury shares to meet the long-term incentive obligations for 2021.

Group Performance on a combined basis

In order to facilitate comparability, the comments on how our assets performed are on a combined basis, reflecting the results of Adevinta as if eCG (acquired on 25 June 2021) had been part of the combined Group since 1 January 2020.

Group

Adevinta's operating revenues reached €1,521 million in 2021 (versus €1,382 million in 2020), with solid revenue growth of 10%, despite the Motors headwind. This increase was driven by core classifieds revenues, with strong growth from our Consumer Goods, Real Estate and Jobs verticals. We also saw strong momentum in transactional services with the investment over the last few years proving to be invaluable. EBITDA also increased by 10%, from €467 million to €514 million, representing a 34% margin, flat year-on-year. Underlying EBITDA, which corresponds to EBITDA before charges related to share-based compensation, reached €555 million, representing a 37% margin.

France

Leboncoin is the leading generalist online classifieds site in France in terms of listings, monthly unique active users, professional customers and operating revenues. 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 lastly Pilgo SAS. Leboncoin started investing in transactional capabilities in 2018 and now offers efficient transactional services in Consumer Goods, Cars and Holiday Rentals. In 2021, overall revenue increased by 15%, benefiting from a double-digit growth in online classifieds and the strong ramp-up of transactional solutions. EBITDA was up 12% year-on-year and EBITDA margin decreased by two percentage points, mainly due to transactional costs driven by higher volumes.

Mobile.de

Mobile.de is the biggest vehicle marketplace in Europe and the undisputed market leader in Germany. Mobile.de had circa 40,000 dealer customers across Germany, 1.2 million average live dealer listings, an average of 67 million monthly visitors and a top-of-mind share of 24% in 2021. The site features the largest range of cars, commercial vehicles and motorcycles in Germany. Mobile.de also helps its users find financing and insurance deals and it offers highly efficient online advertising options. Mobile.de remains mainly a B2C platform, with potential to expand further into the C2C space and into the C2B/B2B space and with significant opportunities for monetisation and for expanding its transactional footprint. In 2021, mobile.de overall revenue increased by 1%. This performance was reflected by the reduced volume of dealer inventory, due to the low level of new car production as a result of the global semiconductor shortage, mitigated by a successful listing price increase across dealers in the second half of the year. EBITDA was down 2% year-on-year and EBITDA margin decreased by two percentage points, mainly due to an increase in marketing spend in comparison with the strongly reduced level of 2020.

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, Automobile.it and Kijiji), Ireland (Daft, Done Deal and Adverts), Austria (willhaben), Hungary (Hasznaltauto, Jofogas and Autonavigator), and Belarus (Kufar). The assets of these last two markets have been placed under strategic review.

Adevinta divested its online classifieds business in the UK (Shpock in June 2021 and Gumtree UK and Motors.co.uk in November 2021) as part of remedies proposed in response to the competition concerns raised by the UK's Competition and Markets Authority regarding the acquisition of eCG.

eBay Kleinanzeigen is one of the most visited sites in Germany, and a leader in generalist online classifieds in terms of both awareness and usage/traffic. 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, motor vehicles, 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 which is the Group's main generalist online classifieds site in Spain, and is 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 slots 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 added transactional services, such as payments, escrow services and shipping to its platform in 2018 and 2019. The Group's operations in Belgium have leading generalist classifieds positions in both the Flemish regions (2dehands) and the Walloon regions (2ememain).

The Group's operations in Italy are carried out through a leading group of complementary online classifieds sites. These include Subito and Kijiji, two 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, a generalist online classifieds site with a strong presence in the motors vertical
- Daft, a market leader in real estate
- Adverts, a generalist online classifieds site with a strong market position, particularly in the Dublin area

The Group's 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 the motors vertical. Használtautó has been fully integrated with Jófogás, selling bundles of a number of listings and add-on products to strengthen its leading position within the motors vertical.

Kufar is a leading online marketplace in Belarus with strong positions in consumer goods and real estate.

In 2021, European Markets[2] revenue increased by 14% year-on-year, supported by very strong growth at eBay Kleinanzeigen in Germany as well as our operations in Spain, Italy and Ireland. EBITDA was up 10% year-on-year while EBITDA margin decreased by two percentage points, mainly due to an increase in marketing spend to reinforce our positions after reduced investments in 2020 owing to the Covid pandemic.

International Markets

International Markets comprises a portfolio of online classifieds outside Europe with brands in Canada (Kijiji and Kijiji Autos), Mexico (Segundamano and Vivanuncios), Australia (Autotrader, Gumtree and Carsguide), South Africa (Gumtree), and in Brazil (OLX, Zap and VivaReal). In November 2021, Adevinta decided to divest Australia and South Africa, while placing Mexico under strategic review.

The Group operates in Canada through Kijiji Canada, a leading generalist classifieds platform with strengths in motor vehicles, real estate and consumer goods. In 2018, we introduced Kijiji Autos alongside the existing Kijiji generalist platform.

The Group operates in Mexico through Segundamano and Vivanuncios. Vivanuncios is one of the leading real-estate online classifieds sites in Mexico.

In Australia, the Group operates through Gumtree Australia, Carsguide and Autotrader Australia. Gumtree Australia is the nation's leading generalist classifieds destination. Together with Carsguide and Autotrader, the company is the number two motor classifieds vertical destination in Australia.

The Group's activities in South Africa are carried out through Gumtree South Africa. Gumtree is a leading general classifieds site in South Africa and also has a strong position in the motors and real estate verticals.

The Group's online classifieds operation in Brazil primarily consists of OLX Brazil, which is a 50/50 joint venture between Adevinta and Prosus, and a generalist online classifieds site and a market leader, with 110 million buyers and sellers trading on the platforms in 2020. 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. The Brazilian segment also comprised InfoJobs Brazil, which was divested on 30 March 2022.

In 2021, International Markets[3] revenue (Canada and Mexico only) were up 7% year-on-year, driven by Canada. EBITDA (Canada and Mexico only) was up 23% year-on-year and EBITDA margin (Canada and Mexico only) improved by four percentage points.

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

[3] The numbers presented in this section do not include OLX Brasil (50/50 joint-venture, not consolidated) and do not include Australia and South Africa (classified as held for sale and as discontinued operations)

Investing in technology

At Adevinta, we are focused on customer-centric innovation at scale. Users across the globe interact with our products that are powered by technology. Combining our organisations we are able to increase our focus on customer centricity, at increased scale. Specifically, our unique scale in reach, data and talent allows us to reduce time-to-market, increase quality and reduce delivery costs over time.

In 2022, the first year of our integration, we will focus on accelerating our investments across cloud and infrastructure, data foundations and business technology. These are the areas where we will apply standardisation and scale. Our marketplace platforms will be able to leverage these layers, and standardisation in these layers will ensure the product development will be scalable, more secure and at even higher quality.

Cloud and infrastructure:

We will standardise on a main public cloud vendor, as well as common tooling and capabilities. Through this investment we expect increased speed and quality in the development of our products, as well as more secure platforms as a result.

Data foundations:

By driving standards and common foundational capabilities, we aim to improve our global ROI, time-to-market and overall performance in our personalisation efforts through our products.

Business technology:

We are building modern, fit-for-purpose systems and capabilities to power our corporate functions such as Finance & HR. This will result in improved global ROI, reduced complexity and improved service.

Operational and financial risk

Adevinta competes in several markets against a wide variety of competitors. Due to rapid technological change, evolving industry standards and changing needs and preferences of customers and users, the competitive landscape is extremely dynamic. Adevinta faces intense competition from both traditional and new generalist marketplaces. We also face competition from vertical online classifieds with significant investment capabilities from private equity and equity markets. These resources could allow them to gain market share through innovation and marketing spend and so alter the ecosystem in which Adevinta currently operates.

Adevinta is exposed to general economic conditions in the different jurisdictions in which it operates. Adevinta faces risk with respect to the continuing effects of the Covid pandemic which has impacted all of Adevinta's markets. A particular challenge has been the chip supply shortage resulting from manufacturing disruption caused by the pandemic which has spread through the global automotive supply chain, impacting Adevinta's Motors revenue. Adevinta also faces risk with respect to the Russian government invasion of Ukraine and subsequent impacts this may have on the global macroeconomic conditions (GDP growth, inflation, interest rates, etc.). Although the industry proved more resilient compared to most others, the continued and future impact of Covid and/or the Russian government invasion of Ukraine, specifically if the motors recovery is not as anticipated or if the advertising market deteriorates, could have a material knock-on impact on Adevinta's business, financial condition, results of operations, prospects and liquidity.

Adevinta's operations involve the storage and transmission of its customers' and users' confidential information. Cyber attacks are becoming more frequent and more sophisticated, targeting user data, the users themselves (through fraud and scams) and internal information assets. There is also a potential increase of information security risk events, with the information of a business being lost, stolen, copied or otherwise compromised with adverse legal, regulatory, financial, reputational and /or other consequences for Adevinta.

Adevinta is dependent upon attracting and retaining current and prospective highly skilled personnel. Adevinta's ability to operate its business and implement its strategies depends, in part, on the skills, experience and efforts of its personnel involved in management, product development, technology development and sales. As a result, Adevinta believes that its success depends to a significant extent upon its ability to attract and retain such personnel, particularly in the case of tech-related positions, and that competition for employees of this type is intense. The loss of such personnel could affect Adevinta's ability to develop and sell its services effectively, which could have a material adverse effect on Adevinta's business, financial condition, results of operations and prospects.

Adevinta is dependent on adapting in a timely manner to continuing change, evolving industry standards and customers' and consumers' changing needs and preferences. If Adevinta is not able to adapt, any of the foregoing may have a material impact on the capacity to attract and retain users/customers, and increase the exposure to competitive actions that will reduce its market share, adversely impacting Adevinta's revenue.

Regulatory changes and scrutiny may increase in coming years and affect the manner in which Adevinta's services are delivered. Broader governance expectations, increased environmental legislation laws and regulations that drive social change, and specifically the upcoming EU ePrivacy Regulation and the Digital Services Act, may result in profound changes to the way Adevinta develops, markets and sells both classifieds and display advertising products. Adevinta's operations are subject to a significant number of tax regimes, including taxation of the Group's digital services. Any changes in legislation or regulations in any of the countries in which Adevinta operates could have a material adverse effect on its business results and financial condition. Additionally, whilst going transactional brings a significant opportunity for Adevinta's future growth, it also increases the regulatory burden on its marketplaces through the provision of regulated services.

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 profit after tax of €178 million. As at 31 December 2021, Adevinta ASA had total assets of €12,174 million and the equity ratio was 85%. 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 2022. The Board of Directors proposes that the profit after tax of €178 million is transferred to other equity. As of 31 December 2021, Adevinta ASA had total equity of €10,360 million. The Board of Directors has determined that Adevinta ASA had adequate equity and liquidity at year end 2021.

Outlook

As outlined during our Capital Markets Day in November 2021, we see huge opportunities across all our businesses, with a large monetisation runway in our core Motors and Real Estate verticals, 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 our high-quality verticals of Motors and Real Estate that present a significant opportunity to increase monetisation;
- → Becoming fully transactional in our Consumer Goods vertical, 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 between 40% and 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 listing volumes of used cars and on OEM marketing spend, with similar trends seen in the first quarter of 2022 as observed in the fourth quarter of 2021.

Throughout the year, the financial performance is expected to mirror the recovery trajectory in Motors volumes, planned pricing initiatives and the ramp-up of synergies, resulting in progressive revenue growth acceleration and margin improvement quarter after quarter.

Overall this will lead to softer revenue growth in 2022 relative to our mid-to-long term ambition. Assuming a gradual recovery in the Motors market in the second half, we expect core markets revenue growth to be low double digit for the full year. We will continue to invest in product development to capture future growth opportunities, and to support further development in traditional online classifieds and new revenue streams such as transactional services.

Based on the above, we expect FY2022 underlying EBITDA[4] in the range of €575 million to €600 million, excluding discontinued operations. Including discontinued operations, FY2022 targets would have been in the range of €585 million to €610 million.

In France, we will continue to benefit from our resilient Motors and Real Estate business models and our ability to drive average revenue per user (ARPU) growth through upselling and price increases. We are also seeing accelerated traction in transactional services on the back of recent investments. As a result, we expect revenue growth to accelerate in the second half of 2022.

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

Following the acquisition of eCG, we have built central functional capacity to prepare for the integration of the two companies. The run-rate was reached in the fourth quarter of 2021. The new operating model is expected to be implemented throughout 2022 and to drive medium-long-term efficiencies. In parallel, global product and technology 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.

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.

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

Events after the balance sheet date

CEO succession

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

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

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

Share buyback

On 24 February 2022, Adevinta ASA announced 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. On 6 April 2022 the Company announced that in light of prevailing market conditions it was launching the second tranche earlier than initially planned. The purpose of the buy-back programme is to acquire shares to be used as settlement in the Company's share-based incentive plans over the next three years. Further information about this programme is published on our website.

Covid pandemic

The duration and extent of the pandemic, and related financial, social and public health impacts, remain uncertain. Disclosures on the potential impacts that this uncertainty may have on reported figures in future periods have been included in Note 3 and Note 32 to the consolidated financial statements for the year ended 31 December 2021.

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. In light of the recent developments in Ukraine this review has been accelerated and Adevinta has decided to exit Belarus.

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.

The consideration transferred for the acquisition was €10 million paid in cash at acquisition date. At the time the consolidated financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of Null-Leasing.

Sale 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 €21 million recognised in other income and 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 €7 million and €10 million respectively, of which €2 million was intangible assets and €3 million was trade receivables and other current assets.

Other than the matters described above, no further matters have arisen since the end of the year 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.

Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Kristin Skogen Lund
Board member

Rolv Erik Ryssdal
CEO

Peter Brooks-Johnson
Board member

Sophie Javary
Board member

Michael Nilles
Board member

Julia Jäkel
Board member

Marie Oh Huber
Board member

Aleksander Rosinski
Board member

Mark Solomons
Board member

Dipan Patel
Board member

Sustainability Report

Strengthening Adevinta's sustainability impact

Sustainability is at the heart of what we do. Our purpose is to make a positive change by helping everything and everyone find a new purpose. We do this through our mission to create perfect matches on the world's most trusted marketplaces.

Our vision is for more sustainable commerce to shape a healthy planet and society. With our strong base in continental Europe, and our operations outside Europe, we are already facilitating substantial volumes of trade in used goods.

With trusted brands that enjoy leading market positions, Adevinta operates a resilient business model at the centre of the second-hand economy at a time when consumers are seeking more sustainable and cost-efficient ways to buy products.

By offering platforms where our users can easily buy and sell second-hand items, we reduce the need for newly produced goods and promote more sustainable consumption. This is what we call the Second Hand Effect. By encouraging people to make second-hand their first choice, we provide lasting positive impacts in the circular economy. People understand that second-hand commerce is part of the solution for the planet's environmental challenges.

So our business model clearly supports a more sustainable planet and society. The philosophy of a circular economy is in our DNA and an inherent part of what we stand for as a company.

During 2021, we laid the foundations for strengthening Adevinta's sustainability impact. Following the completion of our acquisition of eBay Classifieds Group (eCG), we commissioned a global consulting firm to conduct a comprehensive review of our current environmental, social and governance (ESG) position. This review considered the views of key stakeholders and included a detailed materiality analysis. It is on the basis of this careful work that we have developed our ESG strategy, which is built around three themes:

Lead the transition towards circular and responsible consumption

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

Embed ESG governance, data and fraud protection throughout the organisation

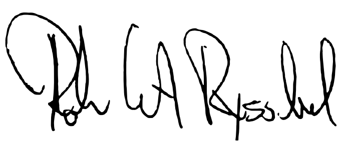
This is not new territory for Adevinta – we have always been active in these three areas. In the following pages, we have identified the volume of carbon emissions potentially saved by Adevinta users in 2021 through the Second Hand Effect and the weight of materials likely saved by their decisions to choose second-hand goods over new goods. We have detailed the gender balance of our workforce, the many nationalities from which we draw our people, and our work in local communities. We have also detailed fresh work on cyber security and data privacy. And we are making new commitments in the areas of responsible consumption, inclusivity, ESG governance, data and fraud protection.

There is growing external recognition of our strengths and pedigree and I expect this to grow in coming years. In November 2021, Adevinta was recognised as a sustainability leader within the Dow Jones Sustainability Index (DJSI) Europe, ranking as one of only six companies recognised in the Media & Entertainment industry group.

This achievement also makes Adevinta one of only three Norwegian companies to feature in the index.

Inclusion in the DJSI recognises our efforts as our company focuses on becoming a more sustainable enterprise and improving its disclosures across key ESG indicators. We regularly evaluate our business according to the DJSI benchmark to ensure that ESG expectations of our stakeholders are communicated, understood and acted upon across the business.

As we integrate the operations of eCG and draw on the expertise and motivation of our new colleagues in strengthening our impact, I believe we can do much more in the years to come to achieve our vision for more sustainable commerce to shape a healthy planet and society.



Rolv Erik Ryssdal
CEO Adevinta

IN 2021

23.7m

TONNES OF CARBON EMISSIONS (CO_2e) WERE POTENTIALLY SAVED*

* By people who chose to buy and sell used items through Adevinta's digital marketplaces

Building our ESG strategy on three themes

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. In 2021, we assigned a global consulting firm to review our current environmental, social and governance (ESG) position in the context of the new combined group, following the completion of the acquisition of eCG.

The review was a comprehensive assessment of our current ESG profile that considered the views of key stakeholders and included a materiality analysis. Following this work, we have decided to focus our efforts on three key areas.

Our three key themes are:

Our three core aims are:

Lead the transition towards circular and responsible consumption

We are committed to reducing our own emissions. The most significant contribution we can make to sustainability is through our core business activity of facilitating second-hand trades and extending the lifetime of a variety of goods.

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

We will do this for our communities and our employees. We make products accessible to all. We will also ensure we provide an inclusive and diverse workplace for our employees.

Embed ESG governance, data and fraud protection across the organisation

We will put the right governance in place to ensure our impact is sustainable and we will strengthen our position in data protection and cyber security.

We have already made an impact in all three areas:

- In 2021, our users potentially saved 23.7m tonnes of CO_2 and 10.9m tonnes of materials through the Second Hand Effect.
- These numbers reflect only Adevinta businesses. In the larger combined business, which includes leboncoin, OLX Brazil, subito, Willhaben, Jofogas, Millanuncios, Marktplaats and 2dehand/2ememain, this effect is even greater and the results will be included in our 2022 sustainability report.

- Our employees come from 95 different nationalities and we closed 2021 with a male/female ratio of 59/41. We aim to improve on this and to ensure inclusion in every aspect of what we do.
- During the pandemic as it continued to unfold in 2021, our commitment to communities was evident as we brought together volunteers in a variety of local initiatives such as providing housing through our real-estate platforms.

- We have developed a Supplier Code of Conduct that addresses the four corporate sustainability topics of human rights, labour rights, environment, and anti-corruption, as well as the additional aspect of data protection and information security due to the relevance of this issue to Adevinta's business model. The Supplier Code of Conduct was published in January 2022.
- As part of our 2021-2024 global cyber security mission statement the protection of customer data is our top priority. This aligns with our goal to ensure we operate the world's most trusted marketplaces. To this end, during 2021 we conducted a comprehensive internal cyber security audit to identify all management, technical and operational areas that we believe can be improved or strengthened across all marketplaces. In addition, we completed a third-party assessment on data privacy.
- We also started to re-design our global data privacy organisation.

Our Initial ESG roadmap

As we begin to strengthen our ESG capabilities in line with our three core aims, we will fulfill a set of key commitments. We will set emissions targets across all of Adevinta and make it easier for our customers to understand the sustainability benefits of their product choices. We will measure the progress of our policies on inclusiveness and raise awareness of the importance of this issue among Adevinta's leaders. We will link ESG metrics to management compensation and strengthen our cyber security and privacy platform.

> "We believe we already enjoy a strong position as a diverse and inclusive employer

- Environment
- Social
- Governance

Commit to setting emissions targets

We know that we can make the greatest positive impact on the environment through our business model that helps users to trade used products efficiently instead of buying new goods. But we want to go further than that and have committed to start a target-setting exercise for greenhouse gas emissions (GHG) for the entire company. There are three stages that we need to complete:

Phase 1: verification and harmonisation

We will verify and harmonise all our GHG emissions data across our operations so that we can provide a consistent picture.

Phase 2: baselining

Once we have a platform for reporting GHG emissions data accurately and consistently across all our operations, we will gather the initial 12 months of information. This will serve as a baseline for identifying successive increases or reductions in GHG emissions.

Phase 3: target setting

We will start setting targets for each location to reduce emissions, based on a preliminary assessment of the feasibility for emissions reduction. Our aim will be to set challenging but realistic targets for achieving reductions in specified locations which will allow us to reduce our overall emissions as a group.

Promote responsible consumption

We also want to make sustainability more visible in our products to help customers to make even better sustainable choices.

Create an environment where everyone feels they belong

We believe we already enjoy a strong position as a diverse and inclusive employer. Our employee surveys provide good evidence of this with 83% of our employees agreeing in 2021 that Adevinta builds diverse teams.

Raise awareness of the importance of inclusiveness

We will continue creating an environment where everyone feels they belong and are valued for their differences. We will also encourage Adevinta's leaders to view everything we do through an inclusive lens.

Establish global ESG governance

Our commitments extend to governance and a key aim is to build a global ESG platform incorporating an ambitious set of metrics that will allow us to monitor our progress. Those same metrics will be linked to management compensation.

Strengthen our cyber security and privacy platform

Finally, we are also developing new operating models for cyber security and privacy to build further on our already strong position in these areas.

Materiality Assessment

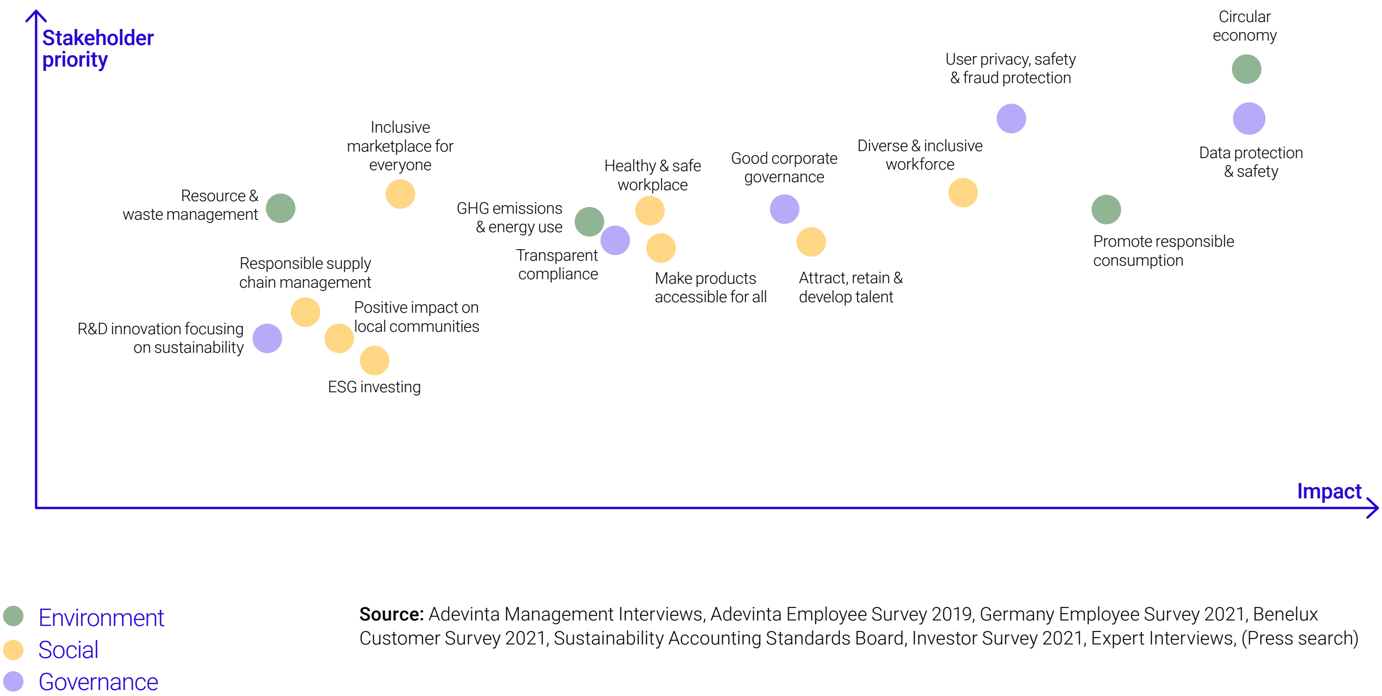
In 2021, we re-evaluated our materiality to identify emerging issues and incorporated them into our existing matrix. Earlier work prior to 2021 had allowed us to identify key sustainability concerns that were important to our stakeholders and our business. Our materiality matrix includes several issues raised by our stakeholders.

These material issues are organised against an x-axis (representing impact on business) and a y-axis (representing issues important to stakeholders). Those on the top right corner of the materiality map represent the highest significance to Adevinta. For more information about our initial Materiality Assessment, please refer to our 2020 Annual Report under the heading 'Our environmental impact' on page 22.

In 2021, we updated this 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 additions are reflected in the new matrix. The most material new theme 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 will therefore feature on 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

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Adevinta enters Dow Jones Sustainability Index

Adevinta recognised as a sustainability leader in DJSI Europe

The Dow Jones Sustainability Index (Europe) – DJSI – comprises European sustainability leaders identified by Standard & Poor Global through its annual Corporate Sustainability Assessment. Inclusion in the DJSI is a clear recognition of Adevinta's sustainability initiatives as the company focuses on becoming a more sustainable business and improving its disclosures across key ESG indicators. This is the second time Adevinta was asked to participate.

Adevinta regularly evaluates its operations according to the DJSI benchmarks to ensure that the ESG expectations of our stakeholders are communicated, understood and acted upon across the business.

Adevinta achieved a higher score in the 2021 DJSI Europe assessment due to a combination of improved business processes and improved disclosure and transparency in reporting. These were underpinned by the increased awareness of the importance across Adevinta of becoming a sustainability leader.

> "The improvement in business processes took place mainly in the areas of information security, cybersecurity and system availability

The improvement in business processes took place mainly in the areas of information security, cybersecurity and system availability. The DJSI criteria also noted improved governance of the Group's security strategy, with better definition of responsibilities documented in the Principles of Corporate Governance. There was also recognition of Adevinta's security measures that ensure the company's employees are aware of threat issues and understand the importance of information security and cyber security.

Environment

Lead the transition towards circular and responsible consumption

Second Hand Effect

Whenever a second-hand trade replaces the need to produce a new item, there are significant reductions in carbon emissions and the use of raw materials that would have been an inevitable part of any manufacturing process. Adevinta is at the front of the effort to cut down on waste, and we support the extension of the life of products by facilitating transactions that allow them to be re-purposed. Each time one of our users buys or sells something second-hand, instead of purchasing a newly produced item, the planet benefits. This contributes to sustainable consumption and the circular economy. We call this the Second Hand Effect.

The Second Hand Effect calculates the potential savings in greenhouse gas emissions and the use of materials associated with choosing second-hand goods over new goods. In 2021, eight of the online classifieds brands participated in measuring the Adevinta Second Hand Effect: leboncoin, OLX Brasil, subito, Marktplaats, Willhaben.at, Jófogás, milanuncios and 2dehands/2ememain. This was the first time that eCG marketplaces joined our Second Hand Effect analysis and we intend to include more of our marketplaces in the future.

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

23.7m
TONNES OF CARBON EMISSIONS (CO_2e)

1.3m
TONNES OF PLASTIC

8.8m
TONNES OF STEEL

0.8m
TONNES OF ALUMINIUM

We are aware that products may have a higher environmental impact in other phases of their life cycle (namely in the use phase) but this report focuses on the potential savings at the level of resources only. We believe it is informative to visualise the volume and different types of resources that can go into manufacturing a new product.

Measuring our carbon footprint

We measure and report our carbon footprint so that we can understand and then manage the environmental impact of our businesses. The majority of our total GHG emissions arise from the energy use of our office operations and external data centres, which accounted for 74% in 2021 (77% in 2020).

Data storage and processing is a key asset in our business which connects buyers and sellers digitally across the globe. Energy usage from data centres accounts for 44% of Adevinta's environmental impact. Adevinta predominantly uses third-party, cloud-based external data centre providers for this purpose, and the energy usage reported is based on their estimates. Our main data centre supplier is committed to long-term goals to increase energy efficiency and to work towards using only renewable energy sources.

Our offices, representing 30% of our greenhouse gas emissions, are another important source of emissions, and we are acutely aware of the need to minimise energy consumption.

Adevinta's business travel represented 24% of our GHG emissions during 2021. We monitor our business travel carefully and use video conferencing frequently in order to minimise the need for travelling between offices. Due to the Covid pandemic and its impact on the health and safety of our employees, we continued to implement our security guidelines for remote working during 2021. We maintained our employee guidance on a range of related requirements. These included: secure video conferencing to ensure that only encrypted and GDPR compliant solutions are used; secure sharing of working documents; how to identify phishing and spam attacks; and the importance of installing security updates.

Waste generated from our offices represents a small part of our overall environmental impact. Nevertheless we continue to reduce waste wherever possible and have established recycling systems in many of our locations for this purpose. In addition, we have strict procedures for safe handling and recycling of electronic waste, but we have not been able to measure the amount of waste generated in 2021 on a group level.

Some of our mature operations measure consumption of various materials in the workplace and how much general waste is recycled.

Our approach to our environmental impact is stated in the group environmental policy. Based on the principles of the UN Global Compact, it includes initiatives to promote greater environmental responsibility, the use of environmentally friendly technologies and the application of the precautionary approach. Adevinta's executive leadership team ensures that the content and the spirit of this environmental policy are communicated, understood and acted upon within their operations. Adevinta's Head of Sustainability is responsible for monitoring compliance with the policy.

GHG Emissions (Tonnes CO_2e)	2021	2020	2019
Scope 1 – Direct emissions	**12**	2	35
Company-owned cars	**1**	2	35
Air heating	**11**	–	–
Scope 2 – Indirect emissions[1]			
Location-based electricity + heating and cooling	**1,425**	2,023	776
Market-based electricity + heating and cooling	**1,187**	1,953	632
Scope 3 – Other indirect emissions	**3,273**	3,154	5,002
Leased and privately owned cars and taxi	**562**	568	369
Business travel – flights	**500**	365	1,477
Business travel – train and bus	**67**	103	1,266
Energy from data centres	**2,056**	2,017	1,825
Fuel- and energy-related activities[2]	**88**	101	65
Total GHG emissions[3]	**4,710**	5,179	5,813

[1] The data for 2020 and 2019 has been recalculated to align with the updated methodology for 2021, further explained in About this report
[2] Fuel- and energy-related activities include transmission and distribution losses regarding purchased electricity, district heating and cooling as well as upstream emissions from purchased natural gas for air heating
[3] The total GHG emissions includes Scope 1, Scope 2 Location based and Scope 3

Energy consumption within Adevinta (MWh)	2021	2020	2019
Fuel consumption from stationary combustion[1]	**59**	–	–
Consumption of electricity, heating, cooling	**5,389**	6,596	4,521
of which renewable electricity	**744**	334	680
of which non-renewable electricity	**2,956**	2,896	2,749
of which heating[2]	**1,199**	1,617	905
of which cooling[3]	**490**	1,749	187
Total energy consumption	**5,449**	6,596	4,521

[1] The data for fuel consumption only covers non-renewable fuels, namely natural gas used for heating
[2] Heating data from 2021 represents 8/31 (25%) of the companies
[3] Cooling data represents from 2021 6/31 (18,8%) of the companies

Energy and GHG intensity	2021	2020	2019
GHG Intensity (Scope 1 and 2), tonnes CO_2e emissions/turnover € million[1,3,4]	**1.3**	3.0	1.2
GHG Intensity (Scope 1 and 2), tonnes CO_2e emissions/ employees [2,3,4]	**0.3**	0.5	0.2
GHG Intensity (Scope 3), tonnes CO_2e emissions/turnover € million[1,3,4]	**2.9**	4.7	7.4
GHG Intensity (Scope 3), tonnes CO_2e emissions/employees[2,3,4]	**0.6**	0.8	1.4
Energy intensity, MWh/turnover € million[1]	**4.8**	9.8	6.7
Energy intensity, MWh/employees[2]	**1.0**	1.6	1.3

[1] Turnover is defined as consolidated financial operating revenues
[2] Employees are based on headcount as of 31.12.2021
[3] The GHG intensity includes the total emissions based on the location-based method
[4] The data for 2020 and 2019 has been recalculated to align with the updated methodology for 2021, further explained in About this report

Social

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

In 2021, our focus was on sustaining existing people and culture programmes at Adevinta while simultaneously starting the planning and execution required to start bringing together our two groups of talented employees from Adevinta and eBay Classifieds Group (eCG).

Planning our integration with eCG

The completion on 25 June 2021 of our acquisition of eCG marked the start of an exciting new chapter for Adevinta. We did extensive preparation in the months leading up to this date to ensure we had a comprehensive plan to merge our two organisations. Our overriding objective was to fully engage our incoming Adevintans. Our core message was that Adevinta and eCG are two successful international families of local digital brands and marketplace specialists, coming together to form an even larger global community. We emphasised how the merger would create new opportunities for our company, our customers and our users, while reinforcing our people-centric culture of trust, transparency and the open exchange of ideas, learning and knowledge.

Functional teams focused on key preparations within workstreams to ensure there was a smooth integration of our people, brands and businesses. Any changes that we knew employees would experience – no matter how small – were planned and communicated in advance. A further workstream focused on integrating the company cultures of Adevinta and eCG. This is an important requirement in a merger and our work in this area was made easier by the fact that our cultures shared many similarities. We also took great care to map out and communicate incentivisation and compensation programmes across the merged organisation. This ensured our people know how their role contributes to the short- and long-term success of the newly scaled Adevinta. Finally, we invested in building recognition for Adevinta as an employer brand and its association with sustainability.

Day of completion

We conducted a Welcome Event via video conference following the completion, designed to give our incoming Adevintans a cultural induction to working at Adevinta – we knew it was a moment that mattered. This event gave eCG employees the opportunity to meet Adevinta's management, learn more about the cultural and behavioural aspects of being a member of Adevinta, and ask questions. Our Day 1 welcome pack provided background on Adevinta, stated our mission, emphasised our key behaviours underwriting our corporate values, and underlined our sustainability philosophy that empowers people to make more sustainable choices.

Post-completion

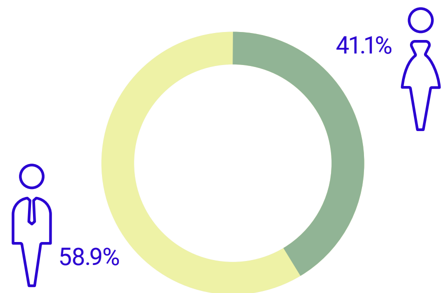
In December, we shared our new Growing at Scale strategic plan, with its aim of prioritising investment for growth in our five core markets of Germany, France, Spain, Benelux and Italy, and expanding on our leading sector positions in Motors and Real Estate. Growing at Scale also included a commitment to strengthen our sustainability impact. We progressed our operating model to determine how the merged Adevinta would organise itself to deliver against the Growing at Scale strategy. Adevinta announced its new operating model after the 2021 year end in February 2022.

Adevinta Key Behaviours

As part of the follow-up on the workstream that sought to integrate Adevinta and eCG on a cultural level, we assessed the culture that already existed within each entity, and examined the culture that employees believe would support our success going forward. We then conducted research, comprising interviews with the leadership team, a company-wide culture assessment survey and multiple online focus groups. One output from this was our decision to review our Key Behaviours, which are the cornerstones of the Adevinta culture.

After concluding the research phase in August 2021, we consulted key stakeholders and others to determine the specific changes that should be made to the wording of our Key Behaviours. At year end this work was progressing well and we expect to launch the updated Key Behaviours in 2022.

Our male / female ratio at year end



Our target was 60% / 40%

Diversity, equity and inclusion

At Adevinta, we commit to being a purpose-driven and inclusive workplace and marketplace for everyone. We do this by creating an environment where everyone feels they belong and are valued for their difference, and by bringing an inclusive lens to everything we do. We are a diverse group of local brands. We speak different languages, operate in different ways, and are at different levels of market maturity. We love our diversity – it's what makes us stronger.

We know Adevinta's long-term success depends on fulfilling three objectives:

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

Women in Leadership

A highlight of our diversity, equity and inclusion (DEI) action plan is our Women in Leadership programme. In June, we commenced our third year of this accelerated development scheme designed to prepare talented, high-potential women for successful leadership roles. Our Women in Leadership scheme expanded in 2021 to take the original programme of just 18 participants to 75 women professionals. Women from this programme are more than twice as likely to be promoted or have expanded roles as a result of the development received on the programme. We will continue supporting our talented women in pursuing their professional ambitions. We will continue supporting our talented women in pursuing their professional ambitions. The business world often underestimates the different pressures that women may encounter in positions of responsibility, and this can deter them from progressing further with their career aspirations. We extended the Women in Leadership programme to eCG during the year with the aim of broadening our talent pool from across the merged companies. Adevinta will continue to invest in inclusion initiatives to improve the experience of employees and to enhance the company's appeal as an employer of choice. This will help us recruit the best candidates for our future success.

Adevinta 4 Everyone

Another key thread within our commitment to DEI is our global grassroots movement called Adevinta 4 Everyone (A4E). During a two-day seminar in November 2021, we successfully merged the grassroots initiatives from eCG and Adevinta and kicked-off our joint journey with an action plan to create a workplace where everyone feels they belong, that their differences are embraced and that they are empowered to fulfil their potential. Past initiatives have included workshops on sexual harassment awareness and allyship. Global initiatives took place around International Women's Day, Pride Month, Black History Month and International Day of Persons with Disabilities. In 2022, we will continue to build our awareness programme and to recruit more people for A4E.

Inclusive Leadership Programme

As part of the activities planned for 2022, we will roll out an Inclusive Leadership Programme, building DEI capabilities in our leadership community and creating a DEI leadership governance structure in each business area. We will develop DEI accountability metrics for the full organisation, set up identity-based sounding boards, run equity audits in our people processes and continue to build a strong inclusive culture in which we grow through diverse perspectives.

Smart Working Policy

The Covid pandemic has affected working patterns significantly by increasing remote working. As many countries around the world began to anticipate fewer Covid-related restrictions when the pandemic eventually subsides, attention turned to how we would all wish to work in the future. At Adevinta, we launched our Smart Working Policy to address this issue and to help Adevinta adjust to a new way of working post-Covid. Smart Working was developed by teams from a variety of Adevinta marketplaces, countries and functions and is designed to enhance our culture of flexibility, trust and empowerment. Our new policy introduces a model that gives our people the freedom to do their job remotely while defining the occasions when being in the office is more appropriate. The policy strikes a balance between operating from remote locations and traditional office-based sites and is also part of our strategy to attract talent.

Employees by gender and region[1]

	Male		Female		Total
Board of Directors	6	54.5%	5	45.5%	11
Operations					
AdEx	6	66.7%	3	33.3%	9
Managers	653	60.3%	430	39.7%	1,083
Employees	2,508	58.5%	1,781	41.5%	4,289
Regions					
European countries	2,814	59.1%	1,951	40.9%	4,765
Countries outside Europe[2]	353	57.3%	263	42.7%	616
Total	**3,167**	**58.9%**	**2,214**	**41.1%**	**5,381**

1 Two employees wished to not disclose their gender and are not accounted for
2 Countries outside Europe include operations in Australia, Brazil, Canada, China, Mexico, South Africa and the U.S

Employees by age and region

	<30		30-50		>50		Total
Board of Directors	0	0.0%	2	18.2%	9	81.8%	11
Operations							
AdEx	0	0.0%	8	88.9%	1	11.1%	9
Managers	35	3.2%	984	90.9%	64	5.9%	1,083
Employees	975	22.7%	3,120	72.7%	196	4.6%	4,291
Regions							
European countries	862	18.1%	3,673	77.1%	232	4.9%	4,767
Countries outside Europe[1]	148	24.0%	439	71.3%	29	4.7%	616
Total	**1,010**	**18.8%**	**4,112**	**76.4%**	**261**	**4.8%**	**5,383**

1 Countries outside Europe include operations in Australia, Brazil, Canada, China, Mexico, South Africa and the U.S

New hires and employee turnover

	New employee hires		Employee turnover	
Gender[1]				
Male	658	58.0%	558	63.9%
Female	477	42.0%	315	36.1%
Age[2]				
<30	442	38.9%	180	28.5%
30-50	679	59.8%	73	11.6%
>50	15	1.3%	378	59.9%
Region				
European countries	914	80.5%	710	81.3%
Countries outside Europe[3]	222	19.5%	163	18.7%
Total[4]	**1,136**		**873**	

The table reflects the whole year of 2021 for Adevinta and 1st of July – 31st of December 2021 for eCG

1 One new employee wished to not disclose their gender and is not accounted for
2 The ages of 242 employees who left the company during 2021 were not registered upon departure and are not accounted for
3 Countries outside Europe include operations in Australia, Brazil, Canada, China, Mexico, South Africa and the U.S
4 The number of new hires corresponds to a monthly rate of 1.8% and the employee turnover corresponds to a monthly rate of 1.4%

Employees by type and region[1]

	Permanent	Temporary	Total
European countries	4,555	212	4,767
Countries outside Europe[2]	602	14	616
Total	**5,157**	**226**	**5,383**

[1] Two employees wished not to disclose their gender and are not accounted for
[2] Countries outside Europe include operations in Chile, Mexico and Brazil (Infojobs Brazil)

Total number of employees by contract type[1]

	Male	Female	Total
Number of permanent employees	3,066	2,089	5,155
of which full time	2,989	1,922	4,911
of which part time	77	167	244
Total number of temporary employees	101	125	226
Total number of employees	**3,167**	**2,214**	**5,381**

[1] Two employees wished not to disclose their gender and are not accounted for

Learning and developing at Adevinta

Adevinta and eCG have successful records in training and career development and in the second half of the year we began working to ensure that employees can access the best initiatives from each side of the merger.

Adevinta Academies

Our Adevinta Academies were busy throughout 2021, providing opportunities for gaining new knowledge about areas critical to our business. Our Product Academy provides online courses that build key product capabilities. Our Machine Learning Academy helps engineers and data analysts integrate machine learning in production. We also run a Leadership Academy and a Sales Academy.

The Analytics University Business Programme previously developed by eCG offers training to improve decision-making. This provides 20 people each quarter, from any discipline or market, with the chance to participate in 40 hours of training, hosted by external and internal trainers. The programme focuses on structured opportunity finding, data exploration, stats and experimentation.

'Be Your Best'

We introduced Adevinta's 'Be Your Best' approach to performance development to everybody joining us from eCG. At Adevinta, we believe that as we continue to grow as an organisation, so does the need for all of us to learn, develop and grow with it. To make this happen, we create a consistent, performance-driven culture where everybody can see how they contribute to the overall success of Adevinta. 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.

Adevinta Avenues

After the completion of the merger, we also introduced our global career framework Adevinta Avenues to eCG. This tool identifies the competencies and behaviours Adevinta requires to succeed. It gives our people the chance to take on new projects, expand their skills and benefit from collaborating with teams from around the world. Adevinta Avenues is helping us build a competitive employer brand. It allows each individual to plan their growth within Adevinta and provides the framework for annual career development conversations and 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 candidates seeking a career at Adevinta and it is a cornerstone of our employee value proposition. We also use Adevinta Avenues to develop our existing strong talent.

Early Careers Programme

Adevinta is successfully identifying a robust pipeline of junior talent through its Early Careers Programme. We target undergraduates, recent graduates or other candidates that can show a willingness to learn fast as part of developing their career. Our Early Careers Programme helps junior talent activate their careers and develop skills for success. Developing diverse, high-potential employees is also a vital part of Adevinta's succession planning and retention strategy.

Our aim is that young graduates will bring fresh perspectives and new ideas, as well as different points of view and technical knowledge. This in turn will help deliver a positive learning experience not just for the Early Careers candidate joining Adevinta but also for our existing teams. We make it clear to everybody joining our Early Careers Programme that this is an opportunity to impact the business from day one and make a positive impact on society as they learn.

This is also a strategy for building diversity among Adevinta's teams in terms of age, gender, seniority, perspective and nationality. Hiring people with the potential to bring new capabilities to Adevinta can be a strong catalyst for future success, especially as diversity is an important enabler for innovation.

We originally launched our Early Careers Programme in 2019 as a pilot but we expanded it significantly in 2021.

There are three tracks to the programme, all operating at one of our four Tech Hubs in Barcelona, Paris, Berlin and Amsterdam.

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.

Participants can access a range of learning and training resources along with opportunities for career development through exposure to work areas such as communications, project management and event planning. Our Early Careers initiative underlines the importance Adevinta places on attracting and retaining the right candidates, especially in our product and technology teams. It has been highly successful to date with the first cohort on the international generalist track graduating in October and taking up permanent positions across Adevinta.

The number of Early Careers candidates has more than doubled in the two years since it was introduced. In 2022, we are adding two new tracks to include Technical Trainees (in Berlin and Amsterdam only) and International Specialists.

In addition, local operations organise their own training workshops. In Ireland, for example, we recorded around 1,900 training hours in 2021.

Performance reviews[1]

	2021		2020		2019	
	Total number	Rate %	Total number	Rate %	Total number	Rate
Total	**3,659**	68%	3,609	90%	3,123	88%
Male	**2,193**	69%	2,030	89%	1,776	89%
Female	**1,465**	66%	1,579	91%	1,347	86%
AdEx	**6**	67%	6	86%	7	100%
Managers	**854**	79%	712	94%	472	69%
Employees	**2,799**	65%	2,891	89%	2,644	92%

[1] Two employees wished to not disclose their gender and are not accounted for in the male/female categories

Programme	Hours
Early Careers	758
Machine Learning Academy	194
Manager Essentials	245
Product Academy	1,459
Radical Candor	616
Sales Academy	106
Welcome Event	603
Women in Leadership	727
Other Training	368
Total	**5,076**

Health and well-being

Adevinta encourages a healthy work-life balance by offering flexible work days and hours, as well as generous paid vacation and parental leave policies.

In 2021, we recorded 32 work-related injuries (14 in 2020) of which nine were high-consequence injuries (8 in 2020) and 27 cases of ill health (155 in 2020). As in 2020, there were no fatalities during 2021.

Employee representation

Adevinta's employees have full freedom of association and may organise themselves as they choose. This right is 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 2021, 59% of our employees were covered by a collective bargaining agreement. The EWC is modelled on the European Works Council protocol, which was established by an EU directive in 1994, and includes 12 representatives (seven men and five women) from seven countries. In 2022, the EWC will have 16 representatives and six observers.

The 12 members of the EWC meet twice annually with Adevinta's management team led by CEO Rolv Erik Ryssdal. 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.

Since 2019, Spain has had three representatives, France three, Italy two and Hungary, Ireland and Austria one representative each. The EWC also has slots for six observers comprising people working in Adevinta in countries that are not covered by the EU directive (such as Belarus) and people working in companies that are not 100%-owned by Adevinta. 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 2021.

Examples of issues discussed at the working sessions of the Adevinta EWC are:

- The Group's goals, strategies and challenges
- The business performance, new investments and market trends
- The employment situation and significant organisational changes
- Equality, industrial democracy and environmental issues
- Analysis of examples of "best practices" within the Group
- The results of Adevinta employee surveys

> "Our marketplaces serve people where they live and this allows us to help communities in ways that matter most to local residents and stakeholders

Community engagement

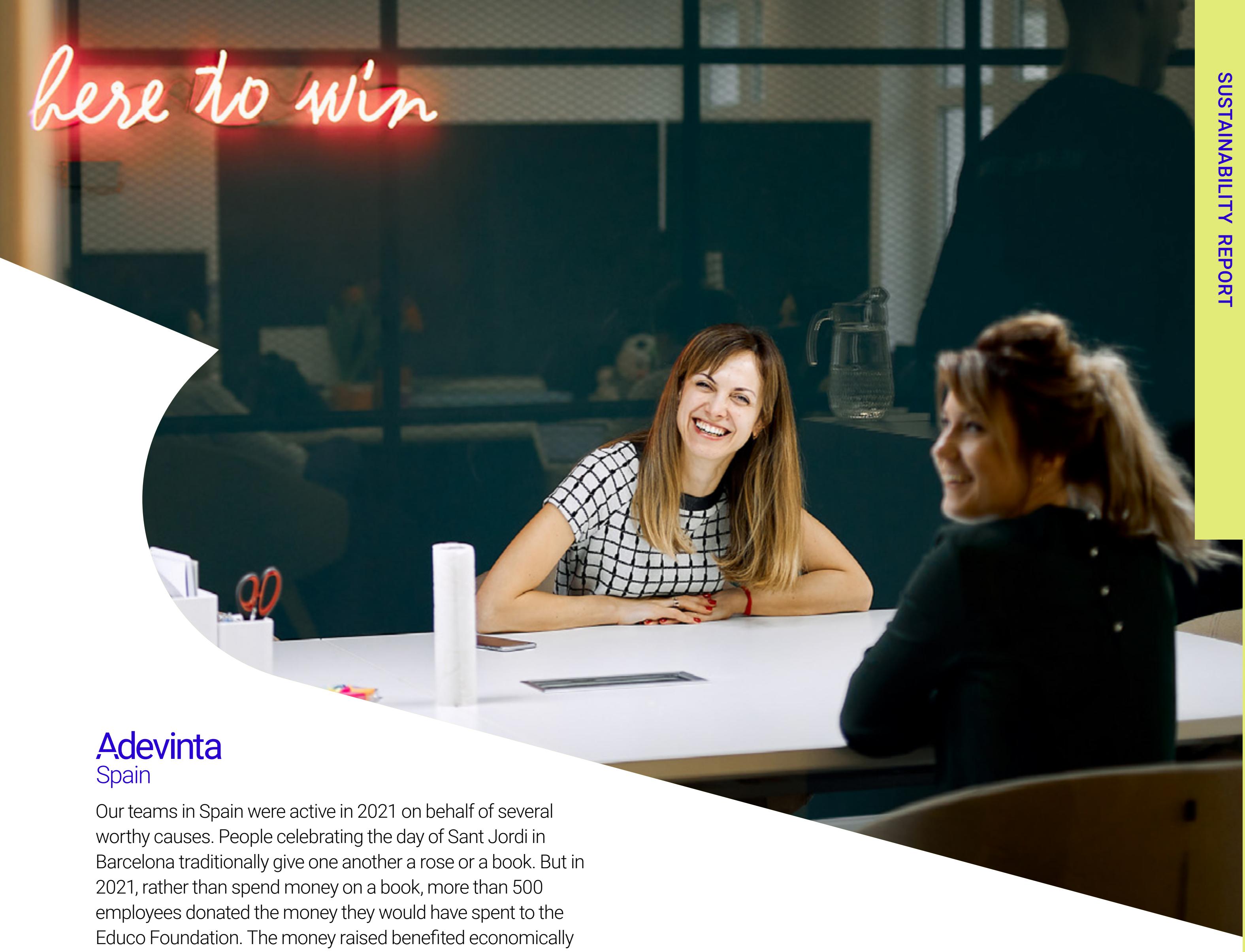
Our marketplaces serve people where they live and this allows us to help communities in ways that matter most to local residents and stakeholders. Sometimes we raise much-needed extra funding for worthy local causes. At other times we might lead or support important community initiatives, collaborate to promote topical issues, or help charities raise their profiles. We have captured some examples below that underline how our people engaged with communities around the world in 2021.

During 2021, our marketplaces donated around €109,000 to a variety of non-profit organisations, hospitals and schools.

Adevinta

Adevintans from around the world joined forces to support World Environment Day on 5 June. The official theme was the restoration of ecosystems in support of three Sustainable Development Goals: goal number 8 (decent work and economic growth), goal number 13 (climate action) and goal number 15 (life on land). Our team effort funded the planting of 479 trees on Mexico's Yucatán Peninsula in collaboration with the youth-led organisation Plant for the Planet, which aims to help bring back some of the one trillion trees lost to environmental degradation.

In December 2021, Adevintans in many parts of the world shared pictures of themselves wearing Christmas jumpers and other festive attire to raise money on behalf of thousands of children in the Horn of Africa, where climate change and conflict have had devastating consequences. The initiative was part of Save the Children's Christmas Jumper Day 2021. Since it first launched in 2012, this Save the Children event has provided valuable financial support for children around the world.



Adevinta
Spain

Our teams in Spain were active in 2021 on behalf of several worthy causes. People celebrating the day of Sant Jordi in Barcelona traditionally give one another a rose or a book. But in 2021, rather than spend money on a book, more than 500 employees donated the money they would have spent to the Educo Foundation. The money raised benefited economically and socially vulnerable children in Spain.

Another charity initiative in Spain raised funds for a social and health intervention project run by the Red Cross. In July, more money was raised through a collaboration with the Ecomar Foundation, a charity that cares for the environment through sport. Then at Christmas, 220 Adevinta employees donated the amount they would have spent on a Christmas gift to the Soñar Despierto foundation. Thanks to this generosity, 220 children in shelters received a present for Christmas.

ebay Kleinanzeigen

Our colleagues at eBay Kleinanzeigen teamed up with non-profit organisation Innocence in Danger, a global movement against child sexual abuse, to support a campaign against cybergrooming. The campaign produced a guide for parents to help them understand what they can do to keep their children safe. This initiative was very well received in the community and eBay Kleinanzeigen embedded the guide in its apps and in social media and YouTube.

Another initiative from eBay Kleinanzeigen set up two coding workshops for children. The eBay Kleinanzeigen Coding Academy sessions each offered 10 places free of charge via Zoom and helped the participants take their first steps in programming using Python programming language.

Jófogás

In May, our team at Jófogás – Hungary's leading online classifieds site – supported single-parent families in need of help due to Covid issues with its Good Deed packages. We invited donations of packages containing hygiene products, canned food or quality used clothes for kids up to 15 years of age. Then we co-ordinated distribution to the recipients by working with partners that handled logistics and sorting. A total of 1,600 of these Good Deed packages went out into the community.

leboncoin

Our leading marketplace leboncoin supports charities by allocating unsold ad space every year. Charities can then benefit from leboncoin’s audience of 29 million users per month. In 2021, we asked employees to nominate then vote for their preferred charities. Through this process, three charities each received four weeks of free advertising on leboncoin. We then monitored the results via a questionnaire that identified how the charities benefited in terms of any increase in the number of donations they receive, the number of volunteers recruited or growth in the number of website visits. In 2021, charities benefited from ad space worth some €5 million.

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 work. The Board of Directors oversees and governs Adevinta's sustainability performance, while 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.

During 2021, we issued new governance documents that guide our sustainability performance mainly regarding our supply chain, as described further in this report (see below under the heading 'Sustainable supply chain'). Following the acquisition of eBay Classifieds Group (eCG), we will continue assessing our governance management system and will implement additional changes in 2022 across various areas as appropriate.

Sustainability policies

Adevinta's **Code of Ethical Conduct** is the foundation of the Company's ethics and compliance programme, and sets out our primary expectations for all employees and companies that represent Adevinta. The Code is accompanied by the Company's **Principles of Corporate Responsibility,** which sets the standards for Adevinta as a responsible corporate citizen. These two documents establish our framework for conducting business and serve as our key sustainability policies at this stage. They are based on the UN Global Compact and include principles on human rights, labour rights, business ethics, equal opportunities, anti-discrimination, child labour and forced labour, anti-corruption and the protection of the environment.

The **Code of Ethical Conduct** sets out the basic standards of ethical behaviours that Adevinta expects of all employees across the Group, in respect of internal and external business interactions. In particular, it guides employees on how to behave in relation to the following topics:

- Anti-bribery and corruption
- Gifts and entertainment
- Conflicts of interest
- Maintaining reliable records and reports
- Handling information that may affect the Company's share price

We do not tolerate any form of bribery or corruption and we are committed to preventing unethical business practices.

Our **Principles of Corporate Responsibility** set out the standards of behaviour that Adevinta expects of all employees and companies across the Group to ensure that we consider, and contribute positively towards, the interests of all our stakeholders (users, customers, suppliers, regulators, local communities, etc). Our Principles are divided into the following five categories:

- Responsibility towards our employees: labour rights, equal opportunities and anti-discrimination, bullying and harassment;
- Responsibility towards our users, customers and clients: including privacy and data protection;
- Responsibility towards protecting Adevinta's assets: confidential information, intellectual property and information technology;
- Responsibility towards our community and society: human rights, the environment, political activity, improper use of our platforms, sale or promotion of unlawful goods or services, money laundering and terrorism financing, competition (anti-trust) laws; and
- Our accountability for sustainable corporate responsibility in terms of disclosing sustainability performance data for the Group, as well as progress on targets as part of the Group's annual report according to the requirements defined by the EU (European Union) and Norwegian laws.

The illustration below shows all our governance policies. The policy documents apply to all Group companies in which we own more than 50% of the voting rights. In cases where Adevinta does not exercise such control, the Board members appointed by Adevinta are required to ensure the main standards outlined in our Code of Ethical Conduct are applied by these companies.

All policy documents and the **Code of Ethical Conduct** and **Principles of Corporate Responsibility** are available to all our employees via the Adevinta intranet, with some of them published in our Corporate external website. As part of the integration of eCG, all our policies are being revised to ensure they are fit for purpose and serve the needs of the new combined organisation. They will be republished during 2022 where appropriate.

In addition to the group-wide policies included in the illustration, our local marketplaces have policies including privacy policies and guidelines which are designed and implemented at the local level. A group wide assessment of our data privacy maturity was conducted in 2021. The results of this assessment are now being analysed with the aim of creating a new strategy for data privacy in 2022, which will lead to the creation and execution of a long-term roadmap of activities in this area.

In 2021, Adevinta also developed a Supplier Code of Conduct (the Code) that is written in accordance with best practice and what is relevant to the industry in which Adevinta operates. It is based on applicable legislation, the OECD's Guidelines for Multinational Enterprises, and the ten principles of the United Nations Global Compact (UNGC) and its underlying conventions and declarations. The Code addresses the four corporate sustainability topics of human rights, labour rights, environment, and anti-corruption, as well as the additional topic of data protection and information security, which is relevant to Adevinta's business model.

In June 2020, the Board of Directors approved Adevinta's first modern slavery statement for the financial year 2019, and in June 2021 approved the updated statement for 2020. The statement was developed to comply with the legal requirements of section 54(1) of the UK Modern Slavery Act 2015 and outlines the action taken by Adevinta to identify and mitigate the potential risks of modern slavery related to its business operations and supply chain.

Code of Ethical Conduct Principles of Corporate Responsibility Group wide policies:

Environmental

- Environmental policy
- Travel policy

Social

- Diversity and inclusion policy
- Recruitment policy
- Discrimination, bullying and harassment policy

Governance

- Corporate governance principals
- Principals for expansion and growth
- Governance, risk and control framework
- Legal compliance policy
- Competition and compliance policy
- Adevinta anti-bribery and anti-corruption policy
- Adevinta sanctions and export controls policy
- Private policies and guidelines
- Tax policy
- Finance policy

We are committed to building an open culture where discussion of ethical issues is an integral part of the business, and where employees feel comfortable about identifying potential unethical business conduct. Therefore, we provide our employees with different channels for reporting concerns at local and Group level. Additionally, if employees prefer to raise issues regarding misconduct, breaches and potential violations anonymously, they can use the Adevinta Speak Up channel. To ensure the anonymity and personal integrity of our employees, Speak Up is run by an external party. In 2021, we had no confirmed incidents of corruption.

Adevinta also selected an e-learning platform during 2021 that will be implemented during 2022. The e-learning platform will assist with embedding ESG governance throughout the enlarged Adevinta following the acquisition of eCG. As we review our sustainability policies we will also reassess the training needs, and set training targets, of the combined organisation.

Trust and fraud protection

One of our material issues in the context of sustainability is to retain a high level of trust. 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 e-commerce tools to give customers and end users superior digital experiences, we need to strengthen our ability to identify and prevent fraud. Fraudsters continue to identify new ways of bypassing safeguards and protections, and we take this issue very seriously. We know that we must continue deploying 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 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. In addition, our marketplaces provide our users with advice and recommendations on how to prevent and report fraudulent or suspicious activities.

The Group prohibits the use of Adevinta's classified advertising platforms for the promotion or sale of unlawful goods or services, such as illicit drugs, counterfeit goods and weapons. Each business within the Group is required to keep a list of products and services which are not to be sold or promoted on our platforms. These lists comply not only with the minimum standards set by the Group but also with the requirements of local laws. Furthermore, these lists are incorporated into the user terms and conditions of each operating website.

During 2021, we continued to invest in trust-related features by improving existing capabilities related to:

- Stopping fraud such as evolving user moderation and moderation of user generated reviews
- Increasing user trustability such as adding more user profiles in chat
- Validating how gamification can increase users
- Helping marketplace productivity by enabling autonomy for different teams to customise their moderation interface.

Privacy

In summer 2021, we hired a Chief Privacy Officer (CPO) who then initiated an independent review of privacy maturity across all our core markets. The review concluded at the end of 2021.

The findings have provided a catalyst for the creation of a new privacy strategy, which will include a clear vision, purpose and maturity target. It will also support the overarching Adevinta strategy and data strategy. As part of this work, we are collaborating with consultants, independent experts and industry specialists. Adevinta plans to launch its new privacy strategy in 2022 and believes this work will significantly enhance its privacy regime. In addition, Adevinta will create a Group Privacy team in 2022 to support the CPO in delivering the new privacy strategy.

Adevinta has reporting routines for complaints and data breaches as part of our Incident Management At Scale (IMAS) process, which includes clear guidelines for responsibilities, escalation, analysis, mitigation and post mortems. We also have extensive measures in place for detecting vulnerabilities so that we can prevent breaches wherever possible.

Following the completion of our acquisition of eCG in June 2021, and the enlarged scale of our operations, we have decided not to provide a comparative figure for substantiated complaints in 2021 regarding data breaches. We continued to monitor data breaches carefully throughout 2021 and during the year the Board approved an enhanced global cyber security strategy that we believe will serve the needs of the enlarged scale of our operations. We intend to commence reporting on this topic across the expanded Adevinta in our 2022 annual report.

> "We prohibit the use of Adevinta's classified advertising platforms for the promotion or sale of unlawful goods or services, such as illicit drugs, counterfeit goods and weapons

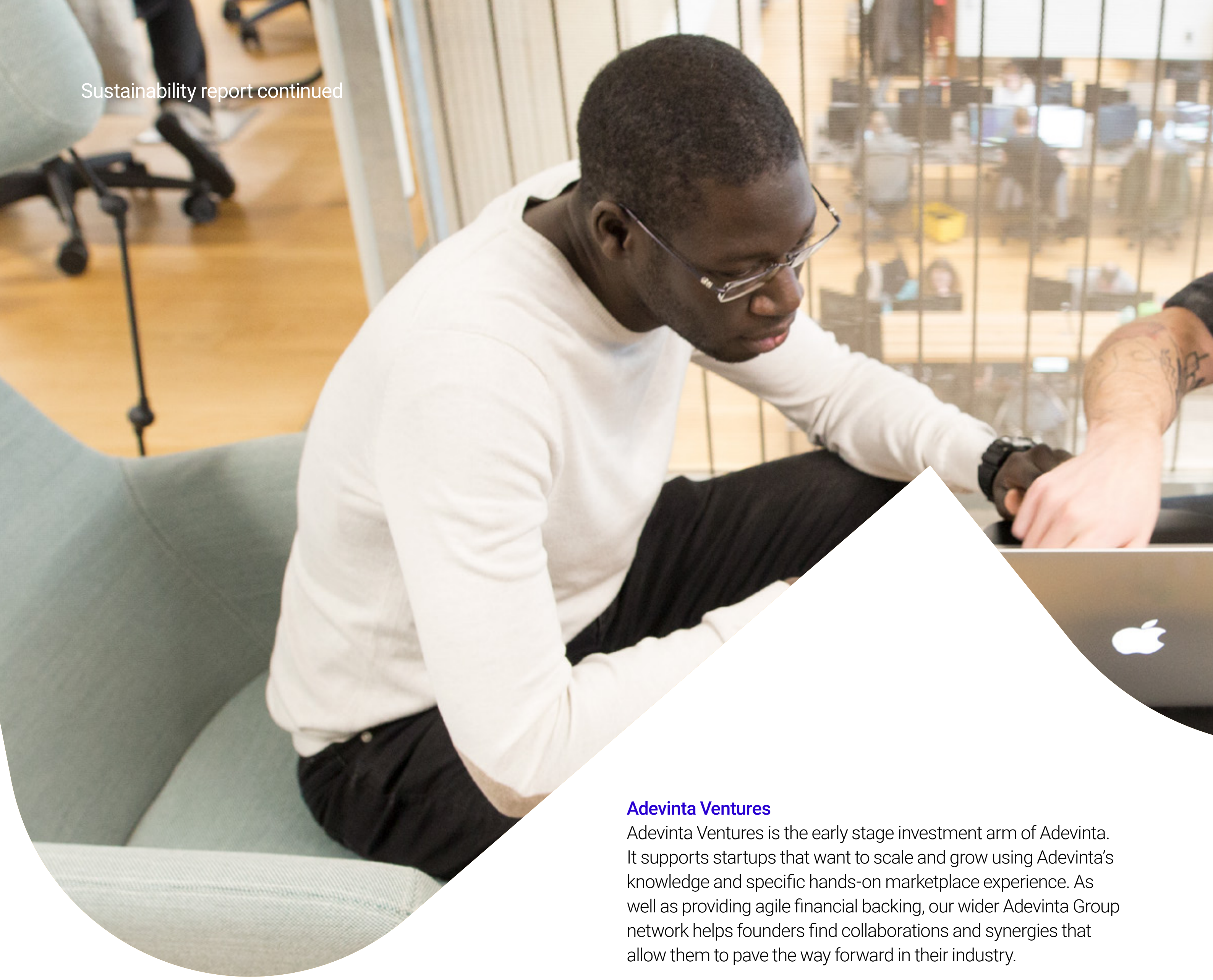
Global cyber security

Adevinta's global cyber security programme is designed to protect our employees and customers across our portfolio of companies. With the increased size of Adevinta's operations following our acquisition of eCG, we began a programme during the year that will substantially enhance our overall global cyber security posture. Our aim is to support Adevinta's business goals while ensuring regulatory compliance across our multiple marketplaces. We believe effective stewardship and management of consumer data is our licence to operate and our top priority. We are ensuring Adevinta has the best-fit cyber security capabilities which can withstand the evolving risk and compliance landscape. This will continue to be a major focus that ensures our customers have the highest level of trust in our marketplaces.

Working with our marketplaces, we have developed a continuous process of requirements research, planning and implementation that builds on the already strong platforms of Adevinta and eCG Group. Our programme is based on the internationally recognised National Institute of Standards and Technology's (NIST) cyber security framework (CSF) which ensures a holistic view in developing our global security programme. This framework will ensure that we can effectively identify, detect, protect, respond and recover from a wide range of cyber security threats.

We have developed seven global security strategy principles. These ensure we have an accurate systems and services inventory that includes mission and business criticality and that risks are identified and managed. The principles also address secure product development, vendor security, access management and vulnerability management. In addition, our data management policy ensures data is encrypted at rest and in transit, and that data communicated between different systems is controlled, inspectable and auditable.

We also made good progress during the year in drafting nine Adevinta global cyber security policies. These policies carefully define key requirements and also stipulate ancillary training, testing and simulations where required. Work on shaping and implementing Adevinta's enhanced global cyber security strategy will continue throughout 2022, as we ensure the cyber protection and defence of the world's most trusted marketplaces.



Adevinta Ventures
Adevinta Ventures is the early stage investment arm of Adevinta. It supports startups that want to scale and grow using Adevinta's knowledge and specific hands-on marketplace experience. As well as providing agile financial backing, our wider Adevinta Group network helps founders find collaborations and synergies that allow them to pave the way forward in their industry.

Sustainable investment and ownership
Adevinta's Principles for Expansion and Growth define a general path regarding identification and execution of external growth initiatives. They also provide guidance on legal and sustainability elements to be used 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.

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 2021, Adevinta reviewed its Procurement policy to align it to the needs of the new combined organisation, and also worked on a Supplier Code of Conduct 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 a sustainability and compliance perspective as well as from a business criticality, data protection and information security perspective. Through sustainability and compliance checks, 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 Sustainability, CSR and Ethics risk questionnaire that will be assessed by our Risk and Compliance teams before a final decision is made about contracting the supplier. We are also engaging third-party providers to perform screening based on external data sources which will be incorporated in the supplier risk management 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 in February 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 applies to all suppliers, who in turn are responsible to ensure that its suppliers and other participants in their supply chains adhere to the same responsibilities set out in the Code. In order to ensure transparency, it will be available on our 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.

The Code also addresses additional aspects of data protection and information security. This is critical to us as we highly value our users', customers' and employees' privacy and the need to protect their data. 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-conformity with, including but not limited to, the Code, internal Adevinta policies and local regulations.

EU action plan on sustainable finance

Responsible investment goes hand in hand with incorporating sustainability into risk management, by fostering transparency and by steering capital to investments that align with the Paris Agreement and more broadly with the United Nations Sustainable Development Goals. Within the EU, these three objectives have been operationalised in the EU Action Plan on Sustainable Finance adopted by the Commission in March 2018. Given that Adevinta invests shareholder capital or raises capital in the debt market to invest, and does not hold any investment funds, Adevinta does not fall under the Disclosure Regulation. However, we do have institutional shareholders that are pension funds and banks. As such, they fall under the Disclosure Regulation, which means that in coming years we will need to give transparent information on the so-called Principles of Adverse Impact to these shareholders. By continuously developing our sustainability data, we will be able to communicate these key performance indicators as and when required. Given that Adevinta is required to produce a sustainability report, according to the Directive on Non-Financial Disclosures, we also have to report whether any of our investments are covered by the EU Taxonomy. Adevinta has conducted an initial taxonomy screening and concluded that our operations and holdings are not covered by the taxonomy industries that have been developed for objective 1 and 2 (climate change mitigation and climate change adaptation).

About this report

This is Adevinta's third annual sustainability report. The previous report was published on 6 April 2021. Information disclosed in this report refers to activities undertaken from 1 January to 31 December 2021.

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. In light of the eCG acquisition, the data for these companies covers the time period 1 July to 31 December 2021.

Employee data

Employee data, as per 31 December 2021, is stated as headcount and covers all companies in scope. This includes all companies that are integrated in the human capital management system Workday®, in addition to the two operations in one European country and one country outside Europe for which data has been collected via templates, as they are not currently using Workday®.

Data relating to employee engagement was retrieved from Adevinta's engagement survey and templates completed by each company. Data relating to collective bargaining agreements and performance reviews were collected via a combination of the human capital management system for most entities and via templates completed for the two companies not using Workday®.

Data relating to health and safety was 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 2021, this was relevant for Germany, Italy and Spain.

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 has been excluded. Data from joint-ventures with less than 20 employees, and where Adevinta owns less than 51%, 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 derived from third-party sources and 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. Scope 2 emissions for the year 2020 and 2019 have been recalculated with the updated methodology and updated conversion factors. The scope 3 emissions categorised as fuel- and energy-related activities includes upstream emissions of purchased fuels as well as transmission and distribution losses from electricity. Due to the update of scope 2 emissions, the GHG intensity for the year 2020 and 2019 have also been updated.

Omissions

GRI Standards General Disclosures

103-3: Management approach – Resource and waste management: a new structure for evaluation of performance is under development and cannot be shared in this report.

103-3: Management approach – Make products accessible for all: with the new strategy and the acquisition of eCG, a new structure is under development.

103-3: Management approach – Inclusive marketplace for everyone: with the new strategy and the acquisition of eCG, a new structure is under development.

103-3: Management approach – R&D innovation focusing on sustainability: with the new strategy and the acquisition of eCG, a new structure is under development.

GRI Standards Material Disclosures

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

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.

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 fulfills the requirements this year. Currently, data is unavailable for six companies.

418-1: Following the acquisition of eCG and the enlarged scale of operations, a new data collection structure is under development and information for this year is unavailable.

Point of contact

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

GRI content index

GRI Standard	Disclosure	Page	Fulfilment	Notes
GRI 102: General Disclosures (2016)				
GRI 102: General Disclosures	**Organisational profile**			
	102-1 Name of the organisation	1	Fullfilled	
	102-2 Activities, brands, products, and services	2-6	Fullfilled	
	102-3 Location of headquarters	24	Fullfilled	
	102-4 Location of operations	2-3	Fullfilled	
	102-5 Ownership and legal form	62	Fullfilled	
	102-6 Markets served	4-7	Fullfilled	
	102-7 Scale of the organisation	1, 4-7, 42-43, 165	Fullfilled	Total number of operations = 85
	102-8 Information on employees and other workers	42-43	Fullfilled	
	102-9 Supply chain	52	Fullfilled	
	102-10 Significant changes to the organisation and its supply chain	8-9	Fullfilled	
	102-11 Precautionary Principle or approach	39	Fullfilled	
	102-12 External initiatives	49	Fullfilled	
	102-13 Membership of associations	–		No current memberships
	Strategy			
	102-14 Statement from senior decision-maker	8-9		
	Ethics and Integrity			
	102-16 Values, principles, standards, and norms of behaviour	48	Fullfilled	
	Governance			
	102-18 Governance structure	10,48	Fullfilled	
	Stakeholder engagement			
	102-40 List of stakeholder groups	35	Fullfilled	
	102-41 Collective bargaining agreements	45	Fullfilled	
	102-42 Identifying and selecting stakeholders	34	Fullfilled	
	102-43 Approach to stakeholder engagement	34-35	Fullfilled	
	102-44 Key topics and concerns raised	34-35	Fullfilled	
	Reporting practice			
	102-45 Entities included in the consolidated financial statements	20-21	Fulfilled	
	102-46 Defining report content and topic Boundaries	54-55	Fulfilled	
	102-47 List of material topics	34	Fulfilled	
	102-48 Restatements of information	–		No restatements made
	102-49 Changes in reporting	34	Fulfilled	
	102-50 Reporting period	54	Fulfilled	
	102-51 Date of most recent report	54	Fulfilled	
	102-52 Reporting cycle	54	Fulfilled	
	102-53 Contact point for questions regarding the report	55	Fulfilled	
	102-54 Claims of reporting in accordance with the GRI Standards	54	Fulfilled	
	102-55 GRI content index	58-59	Fulfilled	
	102-56 External assurance	54	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
GRI 200 Economic Standard Series				
Adevinta topic: ESG Investing				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	52	Fulfilled	
	103-2 The management approach and its components	52	Fulfilled	
	103-3 Evaluation of the management approach	52	Fulfilled	
Adevinta topic: Good Corporate Governance				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	48-49	Fulfilled	
	103-2 The management approach and its components	48-49	Fulfilled	
	103-3 Evaluation of the management approach	48-49	Fulfilled	
Adevinta topic: Transparent Compliance				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	48-51	Fulfilled	
	103-2 The management approach and its components	48-51	Fulfilled	
	103-3 Evaluation of the management approach	48-51	Fulfilled	
Adevinta topic: R&D Innovation focusing on sustainability				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	–	Omission	See p. 55
	103-2 The management approach and its components	–	Omission	See p. 55
	103-3 Evaluation of the management approach	–	Omission	See p. 55
GRI 300 Environmental Standards				
Adevinta topic: Resource and waste management				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	38	Fulfilled	
	103-2 The management approach and its components	38	Fulfilled	
	103-3 Evaluation of the management approach	38	Fulfilled	
Adevinta topic: GHG emissions and energy use				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	38	Fulfilled	
	103-2 The management approach and its components	33, 38	Fulfilled	
	103-3 Evaluation of the management approach	33, 38	Fulfilled	
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	39	Partly fulfilled	See p. 55
	302-3 Energy intensity	39	Fulfilled	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	39	Fulfilled	
	305-2 Energy indirect (Scope 2) GHG emissions	39	Fulfilled	
	305-3 Other indirect (Scope 3) GHG emissions	39	Fulfilled	
	305-4 GHG emissions intensity	39	Fulfilled	
Adevinta topic: Circular economy				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	38	Fulfilled	
	103-2 The management approach and its components	38	Fulfilled	
	103-3 Evaluation of the management approach	38	Fulfilled	
GRI 303: Waste (2020)	306-2 Management of significant waste-related impacts	38	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
Adevinta topic: Promote responsible consumption				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	34	Fulfilled	
	103-2 The management approach and its components	34	Fulfilled	
	103-3 Evaluation of the management approach	34	Omission	
GRI 400 Social Standards				
Adevinta topic: Healthy and safe workplace				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	45	Fulfilled	
	103-2 The management approach and its components	45	Fulfilled	
	103-3 Evaluation of the management approach	45	Fulfilled	
GRI 403: Occupational Health and Safety (2018)	403-9 Work-related injuries	45	Partly fulfilled	See p. 55
	403-10 Work-related ill health	45	Partly fulfilled	See p. 55
Adevinta topic: Attract, retain and develop talent				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	43-44	Fulfilled	
	103-2 The management approach and its components	43-44	Fulfilled	
	103-3 Evaluation of the management approach	43-44	Fulfilled	
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	42	Fulfilled	
GRI 404: Education and training (2016)	404-3 Percentage of employees receiving regular performance and career development reviews	45	Fulfilled	
Adevinta topic: Diversity and inclusion				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	40-41	Fulfilled	
	103-2 The management approach and its components	40-41	Fulfilled	
	103-3 Evaluation of the management approach	40-41	Fulfilled	
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	42-43	Fulfilled	
Adevinta topic: Positive impact on local communities				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	46	Fulfilled	
	103-2 The management approach and its components	46-47	Fulfilled	
	103-3 Evaluation of the management approach	46-47	Fulfilled	
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported	46	Fulfilled	

GRI Standard	Disclosure	Page	Fulfilment	Notes
Adevinta topic: Make products accessible for all				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	–	Omission	See p. 55
	103-2 The management approach and its components	–	Omission	See p. 55
	103-3 Evaluation of the management approach	–	Omission	See p. 55
Adevinta topic: Inclusive marketplace for everyone to sell				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	–	Omission	See p. 55
	103-2 The management approach and its components	–	Omission	See p. 55
	103-3 Evaluation of the management approach	–	Omission	See p. 55
Adevinta topic: Responsible supply chain management				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	52-53	Fulfilled	
	103-2 The management approach and its components	52-53	Fulfilled	
	103-3 Evaluation of the management approach	52-53	Fulfilled	
Adevinta topic: Data protection and security				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	51	Fulfilled	
	103-2 The management approach and its components	51	Fulfilled	
	103-3 Evaluation of the management approach	51	Fulfilled	
Adevinta topic: User privacy, safety and fraud protection				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	50	Fulfilled	
	103-2 The management approach and its components	50	Fulfilled	
	103-3 Evaluation of the management approach	50	Fulfilled	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	Omission	See p. 55

Corporate Governance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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 at www.adevinta.com/ir/corporate-governance/articles-of-association/. 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 2021 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 2022, but in no event later than 30 June 2022.

(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 2022, but in no event later than 30 June 2022.

(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 12 of the minutes from the Annual General Meeting held 29 June 2021, 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 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 2022, however not later than 30 June 2022.

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.

The Company's acquisition of its own shares, in accordance with the Board of Directors' authorisation referred to in section 3 of this statement, must take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices. Acquired shares may be used as settlement for the acquisition of businesses, for the Adevinta share-based incentive schemes and share-saving programmes for the Group's employees, or improvement of the Company's capital structure. On 24 February 2022, the Company announced that it would conduct a share buyback programme, the first tranche run from 25 Feb 2022 to 21 March 2022 and the second tranche of the buyback was initiated on 6 April 2022 and is expected to end no later than on 28 June 2022. The purpose of the buyback is to acquire shares to meet the Company's obligations under its share-based incentive schemes over the

next three years, and is carried out through the stock exchange via a third party brokerage. The share-based incentive schemes will be described in more detail in the Statement of Executive Compensation in the Notice of the Annual General Meeting.

In the event of material transactions between the Group and its shareholders, Board members, executive personnel, or close associates of any such parties, the Board of Directors will obtain valuations by an independent third party. In connection with the acquisition of eBay Classifieds Group from eBay Inc, Adevinta agreed that a subsidiary of Schibsted, the currently largest shareholder of the Company, would acquire the Scandinavian operations of eBay Classifieds Group. Further details of the transaction were presented to and agreed by the Company's shareholders in connection with an Extraordinary General Meeting on 29 October 2020, and the transaction was concluded on 25 July 2021. The transaction was concluded in line with the Company's strategy of focusing its business outside the Nordics, and it is the Board of Directors' view, supported by third party valuation, that it was entered into on arm´s length market terms.

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 2021, Adevinta held its Annual General Meeting on 29 June 2021. Adevinta's next Annual General Meeting is scheduled for 29 June 2022. 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 2021, and will be present at the Annual General Meeting on 29 June 2022.

At the Annual General Meeting for 2022, 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 provides 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, Mette Krogsrud and Stephanie White. Trond Berger, Chris Davies and Ole E Dahl are independent of the Board of Directors and the executive personnel. Mette Krogsrud and Stephanie White 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.

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 2021 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 the each gender shall be represent 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 description, 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 & 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. 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 & 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 Jaekel 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 & Risk Committee and attends all its meetings. The external auditor attends Audit & Risk Committee meetings when matters within the external auditors' area of responsibility are considered. The Audit & 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.

Board meetings

	Appointments / Resignations in 2021	Appointments / Resignations Dates 2021	Attendance
Orla Noonan	Re-appointed	29 June 2021	18/18
Kristin Skogen Lund	Re-appointed	29 June 2021	17/18
Sophie Javary	Re-appointed	29 June 2021	18/18
Fernando Abril-Martorell	Re-appointed	29 June 2021	18/18
Peter Brooks-Johnson	Re-appointed	29 June 2021	18/18
Terje Seljeseth	Resigned	29 June 2021	10/10
Aleksander Rosinski	Appointed	29 June 2021	8/8
Marie Huber	Appointed	29 June 2021	8/8
Mark Solomons	Appointed	29 June 2021	8/8
Julia Jäkel	Appointed	29 June 2021	8/8
Michael Nilles	Appointed	29 June 2021	8/8
Dipan Patel	Appointed	22 November 2021	2/2

The Integration Committee Charter provides each member of the Integration Committee of 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.

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 2021, the Adevinta Board of Directors held 18 meetings in total. The composition of the Board changed following various appointments and resignations throughout the year. The attendance record regarding Board and committee meetings is set out in the table above.

Deviations from the Code: none.

10. Risk management and internal control

The objective of Adevinta's risk management and assurance function is to manage, rather than eliminate, exposure to risks related to the successful conduct of the business of the Companyand its subsidiaries, and to support the quality of its financial reporting.

Adevinta has a Risk Management Framework aligned with the requirements of the Code of Practice and inspired by internationally recognised Enterprise Risk Management frameworks and other leading practices in this field. Biannual risk reports were submitted to the Audit and Risk Committee, a subcommittee of the Board of Directors, during 2021.

The current Adevinta GRC framework is based on the needs of the Company and its stakeholders, and is linked to value creation and value protection processes. It has been designed with the purpose of being sufficiently agile in order to adapt to rapidly changing business models, increasing regulatory demand and monitoring, greater use and dependency of technology, and other challenging demands from the environment in which the Company operates

With the integration of eBay Classifieds, Adevinta has engaged external expert consultancy services to support the Risk & Assurance team with the design and implementation of a revised Risk Management framework to ensure it is fit for purpose and serves the needs of the new combined organisation. The foundation of this approach to establishing a proportionate approach to manage risk builds on the Risk Management framework approved by the Board of Directors in 2020 whilst aligning to our mission, vision and purpose and our culture, and continuing to ensure compliance with requirements set out in the Norwegian Code of Practice for Corporate Governance.

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 & 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 and 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 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 was entered into in connection with the acquisition of the eBay Classifieds Group and was 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 & 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 & Risk Committee. From 1 January 2021, any non-auditing work performed by the external auditor must be approved by the Audit & Risk Committee. Further, non-auditing services exceeding 70% of the total audit fees of the Group shall be approved by the Board of Directors.

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 & 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 2021	Year 2020
Operating revenues	6,7	**1,139**	**673**
Personnel expenses	9	(368)	(258)
Other operating expenses	8	(415)	(233)
Gross operating profit (loss)	6	**356**	**182**
Depreciation and amortisation	16,17,31	(156)	(61)
Share of profit (loss) of joint ventures and associates	5	(8)	16
Impairment loss	15,16	(22)	(43)
Other income and expenses	11	(140)	(39)
Operating profit (loss)	6	**29**	**56**
Financial income	12	14	5
Financial expenses	12	(78)	(99)
Profit (loss) before taxes		**(35)**	**(39)**
Taxes	13	(19)	(31)
Profit (loss) from continuing operations		**(54)**	**(70)**
Profit (loss) from discontinued operations	4	**7**	**–**
Profit (loss) attributable to:			
Non-controlling interests	27	6	2
Owners of the parent		(54)	(72)
Earnings per share in €:			
Basic	14	(0.06)	(0.10)
Diluted	14	(0.06)	(0.10)

Consolidated statement of comprehensive income

for the year ended 31 December

		Year	
€ million	Note	2021	2020
Profit (loss)		**(48)**	**(70)**
Remeasurements of defined benefit liabilities	21	0	0
Income tax relating to remeasurements of defined benefit liabilities	13	(0)	(0)
Net gain/(loss) on cash flow hedges	25	56	(144)
Change in fair value of financial instruments		16	(0)
Items not to be reclassified subsequently to profit or loss		**72**	**(145)**
Exchange differences on translating foreign operations		22	(102)
Net gain/(loss) on cash flow hedges	25	7	(4)
Items to be reclassified subsequently to profit or loss		**29**	**(106)**
Other comprehensive income		**101**	**(251)**
Comprehensive income		**53**	**(321)**
Comprehensive income attributable to:			
Non-controlling interests		5	4
Owners of the parent		48	(325)

Consolidated statement of financial position

as of 31 December

€ million	Note	31 December 2021	31 December 2020
Intangible assets	15,16	12,790	1,322
Property, plant & equipment	17	35	20
Right-of-use assets	31	82	89
Investments in joint ventures and associates	5	370	369
Deferred tax assets	13	152	2
Other non-current assets	18,24	223	183
Non-current assets		**13,653**	**1,984**
Income tax receivable		17	2
Contract assets	7	39	6
Trade receivables and other current assets	18,19,22,24	191	1,200
Cash and cash equivalents	22,24,28	231	131
Assets held for sale	4	115	–
Current assets		**593**	**1,339**
Total assets		**14,247**	**3,323**
Paid-in equity		9,175	149
Other equity		1,192	1,053
Equity attributable to owners of the parent		**10,368**	**1,203**
Non-controlling interests	27	18	19
Equity		**10,385**	**1,222**
Deferred tax liabilities	13	896	58
Non-current interest-bearing borrowings	22,23,24,28	2,312	1,266
Lease liabilities, non-current	22,28,31	73	82
Other non-current liabilities	21	18	13
Non-current liabilities		**3,299**	**1,420**
Current interest-bearing borrowings	22,23,24,28	152	295
Income tax payable		22	5
Lease liabilities, current	22,28,31	19	18
Contract liabilities	7	67	58
Other current liabilities	21,22,24	275	305
Liabilities directly associated with the assets held for sale	4	27	–
Current liabilities		**563**	**682**
Total equity and liabilities		**14,247**	**3,323**

Consolidated statement of financial position continued

21 April 2022
Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Peter Brooks-Johnson
Board member

Kristin Skogen Lund
Board member

Sophie Javary
Board member

Michael Nilles
Board member

Julia Jäkel
Board member

Marie Oh Huber
Board member

Aleksander Rosinski
Board member

Mark Solomons
Board member

Dipan Patel
Board member

Rolv Erik Ryssdal
CEO

Consolidated statement of cash flows

for the year ended 31 December

€ million	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes from continuing operations		(35)	(39)
Profit (loss) before taxes from discontinued operations		7	–
Profit (loss) before taxes		**(28)**	**(39)**
Depreciation, amortisation and impairment losses	6,15,16,17,31	180	103
Share of loss (profit) of joint ventures and associates	5	8	(16)
Dividends received from joint ventures and associates	28	3	2
Taxes paid		(92)	(42)
Sales losses (gains) non-current assets and other non-cash losses (gains)		33	(6)
Net loss on derivative instruments at fair value through profit or loss		3	79
Accrued share-based payment expenses	10	32	5
Other non-cash items and changes in working capital and provisions[(1)]		45	18
Net cash flow from operating activities		**184**	**105**
CASH FLOW FROM INVESTING ACTIVITIES			
Development and purchase of intangible assets and property, plant & equipment		(77)	(43)
Acquisition of subsidiaries, net of cash acquired	28	(2,181)	(7)
Acquisition of debt and equity instruments of joint ventures and associates		–	(287)
Proceeds from sale of intangible assets and property, plant & equipment		0	0
Proceeds from sale of subsidiaries, net of cash sold	28	274	31
Net sale of (investment in) other shares		3	(7)
Net change in other investments		(3)	(3)
Net cash flow from investing activities		**(1,983)**	**(317)**
Net cash flow before financing activities		**(1,799)**	**(213)**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings	28	2,440	491
Repayment of interest-bearing loans and borrowings	28	(493)	(205)
Net sale (purchase) of treasury shares		(22)	(2)
IFRS 16 lease payments	28,31	(20)	(12)
Dividends paid to non-controlling interests	27	(8)	–
Net cash flow from financing activities		**1,898**	**272**
Effects of exchange rate changes on cash and cash equivalents		1	(0)
Net increase (decrease) in cash and cash equivalents		**100**	**59**
Cash and cash equivalents as at 1 January	28	131	72
Cash and cash equivalents as at 31 December	**28**	**231**	**131**

(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 2020		**14**	**133**	**–**	**1,430**	**(52)**	**1,524**	**14**	**1,539**
Profit (loss) for the period		–	–	–	(74)	2	(72)	2	(70)
Other comprehensive income		–	–	(149)	(0)	(104)	(253)	2	(251)
Total comprehensive income		**–**	**–**	**(149)**	**(74)**	**(102)**	**(325)**	**4**	**(321)**
Capital increase	22,26	–	–	–	–	–	–	0	0
Share-based payment	10	–	3	–	–	–	3	–	3
Changes in ownership of subsidiaries that do not result in a loss of control		–	–	–	(0)	–	(0)	0	–
Change in treasury shares		–	(0)	–	–	–	(0)	–	(0)
Total transactions with the owners		**–**	**3**	**–**	**(0)**	**–**	**3**	**1**	**3**
Equity as at 31 December 2020		**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**

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 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. 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. Schibsted retained a majority interest of 59% in Adevinta ASA until 25 June 2021. Pursuant to the acquisition of eCG, economic interest held by Schibsted decreased to 33% and eBay Inc. obtained an economic interest of 44% and neither party has control over the Adevinta Group. In July 2021, an agreement between eBay Inc. and Permira was signed, which committed eBay to sell approximately 125 million shares in Adevinta (10.2% stake) to funds advised by Permira. On 29 July 2021, Permira exercised the 30-day option granted by eBay to purchase an additional 10 million Class A shares at the same price. The transaction between eBay Inc. and Permira was completed on 18 November 2021, and eBay sold 134,743,728 Class A Shares in Adevinta, representing an 11% stake in Adevinta, to Permira. After this transaction, voting rights held by Schibsted, eBay and Permira are 35%, 30% and 12%, respectively (note 14 and 26).

Adevinta is the world's largest online classifieds company (excluding China) based on revenues generated from online classifieds listings and advertisements, active in many countries around the world. Key markets include France, Spain and Germany. In addition, business was carried out in 2021 in Brazil, Italy, Austria, Ireland, Hungary, Mexico, Chile, Belarus, Morocco, UK, 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 segment information in note 6.

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

- The acquisition of eBay Classifieds Group in June 2021 (note 4), related acquisition and integration costs (note 11), share-based payment transactions (note 10), amortisation expense based on a provisional assessment of their fair value of intangible assets acquired (note 16), hedging the forecasted business combination (note 22 and 25) and required new financing (note 12, 22 and 23).
- The impairment loss of €20 million related to the measurement of the disposal group Shpock at the lower of its carrying amount and fair value less costs to sell until its disposal date and the loss on sale of the disposal group in June 2021 amounting to €33 million (note 4).
- The Covid pandemic (note 32).

The consolidated financial statements including notes for Adevinta ASA for the year 2021 were approved by the Board of Directors on 21 April 2022 and will be proposed to the Annual General Meeting in May 2022.

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 valuation and recognition of the items in the consolidated financial statements have been carried out in accordance with applicable IFRS standards.

New and amended standards adopted by the Group

Adevinta has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Note 2: Basis for preparing the consolidated financial statements continued

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform of inter-bank offered rates (IBOR) and other interest rate benchmarks. The amendments in this final phase relate to:

- **changes to contractual cash flows** – a company should not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but should instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- **hedge accounting** – a company should not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- **disclosures** – a company is required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The amendments listed above 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 interpretation when they become effective, subject to EU approval before the consolidated financial statements are issued. However, it is not expected that any current amendments will impact significantly the Adevinta consolidated financial statements in future reporting periods and on foreseeable future transactions.

Basis of preparation

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

- financial instruments in the categories "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.

Assets that no longer justify their value are written down to the recoverable amount, which is the higher of value in use and fair value less selling costs.

An asset or liability is classified as current when it is part of a normal operating cycle, when it is held primarily for trading purposes, when it falls due within 12 months or when it consists of cash or cash equivalents on the date of the Consolidated statement of financial position. Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less. Other items are non-current. A dividend does not become a liability until it has been formally approved by the General Meeting.

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 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.

Note 2: Basis for preparing the consolidated financial statements continued

Consolidation principles

The consolidated financial statements include the parent Adevinta ASA and all subsidiaries, presented as a single economic entity. All the entities have applied consistent principles. Intercompany transactions, balances and unrealized 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 the current ability to direct the activities that significantly affect the entity's returns.

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

Subsidiaries are included in the consolidated financial statements from the date 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.

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.

Note 2: Basis for preparing the consolidated financial statements continued

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) by using the step-by-step method of consolidation. 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.

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Management has based its current estimates of future cash flows taking into account that the businesses have recovered from Covid in 2021 and the discount rates are based on expected volatility, risk premiums and interest rates at levels indicative of the current environment. Management continues monitoring Covid developments.

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

Significant estimates and judgements:

- Identification of the acquirer of eCG (note 4)
- Fair value of assets acquired and liabilities assumed in a business combination (note 4)
- Existence of significant influence over an investee (note 5)
- Recognition of contracted listing fees and premium products according to normal pattern of views (note 7)
- Principal/agent assessment for transactional services provided (note 7)
- Fair value of share-based awards (note 10)
- Classification of other income and expenses as not being part of activities in the normal course of business (note 11)
- Recognition of deferred tax assets for tax losses carried forward (note 13)
- Calculation of value in use in testing for impairment of goodwill and other intangible assets (note 15)
- Capitalisation of development costs (note 16)
- Fair value of contingent consideration and liabilities related to non-controlling interests' put options (note 20)
- Calculation of present value of defined benefit pension obligations (note 21)
- Assessment of contingent liabilities (note 21)
- Assets and liabilities measured at fair value (note 24)
- Determination of lease term and estimating the incremental borrowing rate (note 31)

Note 4: Changes in the composition of the group

Principle

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.

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".

Note 4: Changes in the composition of the group continued

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

Business combinations
Adevinta invested €2,177 million in 2021 (€0 million in 2020) to acquire businesses (business combinations). The amount comprises the net cash consideration transferred reduced by cash and cash equivalents of the acquirees. Additionally, Adevinta paid €2 million of contingent consideration related to the prior year's business combinations. In 2020, Adevinta paid €7 million of deferred consideration related to the prior year's business combinations.

Note 4: Changes in the composition of the group continued

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. Headquartered in Amsterdam, the Netherlands, eBay Classifieds consists of multiple platforms offering online classifieds listings across motors, real estate and general classifieds. Germany, the Netherlands and Canada are eBay Classifieds' largest markets. eBay Classifieds' platforms operate under a number of brands, most significantly Mobile.de, eBay Kleinanzeigen, Marktplaats, Kijiji and Gumtree.

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

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

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 includes 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 including a gain of €56 million recognised in 2021. When the hedging instruments were settled immediately prior to the acquisition, the hedge reserve accumulated in equity was included as part of the consideration 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 is €108 million, of which €49 million are trade receivables. There is 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, 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 provisional amount of total identifiable assets acquired was €0 million. The provisional amount of goodwill was €5 million. The goodwill recognised connected with the acquisition of Pixie Pixel, S.L. in 2021 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 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 eBay Classifieds Group, net of cash acquired, is as follows:

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

Per Adevinta instructions, part of the consideration 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 January 2020, Adevinta completed the acquisition of Pilgo SAS, which is an online marketplace for hotel rooms. In February 2020, Adevinta completed the acquisition of Jobisjob SLU, which is a digital company related to the job market.

The subsidiaries acquired in 2021, all the entities of eCG and Pixie Pixel, S.L. are included in the Mobile.de, European Markets and International Markets operating segments. The subsidiaries acquired in 2020, Pilgo SAS and Jobisjob SLU are included in the European Markets and France operating segments respectively.

Acquisition-related costs of €49 million (€32 million in 2020) related to business combinations are recognised in profit or loss in line item "Other income and 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 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 the acquisition date, 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 Locasun SARL. The contingent consideration was limited to two cash payments to be made at the end of years 2020 and 2021. Each payment was capped at €2 million and was to be calculated on the achievement of certain EBITDA targets for each period. As at the acquisition date, the fair value of the contingent consideration was estimated to be €4 million. No payment was made in 2020. The fair value of the contingent consideration as at 31 December 2020 was €1 million. Payment made in 2021 amounted to €1 million (note 20).

Disposal of subsidiaries

In February 2021, Adevinta sold its subsidiary Yapo (Chile) to Frontier Digital Ventures (FDV), a company specializing in online marketplaces in emerging markets. The disposal was in line with Adevinta's portfolio optimization strategy. The sale resulted in a loss of €11 million recognised in other income and 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 the 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.

From March 2021, the carrying amount of Shpock was expected to be recovered principally through a sales transaction, Shpock was available for immediate sale in its present condition and its sale was highly probable. Therefore, from March 2021 until its disposal date, the disposal group was classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell. In relation to measurement, an impairment loss was recognised amounting to €(20) million, which was allocated to goodwill (€2 million) and other intangible assets (€18 million). Related deferred tax liabilities were derecognised amounting to €(5) million. 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, recognised in other income and 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.

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.

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.

Notes to the consolidated financial statements continued

Note 4: Changes in the composition of the group continued

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.

Following the decision to divest the businesses in Australia and South Africa in November 2021, the carrying amount of Carsguide Autotrader Media Solutions Australia PTY Ltd, Gumtree Australia PTY Ltd and Gumtree South Africa (PTY) Ltd is expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa are available for immediate sale in its present condition and its sale is highly probable. Therefore, these subsidiaries have been classified as held for sale as at 31 December 2021 and are measured at the lower of its carrying amount and fair value less costs to sell. Furthermore, these operations constitute major geographical locations and are therefore classified as discontinued operations. The carrying amount of goodwill included into this diposal group was €22 million.

The financial performance and cash flow information related to the discontinued operations in 2021 are disclosed below:

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

	€
Basic	0.00
Diluted	0.00

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

Note 4: Changes in the composition of the group continued

In November 2020, Adevinta sold its subsidiaries, Avito (Morocco), Tayara (Tunisia) and Fincaraíz (Colombia) to Frontier Digital Ventures (FDV), a company specializing in online marketplaces in emerging markets. All three subsidiaries were disposed of as a group in a single transaction. The disposal was aligned to Adevinta's portfolio optimisation strategy. The disposal group did not represent a separate major line of business, thus did not qualify as discontinued operations. The sale resulted in a gain before tax of €4 million recognised in other income and expenses (note 11), of which €(2) million loss was a reclassification of foreign currency translation reserve, with an impact on income tax of €(5) million. The carrying amount of assets and liabilities as at the date of sale (6 November 2020) were €35 million and €8 million respectively, of which €25€ million was intangible assets, €6 million was trade and other current receivables, €2m was other assets and €2 million cash.

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 has 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 the participation in PayCar SAS increasing from 69.8% in 2020 to 100.0% in 2021.

In March 2020, Adevinta's OLX Brazil joint venture agreed to acquire Grupo Zap, a leading online classifieds site for real estate operating in Brazil, for approximately R$3 billion. In the consolidated financial statements, this investment was accounted for using the equity method. At signing, Adevinta entered into a deal-contingent derivatives to fix Adevinta's funding commitment in relation to the transaction in € and eliminate the currency risk. The acquisition was closed on 30 October 2020.

At settlement, the derivatives were derecognised. The change in the fair value of the derivatives of €(67) million was recognised in financial expenses (note 12 and 25) in profit or loss.

The acquisition of Grupo Zap was partially financed through a capital increase in the joint venture in Brazil amounting to €77 million (note 5) and a loan to the joint venture amounting to BRL949 million (€143 million at the issue date) (note 18 and 29).

Note 5: Investments in joint ventures and associates

Principle

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.

Note 5: Investments in joint ventures and associates continued

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 8.4% 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.

	2021			2020		
Development in net carrying amount	Joint ventures	Associates	Total	Joint ventures	Associates	Total
As at 1 January	**342**	**27**	**369**	**369**	**11**	**380**
Additions (note 4)	–	–	–	77	–	77
Share of profit (loss)	**(6)**	**(2)**	**(8)**	**1**	**15**	**16**
Gain	–	7	7	–	2	2
Dividends received and capital repayments	(2)	(1)	(3)	(2)	(0)	(2)
Other comprehensive income attributable to owners of the parent	–	1	1	–	–	–
Translation differences	3	1	5	(103)	(0)	(103)
As at 31 December	**337**	**33**	**370**	**342**	**27**	**369**
Of which presented in Investments in joint ventures and associates	337	33	370	342	27	369

For more details on acquisitions and divestments of joint ventures and associates, see note 4.

In 2021, a gain of dilution on Younited of €7 million has been recognised in Other income and expenses. Interest held in Younited has decreased from 10.5% in 2020 to 8.4% in 2021. In 2020, a gain on dilution on Younited of €2 million was recognised in Other income and expenses. Interest held in Younited decreased from 10.9% in 2019 to 10.5% in 2020.

Note 5: Investments in joint ventures and associates continued

In 2020, share of profit (loss) of joint ventures and associates included a gain of €17 million in relation to the disposal by 703 Search BV of the investment in Silver Indonesia JVCO BV that was swapped for cash and a 6% stake in the online marketplace Carousell operating in Asia.

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

		2021			2020		
	Country of incorporation	Interest held	Joint ventures	Associates	Interest held	Joint ventures	Associates
Silver Brazil JVCO BV	Netherlands	50.0%	329	–	50.0%	335	–
willhaben internet service GmbH	Austria	50.0%	8	–	50.0%	7	–
Younited SA	France	8.4%	–	16	10.5%	–	11
703 Search BV	Netherlands	31.5%	–	17	31.5%	–	16
Other			–	0		–	0
Carrying amount as at 31 December			**337**	**33**		**342**	**27**

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 and infoprop.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.

Note 5: Investments in joint ventures and associates continued

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

	2021	2020
Income statement and statement of comprehensive income:		
Operating revenues	120	69
Depreciation and amortisation	(13)	(3)
Interest income	1	0
Interest expense	(19)	(3)
Taxes	4	(1)
Profit (loss)	(18)	(2)
Profit (loss) attributable to owners of the parent	(18)	(2)
Total comprehensive income attributable to owners of the parent	(18)	(2)
Share of profit (loss)	**(9)**	**(1)**
Share of other comprehensive income	–	–
Share of total comprehensive income	**(9)**	**(1)**
Statement of financial position:		
Goodwill	349	411
Other non-current assets	151	105
Other current assets	22	12
Cash and cash equivalents	28	21
Non-current financial liabilities (excluding trade and other payables)	(332)	(314)
Other non-current liabilities	(28)	(38)
Other current liabilities	(33)	(28)
Net assets/(liabilities)	**158**	**170**
Share of net assets/(liabilities)	79	85
Goodwill	250	250
Carrying amount as at 31 December	**329**	**335**

The table above shows figures on a 100% basis. Variances in the income statement from 2021 to 2020 are mainly due to the Grupo Zap acquisition in October 2020.

Note 6: Operating segments

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

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

- France comprises primarily leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun, PayCar, L'Argus and Pilgo.
- Mobile.de comprises Mobile.de in Germany.
- European Markets comprises primarily eBay Kleinanzeigen in Germany, Markplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, Automobile and Kijiji in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary and Kufar in Belarus. Furthermore, Adevinta's share of the net profit (loss) of willhaben in Austria is included in operating profit (loss). While CEO receives separate reports for each region, the markets have been aggregated into one reportable segment as they have similar risk free interest rates and similar economic risks.
- International Markets comprises Segundamano and Vivanuncios in Mexico, Kijiji and Kijijiautos in Canada, Infojobs Brazil in Brazil and Gumtree in other countries (Poland, Ireland, Singapore and Argentina). Furthermore, Adevinta's share of the net profit (loss) of Silver Brazil joint venture (including OLX, Anapro and Grupo Zap) is included in operating profit (loss).

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

See the explanation in note 7 regarding disaggregation of revenues.

Note 6: Operating segments continued

Operating revenues and profit (loss) by operating segments

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

2020 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other/ Headquarters	Eliminations	Total
Operating revenues from external customers	392	–	250	7	19	5	–	673
Operating revenues from other segments	1	–	0	0	0	4	(5)	–
Operating revenues	**393**	**–**	**250**	**8**	**19**	**9**	**(5)**	**673**
Gross operating profit (loss)	**191**	**–**	**69**	**(2)**	**(15)**	**(61)**	**–**	**182**
Depreciation and amortisation	(24)	–	(16)	(2)	(2)	(16)	–	(61)
Share of profit (loss) of joint ventures and associates	(2)	–	3	(1)	–	17	–	16
Impairment loss	0	–	(0)	(0)	(42)	(0)	–	(43)
Other income and expenses	2	–	(1)	(2)	3	(41)	–	(39)
Operating profit (loss)	**166**	**–**	**54**	**(7)**	**(56)**	**(101)**	**–**	**56**

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

Note 6: Operating segments continued

Operating revenues and non-current assets by geographical areas

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

€ million	2021	2020
Operating revenues		
France	451	392
Germany	246	–
Spain	192	165
Other Europe	182	96
Other countries	67	20
Total	**1,139**	**673**
Non-current assets		
France	1,238	726
Germany	8,313	–
Spain	664	519
Other Europe	1,400	188
Other countries	1,674	376
Total	**13,289**	**1,809**

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 Latin America.

Note 7: Revenue recognition

Principles

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
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 model offers payment facilitation and delivery services. 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) because this is when the customer benefits from Adevinta's transactional services.

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.

Estimation uncertainty
For classified revenues from certain listing fees and premium products recognised over time, judgement is required in determining the normal pattern of views for ads displayed for a defined maximum period of time. The management believes that, based on past experience, 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

	2021	2020
Revenue from contracts with customers	1,138	670
Other revenues	2	3
Operating revenues	**1,139**	**673**

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.

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

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

Operating revenues by category:

€ million	2021	2020
Advertising revenues	241	118
Classifieds revenues	883	546
– of which transactional	44	22
Other operating revenues	15	10
Operating revenues	**1,139**	**673**

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. The contract assets are transferred to receivables when the rights to receive consideration become unconditional. 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 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**

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2020	**95**	**8**	**57**
Net of cash received and revenues recognised during the period	(6)	7	3
Transfer from contract assets recognised at the beginning of the period to receivables	7	(7)	–
Acquisitions through business combinations	0	–	0
Disposals through sales of businesses	(3)	(1)	(1)
Impairment losses recognised	(7)	–	–
Translation differences	(1)	(0)	(1)
Balance as at 31 December 2020	**85**	**6**	**58**

Note 7: Revenue recognition continued

All contracts have a duration of one year or less, hence contract liability at the beginning of the period is 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 2021 and 2020, no significant incremental commission fees were capitalised and no impairment loss related to capitalised contract costs was recognised.

Note 8: Other operating expenses

	2021	2020
Commissions	14	14
Rent, maintenance, office expenses and energy	13	11
Marketing spend	155	80
Professional fees	108	41
Travelling expenses	3	3
IT expenses	75	55
Other expenses	47	29
Total	**415**	**233**

The increase in other operating expenses in 2021 is mainly due to the acquisition of eBay Classifieds Group. In addition, there has been an increase in marketing spend, notably in Spain and Italy, and an increase in costs from transaction services as a result of higher transaction volumes combined with promotional campaigns to drive increased adoption.

Note 9: Personnel expenses and remuneration

	2021	2020
Salaries and wages	283	205
Social security costs	72	60
Net defined benefit expense	2	2
Net defined contribution expense	2	0
Share-based payment	31	7
Other personnel expenses (1)	(19)	(17)
Total	**371**	**258**
Average number of full-time equivalents	4,331	4,096

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

From total personnel expenses and remuneration, €368 million are presented in Personnel expenses (€258 million in 2020) and €3 million are presented in Other income and expenses (€0 million in 2020) in the Consolidated income statement.

Note 9: Personnel expenses and remuneration continued

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

	2021	2020
Salary incl. holiday pay	2,711	2,165
Variable pay	3,735	731
Share-based payment (earned)[1,2]	3,328	2,668
Other remuneration/benefit	415	249
Total	**10,191**	**5,814**
Accrued pension expenses	371	316

[1] Cost details and valuation of share-based payment are disclosed in note 10.
[2] Shared-based payment is the accrued amounts related to 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 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.
Group Management composition at 31 December 2020: 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), Gianpaolo Santorsola (EVP European Markets) and Ovidiu Solomonov (SVP Global Markets).

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):

	2021	2020
Board remuneration	513	324
Remuneration Committee	25	19
Audit Committee	36	39
Integration Committee	36	–
Nomination Committee	26	13
Total remuneration	**636**	**395**

[1] The 2021 remuneration refers to agreed remuneration for 2021, 50% was paid in 2021 and 50% is due to be paid in 2022. The 2020 remuneration refers to agreed remuneration for 2020 that was paid in 2021.

For further information regarding management remuneration please see Adevinta 2021 Remuneration Report that will be published in relation to the Annual General Meeting scheduled to be held in June 2022.

Note 10: Share-based payment

Principle

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 and the Adevinta Performance Share Plan (PSP).
- In addition, some members of the Adevinta executive management team have individual share-based programmes.
- In May 2020, the Adevinta PSP for 2020 was granted to senior employees of Adevinta. In July 2021, the Adevinta PSP for 2021, including the Merger and New Joiner awards, were granted to senior employees of Adevinta.

In addition, from June to November 2021 the Legacy Equity Plan (LEP), Davi Plan and Spot Equity (Integration) awards were granted to key management and some employees of Adevinta in relation to the acquisition of eBay Classifieds Group.

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

	2021	2020
Share-based cost (included in personnel expenses) (note 9)	31	7
Of which is equity-settled	30	7
Of which is cash-settled	1	1

	2021	2020
Liabilities arising from share-based payment transactions	3	1

Settlement of rights

- In 2020 LTI awards were settled in the form of 231,003 treasury shares.
- Existing awards in the KCP programme were settled in cash during 2020 with a pay-out of €0 million. Existing awards in the SEP programme were settled in cash during 2020 and 2021 with a pay-out of €0 million and €0 million respectively.
- In addition, in October 2020 52,469 treasury shares were transferred to the employees in relation to other awards.
- 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.

Note 10: Share-based payment continued

In addition, in July 2021 2,293 treasury shares were transferred to its 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.

The Adevinta Performance Share Plan ("PSP")

In June 2019 (with effect from 10 April 2019), in May 2020 (with effect from 1 January 2020), and in July 2021 (with effect from 1 January 2021), 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 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 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 and 2021 was estimated at the grant date to be €9 million, €4 million and €13 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.

Note 10: Share-based payment continued

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.

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 merger awards were granted on 12 July 2021 and will vest on 31 December 2023 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.

Note 10: Share-based payment continued

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 to be €5 million which will be expensed over the vesting period subject to forfeiture.

New Joiner awards

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

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

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 2021 DAVI awards started on 25 June 2021 and ended on 31 December 2021.

The total fair value of the DAVI awards was estimated at the grant date to be €14 million which will be expensed over the vesting period subject to forfeiture.

Spot Equity (Integration) awards

The Spot Equity 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 total fair value of the Spot awards was estimated at the grant date to be €3 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 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:

	2021	2020
Number of shares granted, not-vested at 1 January	2,972,659	2,255,294
Number of shares granted	5,399,402	1,219,763
Number of shares forfeited	(682,579)	(201,182)
Number of shares vested	(431,173)	(283,472)
Number of shares converted into cash	(11,298)	(17,744)
Adjustments of shares granted(*)	(5,474,194)	–
Number of shares not-vested at 31 December	**1,772,817**	**2,972,659**
Weighted average share price at vesting date for awards vested during the year (NOK per share)	133.3	110.4
Weighted average fair value at grant date for awards granted during the year (NOK per share)	154.6	61.9

(*) Adjustment of shares granted mainly reflects changes in estimated payout from grant date.

In 2021 and 2020, the accounting effects of the share-based payment programmes were as follows:

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	1	1	0
New joiner award	0	0	0
DAVI award	3	3	0
Spot award	0	0	0
LTI and Transition award	0	0	0
Employee share savings plan	1	1	0
Total	**31**	**27**	**2**

Note 10: Share-based payment continued

2020	Personnel cost	Increase in equity	Increase in liabilities
PSP 2019	3	3	0
PSP 2020	1	1	0
LTI and Transition award	2	2	0
Employee share savings plan	1	1	0
Total	**7**	**7**	**0**

Note 11: Other income and expenses

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

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

Acquisition-related costs of €49 million and integration-related costs of €47 million in 2021 (€32 million and €6 million respectively in 2020) mainly relate to the acquisition of eBay Classifieds Group.

Restructuring costs of €5 million in 2021 (€2 million in 2020) consist primarily of costs from restructuring processes in International Markets and Other/Headquarters.

Note 12: Financial items

Financial income and expenses consist of:

	2021	2020
Interest income	9	1
Gain on sale of equity instruments	3	–
Other financial income	1	4
Total financial income	**13**	**5**
Interest expenses	(60)	(10)
Net foreign exchange loss	(2)	(84)
Other financial expenses	(15)	(5)
Total financial expenses	**(78)**	**(99)**
Net financial items	**(65)**	**(95)**

Interest expenses consist of:

	2021	2020
Interest on Senior Security Notes (note 23)	(30)	(5)
Interest on EUR TLB (note 23)	(15)	–
Interest on USD TLB (note 23)	(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	(6)	(3)
Total interest expenses	**(60)**	**(10)**

In 2021, €9 million (€1 million in 2020) 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 relates to the sale of the shares in Bipi Mobility, S.L. (note 18).

Interest expenses and other financial expenses in 2021 are mainly related to new financing obtained in connection to the eCG acquisition (note 23). Other financial expenses in 2021 are mainly due to amortisation of the costs directly attributable to the issue of the new financing using the effective interest method.

In 2020, net foreign exchange loss resulted mainly from a €79 million loss with respect to the derivatives entered into in relation to the Grupo Zap acquisition (€67 million) and the expected acquisition of the eBay Classifieds Group (€12 million), the loss of €9 million in relation to loan denominated in euro granted by Adevinta Netherlands NV to Infojobs Brasil Atividades de Internet Ltda and a gain of €6 million in relation to the loan denominated in Brazilian real granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda in 2020 (note 22).

Note 13: Income taxes

Principle

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.

Estimation uncertainty

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:

	2021	2020
Current income taxes	65	54
Deferred income taxes	(46)	(23)
Taxes	**19**	**31**
Of which recognised in profit or loss from continuing operations	19	31
Of which recognised in other comprehensive income	0	0

Note 13: Income taxes continued

Adevinta's underlying tax rate differs from the nominal tax rates in countries where Adevinta has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2021	2020
Profit (loss) before taxes	**(35)**	**(39)**
Estimated tax expense based on nominal tax rate in Norway of 22%	(8)	(9)
Tax effect share of profit (loss) of joint ventures and associates	2	(4)
Tax effect impairment loss goodwill	1	9
Tax effect gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	8	(1)
Tax effect other permanent differences	15	5
Current period unrecognised deferred tax assets	9	39
Reassessment of previously unrecognised deferred tax assets	–	(18)
Reassessment of previously recognised deferred tax assets including changes in tax rates	(9)	0
Effect of tax rate differentials abroad	2	9
Taxes recognised in profit or loss from continuing operations	**19**	**31**

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

Tax expense for 2021 is positively impacted by €9 million from the reassessment of previously unrecognised deferred tax assets (€18 million in 2020). 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:

	2021	2020
Current items	(10)	(6)
Intangible assets	816	79
Other non-current items	(21)	(9)
Unused tax losses	(149)	(137)
Calculated net deferred tax liabilities (assets)	**636**	**(73)**
Unrecognised deferred tax assets	108	130
Net deferred tax liabilities (assets) recognised	**744**	**57**
Of which deferred tax liabilities	896	58
Of which deferred tax assets	(152)	(2)

Note 13: Income taxes continued

Adevinta's unrecognised deferred tax assets relate mainly to foreign operations with tax losses where future taxable profits may not be available before unused tax losses expire, which mainly relate to operations in Mexico, Italy and Norway. The majority of these tax losses can be carried forward for an unlimited period. Approximately 12% of the unused tax losses expire during the first ten years.

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

	2021	2020
As at 1 January	**57**	**81**
Change included in tax expense from continuing operations	(46)	(23)
Change included in tax expense from discontinued operations	0	–
Change from purchase and sale of subsidiaries	750	(1)
Reclassification to assets held for sale	(14)	–
Disposal through sales of businesses	(4)	–
Translation differences	2	(0)
As at 31 December	**744**	**57**

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

Principle:
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.

Note 14: Earnings per share continued

€ million	Full year 2021	Full year 2020
Weighted average number of shares outstanding	963,425,437	684,896,644
Effects of dilution	1,707,094	2,807,002
Weighted average number of shares outstanding – diluted	**965,132,530**	**687,703,646**
Profit (loss) attributable to owners of the parent	(54)	(72)
Continuing operations	(60)	(72)
Discontinued operations	7	–
Earnings per share (€)	(0.06)	(0.10)
Continuing operations	(0.06)	(0.10)
Discontinued operations	0.01	–
Diluted earnings per share (€)	(0.06)	(0.10)
Continuing operations	(0.06)	(0.10)
Discontinued operations	0.01	–
Calculation of adjusted earnings per share from continuing operations		
Profit (loss) attributable to owners of the parent	(54)	(72)
Other income and expenses	140	39
Impairment loss	22	43
Taxes and non-controlling effect of Other income and expenses and Impairment loss	(15)	(1)
Profit (loss) attributable to owners of the parent – adjusted	**93**	**10**
Earnings per share from continuing operations – adjusted (€)	0.10	0.01
Diluted earnings per share from continuing operations – adjusted (€)	0.10	0.01

Note 15: Impairment assessments

Principle

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 the given period, normally five years. 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 will be significantly higher in periods with an uncertain macroeconomic environment as is the case during Covid pandemic.

Note 15: Impairment assessments continued

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

		Goodwill		Trademarks, Indefinite	
	Operating segment	2021	2020	2021	2020
Online classifieds France	France	1,019	504	98	98
Online classifieds Italy, Austria, Germany and UK (Shpock)	Disposals	–	2	–	23
Online classifieds Spain	European Markets	493	345	19	19
Online classifieds Chile	Disposals	–	12	–	6
Online classifieds Ireland	European Markets	37	37	16	16
Online classifieds Hungary	European Markets	30	24	2	2
Online classifieds Spain, Italy and Mexico	European Markets/ International Markets	–	–	129	129
Online classifieds Mexico	International Markets	7	7	0	0
Online classifieds Italy	European Markets	96	5	–	–
Online classifieds Germany (Mobile.de)	Mobile.de	2,336	–	1,707	–
Online classifieds Germany (eBayK)	European Markets	3,641	–	–	–
Online classifieds Belgium	European Markets	49	–	58	–
Online classifieds Belarus	European Markets	1	–	–	–
Online classifieds Netherlands	European Markets	134	–	798	–
Online classifieds Canada	International Markets	576	–	630	–
Total (note 16)		**8,420**	**936**	**3,457**	**293**

Impairment testing and assessments

Adevinta recognized impairment losses related to goodwill and trademarks with an indefinite useful life of €2 million and €18 million, respectively, in 2021 both related to Shpock (Austria) (note 4) and €42 million in 2020 related to Yapo (Chile).

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, are 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.

The duration and extent of the pandemic and related financial, social and public health impacts of the Covid pandemic remain uncertain. Management has based its current estimates of future cash flows taking into account that the businesses have recovered from Covid in 2021 and the discount rates are based on expected volatility, risk premiums and interest rates at levels indicative of the current environment. Management continues monitoring Covid developments.

Note 15: Impairment assessments continued

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.

Pre-tax discount rates are determined by country and are in the range between 7.5% and 18.3%. Sustained growth is determined by cash-generating units and are in the range between 1.2% and 5.2%. Based on current estimates, no impairment loss has been recognised in 2021.

The recoverable amount of Online Classified Mexico is determined based on fair value less costs of disposal (FVLCD) using Revenue multiple approach. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. No impairment was identified. The key assumptions used were based on the Group's experience with disposal of similar assets as follows:

Unobservable inputs	Value assigned to key assumptions
Revenue multiples	2.43
Cost of disposal	€1 million

Note 16: Intangible assets

Principle

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

Development in net carrying amount in 2021	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	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)
Disposal 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 losses	(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.

Development in net carrying amount in 2020	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	1,006	296	2	80	12	1,395
Additions	1	–	0	37	–	39
Acquired through business combinations	1	–	–	0	–	1
Disposals	–	–	–	(1)	–	(1)
Disposal through sales of businesses	(22)	(3)	–	(1)	–	(26)
Amortisation	–	–	(0)	(31)	(4)	(36)
Impairment losses	(42)(1)	–	–	(0)	–	(43)
Translation differences	(7)	(0)	–	(0)	(0)	(8)
As at 31 December	**936**	**293**	**2**	**84**	**7**	**1,322**
Of which accumulated cost	1,220	293	11	249	38	1,811
Of which accumulated amortisation and impairment loss	(284)	–	(9)	(165)	(30)	(489)

(1) See note 15.

Additions in software and licenses mainly consist of internally developed intangible assets.

Notes to the consolidated financial statements continued

Note 17: Property, plant & equipment

Principle

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 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)

Note 17: Property, plant & equipment continued

Development in net carrying amount in 2020	Equipment, furniture and similar assets	Total
As at 1 January	25	25
Additions	5	5
Disposals	(0)	(0)
Depreciation	(8)	(8)
Impairment loss	(1)	(1)
Translation differences	(0)	(0)
Disposals through sales of businesses	(1)	(1)
As at 31 December	**20**	**20**
Of which accumulated cost	61	61
Of which accumulated depreciation and impairment loss	(41)	(41)

Additions of €10 million in 2021 and €5 million in 2020 mainly comprise improvements and new equipment for the offices in France, Spain, Germany and Netherlands.

Note 18: Other non-current and current assets

	Non-Current		Current	
	2021	2020	2021	2020
Investments in equity and debt instruments	31	16	–	–
Trade receivables, net (note 19)	–	–	143	85
Prepaid expenses and deposits given	6	5	22	36
Loans issued	160	150	0	–
Funds locked in escrow	–	–	–	1,060
Other receivables	26	13	25	19
Total	**223**	**183**	**191**	**1,200**

The funds of €1,060 million locked in an escrow account were related to the Senior Secured Notes issued in 2020 by Adevinta ASA (note 22 and 23) and these funds were released from escrow immediately prior to completion of the acquisition of eCG in June 2021.

In October 2020, Adevinta Finance AS issued a loan to OLX Brazil joint venture amounting to BRL949 million (€160 million at 31 December 2021 and €150 million at 31 December 2020) to finance the acquisition of Grupo Zap (note 4 and 29). The loan bears an interest of SELIC + 2% subject to 18 months grace period and has a tenor of 15 years.

Note 19: Trade receivables

	2021	2020
Trade receivables	170	97
Less provision for impairment of trade receivables	(26)	(13)
Trade receivables, net	**143**	**85**

The breakdown of trade receivables by due date is as follows:

	2021	2020
Not due	116	68
Past due 0-45 days	26	16
Past due 46-90 days	6	4
Past due more than 90 days	21	9
Total	**170**	**97**

Note 20: Financial liabilities related to business combinations and increases in ownership interests

Principle

Contingent consideration classified as financial liability and 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 principles 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.

Note 20: Financial liabilities related to business combinations and increases in ownership interests continued

	Non-controlling interests' put options		Contingent considerations		Deferred considerations	
	2021	2020	2021	2020	2021	2020
Development in net carrying amount						
As at 1 January	2	2	2	4	0	7
Additions	–	–	3	1	–	0
Settlement (note 4)	(1)	–	(2)	–	(0)	(7)
Change in fair value recognised in equity	–	–	–	–	–	–
Interest expenses	0	0	–	0	–	–
Change in fair value recognised in profit or loss	(0)	–	–	(3)	–	–
As at 31 December	**2**	**2**	**3**	**2**	**–**	**0**
Of which non-current (note 21)	2	2	3	0	–	–
Of which current (note 21)	–	–	–	1	–	0
Maturity profile of the financial liabilities						
Maturity within 1 year	–	–	–	1	–	0
Maturity between 1 and 2 years	2	2	3	0	–	–

The contingent consideration recognised as at 31 December 2021 amounting to €3 million is related to the acquisition of Pixie Pixel, S.L. in 2021 (note 4). The contingent consideration recognised as at 31 December 2020 amounting to €2 million was related to the acquisition of Locasun SARL in 2019 amounting to €1 million and the acquisition of Pilgo SAS in 2020 amounting to €0 million, which have been settled in 2021 (note 4).

As at 31 December 2021, the non-controlling interest's put options amount to €2 million and are 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 has increased from 68.8% in 2020 to 100.0% in 2021 (note 4). As at 31 December 2020, the non-controlling interest's put options amounted to €2 million and were related to Infobras Spain S.L. and Paycar SAS.

Notes to the consolidated financial statements continued

Note 21: Other non-current and current liabilities

Principle

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.

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.

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.

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.

Note 21: Other non-current and current liabilities continued

The table below shows other non-current and current liabilities as of year-end:

	Non-current		Current	
	2021	2020	2021	2020
Financial liabilities related to non-controlling interests' put options (note 20)	2	2	–	–
Contingent considerations related to business combinations (note 20)	3	0	–	1
Trade payables	–	–	55	21
Public duties payable	–	–	54	33
Accrued salaries and other employment benefits	1	0	56	30
Accrued expenses	–	–	81	50
Provision for restructuring costs	–	–	1	0
Pension liabilities (note 21.1.2)	9	7	–	–
Financial derivatives (note 25)	–	–	–	156
Other liabilities	3	3	27	15
Total	**18**	**13**	**275**	**305**

21.1 Pension plans

Adevinta has both defined contribution plans and defined benefit plans.

21.1.1 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 €2 million in 2021 (€0 million in 2020) related to defined contribution pension plans or multi-employer pension plans accounted for as defined contribution plans.

21.1.2 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.

Note 21: Other non-current and current liabilities continued

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:

	2021	2020
Net expense defined benefit obligations	**2**	**2**
Of which recognised in Profit or loss – Personnel expenses	2	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	(0)	0

Changes in defined benefit obligations:

	2021	2020
Liability as of 1 January	**7**	**4**
Reclassified from accrued salaries and other employment benefits and other liabilities	–	2
Disposals through sales of businesses	(0)	–
Current and past service cost	2	2
Settlements	(0)	(0)
Interest expenses	0	0
Remeasurements	(0)	0
Liability as of 31 December	**9**	**7**

21.2 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.

Note 21: Other non-current and current liabilities continued

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

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

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

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

The main uncertainties relate to whether the services which Schibsted Group (for 2018 and 2019) and Adevinta Group (for 2020) provided to its users in France and other countries are to be considered within the scope of DST. The current interpretation points to the non-inclusion of some of the said services which means the applicable worldwide revenues within the scope of DST should be below €750 million.

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

Digital services tax in Spain

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

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

Note 22: Financial risk management

Capital management and funding

Adevinta's financial risk management is predominantly controlled by a central treasury department (Group treasury) 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.

Note 22: Financial risk management continued

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 2021	31 December 2020
Non-current interest-bearing borrowings	2,312	1,266
Non-current lease liabilities	73	82
Current interest-bearing borrowings	152	295
Current lease liabilities	19	18
Proceeds from the borrowings placed in the escrow account	–	(1,060)
Cash and cash equivalents	(231)	(131)
Net interest-bearing debt	**2,324**	**470**
Equity	**10,385**	**1,222**
Net gearing (net interest-bearing debt/equity)	**0.2**	**0.4**

In February 2020, Adevinta refinanced its existing €300 million bank facility with €600 million multicurrency term loan and revolving credit facilities. The lenders consisted of Nordic and international banks. The facility was multicurrency based on IBOR rates floor at 0% with the addition of a margin of between 0.8% and 2.1%. The facilities included an accordion increase option, which provided flexibility for the parties to agree an additional €120 million during the term of the facilities. The revolving credit facility had a tenor of five years with two one-year extension options, whilst the term loan component had a tenor of three years. Adevinta paid a commitment fee to maintain the facility's availability. During the fourth quarter of 2020 the revolving facility was drawn down in order to finance the acquisition of Grupo Zap, amounting to €65 million at 31 December 2020. The term loan was drawn in NOK and converted into €200 million through a cross-currency swap and variable interest rate was swapped to fixed interest rate. These proceeds were used to cancel the old facility. As a result of the depreciation of the NOK/EUR since the loan was obtained, the non-current interest-bearing debt increased by €5 million. This effect was offset by an increase in other non-current assets of €5 million related to the fair value change of the interest and currency swap derivative entered into in relation to the loan.

In April 2020, Adevinta entered into a €150 million short-term bridge loan facility with BNP Paribas Fortis SA/NV and a €75 million short-term bridge term loan facility with J.P. Morgan Securities plc, to finance part of the purchase price for the acquisition of Grupo Zap (note 4) and for general corporate purposes. The bridge term loan facilities matured in January 2021, with two three-month extension options. The first of these extension options was exercised in December 2020. Borrowings under these facilities bore interest at a rate equal to the aggregate of EURIBOR plus an applicable margin, which ranged from 0.8% to 2.4% depending on the time period that has elapsed since the date of this facility agreement. On 31 December 2020, these facilities were drawn in full.

In November 2020, Adevinta 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. The notes were issued pursuant to an indenture between, among others, Adevinta and Citibank N.A., London Branch, as trustee and security agent.

Note 22: Financial risk management continued

Concurrently with the consummation of the offering of the notes, Adevinta 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 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 in 2020 into a deal-contingent forward starting 3 year cross-currency interest rate swap, effectively converting the $506 million USD TLB into €427 million with an all-in fixed rate of 3.169%.

In November 2020, Adevinta also secured a new €450 million multicurrency revolving credit facility to replace the existing revolving credit facility immediately prior to completion of the acquisition of eBay Classifieds Group.

As at 31 December 2020 the gross proceeds from the issuance of Senior Secured Notes were placed into a segregated escrow account pledged in favor 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, the Term Loan B of $506 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.

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 addition, Adevinta's new financing contains certain financial covenants.

The new €450 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.

Note 22: Financial risk management continued

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.

Adevinta's €400 million multicurrency revolving credit facility, entered into February 2020 and in force until June 2021, contained financial covenants regarding the ratio of net interest-bearing debt (NIBD) to EBITDA. The ratio should normally not exceed 3.0x, but could be reported at higher levels up to four quarters during the loan period, as long as the ratio stayed below 4.0x.

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 (US$) and Brazilian real (BRL).

The main exposures from financial instruments at the end of 2021 reporting period, expressed in € million were as follows:

	31 December 2021	
	BRL	USD
Term loan (USD)	–	(445)
Loan issued (BRL) (note 18 and 29)	150	–
Cross-currency swap EUR/USD (cash flow derivative)	–	445
Foreign currency forwards in relation to highly probable purchase of services (cash flow hedges)	–	13

The main exposures from financial instruments at the end of 2020 reporting period, expressed in € million were as follows:

	31 December 2020		
	BRL	NOK	USD
Term loan (NOK)	–	(205)	–
Loan issued (BRL) (note 18 and 29)	150	–	–
Cross-currency swap EUR/NOK (cash flow hedge)	–	205	–
Cross-currency swap EUR/USD (cash flow derivative)	–	–	(412)
Foreign currency forwards (cash flow hedges)	–	–	2,037

At 31 December 2020, Term Loan B facilities were not drawn down yet, hence the US-dollar-denominated tranche was not included in the analysis above. The $2.5 bn cash consideration for the expected eBay Classifieds Group acquisition was not included in the table either. As a result, in respect of US dollar exposure the above table presents derivative instruments only and did not include the hedged items.

Note 22: Financial risk management continued

In 2021, the aggregate net foreign exchange loss recognised in profit or loss amounted to €2 million (loss of €84 million in 2020).

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 US dollar and Brazilian real expenditures. The risk is hedged with the objective of minimising the volatility of cost in € of highly probable forecasted expenditures.

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 2021:

	2021
Foreign currency forwards:	
Carrying amount (current asset)	1
Notional amount	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 (US$), therefore the hedge ratio is 1:1.

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance were as follows in 2020:

	2020
Foreign currency forwards:	
Carrying amount (current liability)	151
Notional amount	2,037
Maturity date	2021
Hedge ratio*	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	144
Change in value of hedged item used to determine hedge ineffectiveness	144
Weighted average hedged rate for outstanding hedging instruments	1.14 USD: 1 EUR

* The foreign currency forwards and options are denominated in the same currency as the highly probable future business combination (US$), therefore the hedge ratio is 1:1.

Note 22: Financial risk management continued

Sensitivity

	Impact on post-tax profit		Impact on other components of equity	
	2021 € million	2020 € million	2021 € million	2020 € million
USD/EUR exchange rate – increase 10%	1	–	–	163
USD/EUR exchange rate – decrease 10%	(1)	–	–	(163)
BRL/EUR exchange rate – increase 10%	15	15	–	–
BRL/EUR exchange rate – decrease 10%	(15)	(15)	–	–

The sensitivity of profit or loss to changes in the exchange rates arises mainly from the Brazilian real denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

The above US dollar sensitivity for 2020 is not representative as the exposure does not include the hedged or underlying items as future cash flows are not included in the Consolidated statement of financial position.

Other comprehensive income became sensitive to movements in euro/US dollar exchange rates in 2020 because of the US dollar forwards entered to hedge the USD2.5 bn cash consideration for the forecasted acquisition of eBay Classifieds Group.

The Group's exposure to other foreign exchange movements is not material.

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 2021 and 2020, the Group's borrowings at variable rates were mainly denominated in euros, US Dollar and Norwegian Kroner.

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:

	2021	2020
Variable rate borrowings	1,424	493
Total borrowings	2,464	1,561
Variable borrowings as % of total borrowings	58%	32%

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 rates in relation to the total amount of borrowings.

At 31 December 2020, Term Loan B facilities that bear a variable interest rate were not drawn down and hence were not included in the analysis above.

Note 22: Financial risk management continued

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.

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:

	2021	2020
Loan issued at variable rates (note 29)	160	150
Total loans issued	161	150
Loan issued at variable rates as % of total loans issued	100%	100%

Instruments used by the Group

Interest rate swaps currently in place in 2021 cover approximately 29% (41% in 2020) of the variable interest loan principal outstanding. The fixed interest rates of the swap is 3.169% (30/360) (range between 0.42% and 0.46% in 2020) 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% (0.8% and 1.9% above the 90 day IBOR rates in 2020).

The interest swap contracts require settlement of net interest receivable or payable every 90 days plus the 0.25% quarterly notional amortization. The settlement dates coincide with the dates on which interest and notional amortization are payable on the underlying debt.

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:

	2021	2020
Cross-currency interest rate swaps:		
Carrying amount (non-current asset)	17	5
Notional amount	445	205
Maturity date	2024	2023
Hedge ratio	1.09:1	1:1
Change in fair value of outstanding hedging instruments since 1 January	22	5
Weighted average hedged rate for the year	3.2%	0.4%

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates for loans with floating rates where cash flows are not hedged.

	Impact on post-tax profit	
	2021	2020
Interest rate – increase by 100 basis points	(4)	(1)
Interest rate – decrease by 100 basis points (*)	–	–

* Floor at 0% Euribor facilities.

Note 22: Financial risk management continued

An increase of 1 percentage point in the floating interest rate would mean a change in Adevinta's net interest expenses of approximately €4 million for 2021, remaining unchanged the principal amount of loans with floating rates (€1 million for 2020).

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 2021 and 2020 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 2021, Adevinta had a liquidity reserve of €531 million, corresponding to 47% of revenues, and net interest-bearing debt was €2,324 million. As of 31 December 2020, Adevinta had a liquidity reserve of €466 million, corresponding to 69% of revenues, and net interest-bearing debt was €470 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 2021, Adevinta had €300 million undrawn of the floating rate revolving credit facility (€335 million at 31 December 2020). Subject to the continuance of financial conditions, this facility may be drawn at any time in multiple currencies and has an average maturity of 4 years.

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.

Note 22: Financial risk management continued

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
Derivatives							
Gross settled (foreign currency forwards and interest rate swaps – cash flow hedge)	(1)	(3)	(4)	(21)	–	–	(17)
(inflow)	(11)	(24)	(21)	(444)	–	–	(17)
outflow	99	20	18	423	–	–	–

Contractual maturities of financial liabilities At 31 December 2020	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	21	–	–	–	–	21	21
Borrowings	66	259	32	1,019	424	1,801	1,561
Lease liabilities	5	16	18	46	31	116	100
Derivatives							
Gross settled (foreign currency forwards and interest rate swaps – cash flow hedge)	(0)	153	(2)	(6)	0	145	146
(inflow)	(1)	(2,039)	(3)	(206)	0	(2,249)	(5)
outflow	0	2,192	1	200	0	2,393	151

At 31 December 2020, Term Loan B facilities were not drawn down, hence not included in the maturity analysis above. The cross-currency interest rate swap in respect of the TLB USD tranche was not included into the maturity analysis either. This instrument was deal-contingent and would have been cancelled if the TLB facilities were not drawn down.

Note 23: Interest-bearing borrowings

	Carrying amount		Fair value	
	2021	2020	2021	2020
Non-current interest-bearing borrowings				
Bank loans	1,279	206	1,350	206
Senior Secured Notes	1,032	1,060	1,063	1,060
Total non-current interest-bearing borrowings	**2,312**	**1,266**	**2,413**	**1,266**
Current interest-bearing borrowings				
Bank loans and other credit facilities	148	290	148	290
Interest accrued on Senior Secured Notes	4	5	4	5
Bank loans, overdrafts	–	0	–	0
Total current interest-bearing borrowings	**152**	**295**	**152**	**295**
Total interest-bearing borrowings	**2,464**	**1,561**	**2,565**	**1,561**

The Bank Loans at 31 December 2021 are denominated in € and USD currency (€ and NOK currency at 31 December 2020).

The Term Loan B and the Senior Secured Notes at 31 December 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.

Bridge term loan facilities at 31 December 2020 of €225 million were guaranteed by Adevinta but were not secured.

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 2021 and 2020 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

Principle

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

Note 24: Financial instruments by category continued

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.

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.

Note 24: Financial instruments by category continued

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 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
Other non-current liabilities	21,31	–	–	–	73	3	2	77
Current interest-bearing borrowings	23	–	–	–	152	–	–	152
Other current liabilities	21,25,31	–	–	–	163	–	–	163
Total liabilities		**–**	**–**	**–**	**2,699**	**3**	**2**	**2,704**

31 December 2020	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	153	15	5	–	–	–	174
Trade and other receivables		91	–	–	–	–	–	91
Other current financial assets	18	1,060	–	–	–	–	–	1,060
Cash and cash equivalents		131	–	–	–	–	–	131
Total assets		**1,435**	**15**	**5**	**–**	**–**	**–**	**1,456**
Non-current interest-bearing borrowings	23	–	–	–	1,266	–	–	1,266
Other non-current liabilities	21,31	–	–	–	82	–	2	84
Current interest-bearing borrowings	23	–	–	–	295	–	–	295
Other current liabilities	21,25,31	–	–	–	96	7	151	254
Total liabilities		**–**	**–**	–	**1,739**	**7**	**154**	**1,899**

Note 24: Financial instruments by category continued

Adevinta's financial assets and liabilities measured at fair value, analysed by valuation method:

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	–	–	31	31
Contingent consideration related to business combinations and non-controlling interests' put options (note 20)	–	–	(5)	(5)

31 December 2020	Level 1	Level 2	Level 3	Total
Hedging derivatives – deal-contingent forwards (note 25)	–	(151)	–	(151)
Cross-currency interest rate swap (note 25)	–	(5)	–	(5)
Hedging derivatives – cross-currency loan swap (note 25)	–	5	–	5
Equity instruments at fair value through OCI	–	–	15	15
Contingent consideration related to business combinations and non-controlling interests' put options (note 20)	–	–	(4)	(4)
Other derivatives	–	–	0	0

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:

	2021	2020
Net carrying amount 1 January	12	2
Additions	1	7
Disposals	(3)	–
Settlements	2	–
Changes in fair value recognised in other comprehensive income	15	–
Changes in fair value recognised in profit or loss	0	3
Net carrying amount 31 December	**26**	**12**

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

Principles

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.

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

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 2021 and 2020.

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. The deal-contingent forward in respect of consideration for the forecasted acquisition of Grupo Zap was not designated for hedge accounting and the related changes in fair value were recognised in profit or loss (see note 4 and note 12).

The impact of the derivatives not designated as hedging instruments in the Consolidated statement of financial position is as follows:

	31 December 2021 € million	31 December 2020 € million
Current assets		
Other derivatives	–	0
Current liabilities		
Cross-currency interest rate swap	–	(5)

The effect of the derivatives not designated as hedging instruments in the Consolidated income statement is as follows:

	2021 € million	2020 € million
Net (loss) on foreign currency forwards not designated as hedging instruments included in financial (expenses)	–	(74)
Net (loss) on cross-currency interest rate swaps not designated as hedging instruments included in financial (expenses)	(3)	(5)

Note 25: Derivatives and hedging activities continued

Derivatives designated as hedging instruments

Cash flow hedges

As at 31 December 2021 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 operating cash flows:

	Maturity						
	Less than 1 month	1 to 3 months	3 to 6 months	6to 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

The impact of the hedging instruments in the Consolidated statement of financial position is as follows:

	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

The impact of hedged items in the Consolidated statement of financial position is as follows:

	2021 Hedging reserve € million
Foreign currency forward contracts in relation to highly probable purchase of services	1
Cross-currency swap contracts (€/USD)	2
Cross-currency swap contracts (€/NOK)	4
Highly probable forecasted business combination	56

Note 25: Derivatives and hedging activities continued

The effect of the cash flow hedge in the Consolidated statement of other comprehensive income is, as follows:

	Total hedging gain/loss recognised in OCI (Hedging reserve) € million
2021	
Highly probable forecasted business combination	56
Borrowings	7
Foreign currency forward contracts in relation to the purchase of services	1

As at 31 December 2020 the Group held the following derivative instruments which were designated as hedging instruments to hedge future exposures in currency risk related to highly probable business combinations and currency and interest rate risks related to forecasted operating cash flows:

	Maturity						
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	>1 year	Total
As at 31 December 2020							
Deal-contingent foreign exchange forward contracts (highly probable forecasted business combination)							
Notional amount (in EUR)				(2,037)			(2,037)
Average forward rate (USD/EUR)				1.14			
Cross-currency swap contracts NOK/EUR (borrowings)							
Notional amount (in EUR)						205	205
Average forward rate (NOK/EUR)						10.75	

The impact of the hedging instruments in the Consolidated statement of financial position was as follows:

	Notional amount € million	Carrying amount € million	Line item in the Consolidated statement of financial position
As at 31 December 2020			
Deal-contingent foreign exchange forward contracts	2,037	(151)	Other current financial liabilities
Cross-currency swap contracts	205	5	Other non-current assets

Note 25: Derivatives and hedging activities continued

The impact of hedged items in the Consolidated statement of financial position was as follows:

	2020 Hedging reserve € million
Highly probable forecasted business combination	(144)[1]
Borrowings – Cross-currency swap term loan	(4)

[1] Changes in fair value of the deal-contingent forward in respect of a portion of consideration for the forecasted acquisition of eBay Classifieds Group were recognised in profit or loss (€7 million) until this instrument was designated for hedge accounting.

The effect of the cash flow hedge in the Consolidated statement of other comprehensive income was as follows:

	Total hedging gain/loss recognised in OCI (Hedging reserve) € million
2020	
Highly probable forecasted business combination	(144)
Borrowings	(4)

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 2019	**684,948,502**	**–**	**–**	**–**	**684,948,502**	**–**
Increase in treasury shares	(320,000)	–	320,000	–	–	–
Decrease in treasury shares	267,773	–	(267,773)	–	–	–
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**

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 of 31 December 2020 was NOK 136,989,700.40 divided into 684,948,502 ordinary shares, each with a nominal value of NOK0.20.

The Annual General Meeting of 5 May 2020 of Adevinta ASA granted authorisation to the Board to buy-back own shares up to NOK 13,698,970 (total nominal value of the shares) with a minimum amount of NOK 20 and a maximum amount of NOK 750 paid per share. The Board was 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 was valid until the next Annual General Meeting of the Company in 2021, but in no event later than 30 June 2021.

At the Annual General Meeting of 5 May 2020, 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 not to exceed an aggregate of NOK 13,698,970. The Board was further authorised to issue convertible loans to a total amount of NOK 7,500,000,000 (or equal in other currencies) whereby the share capital may be increased by a total of NOK13,698,970 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 the aggregate amount cannot exceed 10% of the Adevinta ASA's share capital at the time of the resolution to issue shares or convertible loans (on the assumption that 100% of the convertible loans would be converted into equity). The authorisation lapsed at the time of the next Annual General Meeting of the company, but no later than 30 June 2021.

Note 26: Equity continued

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.

Following completion of the transaction between eBay Inc. and Permira, eBay International Management B.V. holds 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 owns 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, amounts to approximately 33.1% 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.

As at 31 December 2021, voting rights held by Schibsted, eBay and Permira were 35%, 30% and 12%, respectively.

Note 26: Equity continued

Treasury shares

In May 2020, Adevinta ASA decided to acquire 320,000 of its own shares at a total purchase price of NOK 31 million (equivalent to €3 million). The purpose of the buybacks was to have treasury shares available for use in connection with settlement in share-based long-term incentive schemes. Adevinta ASA transferred in 2020 a total of 283,472 treasury shares (note 10) in connection with long-term incentive schemes amounting to €2 million. 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. Further information with respect to this programme is published on our website.

On 14 April 2021 Adevinta ASA transferred 103,502 treasury shares (note 10) to employees in connection with the share-based incentive schemes, specifically the Transition Award related to the demerger from Schibsted ASA in 2019. In addition, 73,113 treasury shares (note 10) were sold through a broker in the open market to cover the participant's tax liabilities in relation to the incentive schemes.

On 11 May 2021 Adevinta ASA transferred 109,691 treasury shares (note 10) to employees in connection with the share-based incentive schemes, specifically the Transition Award related to the demerger from Schibsted ASA in 2019. In addition, 95,878 treasury shares (note 10) were sold through a broker in the open market to cover the participants' tax liabilities in relation to the incentive schemes.

On 1 July 2021 Adevinta ASA transferred 2,293 treasury shares (note 10) to its 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.

On 16 December 2021 Adevinta ASA transferred 46,696 treasury shares (note 10) to employees in connection with bonus matching shares related to the employee share saving plan for Q3 of 2019. After withholding tax, the number of shares transferred to the employees was 21,985 treasury shares.

Note 27: Non-controlling interests

		2021					2020				
	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%	6	(8)	–	18	50.00%	5	–	–	19
Infojobs Brasil Atividades de Internet Ltda	São Paulo, Brazil	23.77%	(0)	–	0	(0)	23.77%	(3)	–	3	(0)
Other			(0)	–	(0)	(0)		(0)	–	0	0
Total			**6**	**(8)**	**(0)**	**18**		**2**	**–**	**3**	**19**

"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

The following amounts of interest paid, and interest and dividends received, are classified as cash flows from operating activities:

	2021	2020
Interest paid	(58)	(5)
Interest received	0	0

Aggregate cash flows arising from obtaining control of subsidiaries and businesses:

	2021	2020
Cash in acquired companies (note 4)	(66)	(0)
Acquisition cost other current assets	(448)	(0)
Acquisition cost non-current assets	(2,819)	(2)
Aggregate acquisition cost assets	**(3,334)**	**(2)**
Liabilities assumed (note 4)	1,087	1
Contingent consideration (note 4)	3	1
Deferred consideration (note 4)	–	0
Acquisition of subsidiaries, gross of cash acquired	**(2,243)**	**(1)**
Cash in acquired companies (note 4)	66	0
Settlement of contingent consideration originated in prior periods – Locasun SARL and Pilgo SAS (note 20)	(2)	(7)
Settlement of other consideration – payment of SAS SNEEP and options related to PayCar SAS (note 4 and 20)	(2)	–
Acquisition of subsidiaries, net of cash acquired	**(2,181)**	**(7)**

In addition to cash consideration, Adevinta issued 539,994,479 shares (€9,023 million) as a consideration transferred 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 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 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 31)	–	–	(3)
Partial or full termination (note 31)	–	–	1
Settlement (note 20)	–	1	–
Foreign exchange adjustments (note 22 and 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 favor 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).

Note 28: Supplemental information to the consolidated statement of cash flows continued

	Interest-bearing borrowings	Put obligations	Lease Liabilities
Debt as at 1 January 2020	**(202)**	**(2)**	**(67)**
Cash flows from financing activities			
New interest-bearing loans and borrowings (note 22)	(491)	-	-
Repayment of interest-bearing loans and borrowings (note 22)	205	-	-
Payment of lease liabilities (note 31)	-	-	13
Additions (note 23 and 31)	(1,065)	-	(48)
Foreign exchange adjustments (note 22 and 31)	(5)	-	0
Other	(3)	-	1
Debt at 31 December 2020	**(1,561)**	**(2)**	**(100)**

Proceeds from sale of subsidiaries, net of cash sold:

	2021	2020
Proceeds from sale of subsidiaries	316	33
Cash sold	(41)	(2)
Proceeds from sale of subsidiaries, net of cash sold	**274**	**31**

Change in ownership interests in subsidiaries consists of:

	2021	2020
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**	**–**

Within "Cash and cash equivalents" Adevinta holds as at 31 December 2021 €9 million of restricted cash related to amounts held in escrow that are related to transactions between buyers and sellers and deposits held for offices subleased. The restricted cash as at 31 December 2020 was €6 million.

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 35%, 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. Transactions with joint ventures and associates are not material for the period covering the consolidated financial statements, except for the loan issued by Adevinta Finance AS, in October 2020, to OLX Brazil joint venture amounting to BRL949 million (€160 million at 31 December 2021 and €150 million at 31 December 2020) to finance the acquisition of Grupo Zap (note 4 and 18). The loan bears an interest of SELIC + 2% subject to 18 months grace period and has a tenor of 15 years. In 2021, €9 million interest income has been recognised in relation to this loan (note 12) (€1 million in 2020).

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 2021 Remuneration Report.

For information on dividend payments and contributions to and from related parties see Consolidated statement of changes in equity.

Notes to the consolidated financial statements continued

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:

	2021	2020
Consolidated income statement		
Operating revenues	3	3
Other operating expenses	(14)	(4)
Gross operating profit (loss)	**(10)**	**(1)**
Other income and expenses	**0**	**–**
Operating profit (loss)	**(10)**	**(1)**
Profit (loss) before taxes	**(10)**	**(1)**
Consolidated statement of financial position		
Trade receivables and other current assets	2	2
Current assets	**2**	**2**
Other current liabilities	1	1
Current liabilities	**1**	**1**

Summary of transactions and balances with Bom Negócio Atividades de Internet Ltda (joint venture):

	2021	2020
Consolidated income statement		
Financial income	9	1
Profit (loss) before taxes	**9**	**1**
Consolidated statement of financial position		
Other non-current assets	160	150
Non-current assets	**160**	**150**

Note 30: Auditors' remuneration

Details on the fees to the Group's auditors for the fiscal year 2021:

	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

Details on the fees to the Group's auditors for the fiscal year 2020:

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Adevinta Group					
EY	1	0	0	0	2
Other auditors	0	0	0	0	0
Total	**1**	**0**	**0**	**1**	**2**
Adevinta ASA					
EY	0	0	0	0	1

Note 31: Lease agreements

Principle

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	Ciudad de Granada 150, Barcelona	2028
Adevinta France	85 Rue de Faubourg Saint Martin, Paris	2026
Adevinta France	UFO – 26 Rue des Jeuneurs, Paris	2029
Subito Italy	via Benigno Crespi 19, Milano	2025
Distilled Ireland	Latin Hall 8, Dublin	2025
Adevinta Product and Tech UK	164-182 Oxford Street, 2nd floor, London	2022
Marktplaats BV	Wibaustraat 224, Renault BLDG, Amsterdam	2025
Mobile.de GmbH	J9, Albert Einstein Ring 26, Kleinmachnow	2025

Consolidated income statement

	2021	2020
Expense related to short-term leases and low value assets	(2)	(1)
Gross operating profit (loss)	**(2)**	**(1)**
Depreciation of right-of-use asset	(18)	(17)
Share of profit (loss) of joint ventures and associates	(1)	(1)
Operating profit (loss)	**(22)**	**(19)**
Sublease financial income	0	0
Interest expense on lease liabilities (note 12)	(2)	(2)
Currency translation differences	(0)	(0)
Profit (loss) before taxes	**(24)**	**(21)**

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 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 operation	(1)	–	(1)
Currency translation differences	(0)	0	0
As at 31 December 2021	**82**	**1**	**82**

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 2020	60	1	61
Additions	47	1	48
Disposed through sales of businesses	(0)	–	(0)
Partial or full termination	(2)	(0)	(2)
Depreciation – profit (loss) from continuing operations	(16)	(1)	(17)
Currency translation differences	(0)	–	(0)
As at 31 December 2020	**88**	**1**	**89**

Note 31: Lease agreements continued

Carrying amount of lease liabilities recognised and the movements during the period

As at 1 January 2021	100
Additions	3
Acquired through business combinations	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	(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 and Mobile.de GmbH in Netherlands and Germany respectively.

Carrying amount of lease liabilities recognised and the movements during the period

As at 1 January 2020	67
Additions	48
Disposed through sales of businesses	(0)
Partial or full termination	(1)
Lease payments	(15)
Accretion of interest	2
Translation differences	(0)
As at 31 December 2020	**100**
Of which current	18
Of which non-current	82

The addition in 2020 was mainly related to the office lease in Rue des Jeuneurs “UFO” in Paris for Adevinta France.

Note 31: Lease agreements continued

Maturity analysis of lease liability as at 31 December 2021

<3 months	6
3 months to 1 year	15
1 to 2 years	19
2 to 5 years	44
>5 years	18
Total	**102**

This table presents undiscounted amounts.

Maturity analysis of lease liability as at 31 December 2020

<3 months	6
3 months to 1 year	16
1 to 2 years	18
2 to 5 years	46
>5 years	30
Total	**116**

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:

	2021	2020
Net cash flow from operating activities	(4)	(3)
Net cash flow from financing activities (note 28)	(20)	(12)
Total	**(24)**	**(15)**

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.

Note 31: Lease agreements continued

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 2021.

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

	Between one and five years	More than five years	Total
Extension options expected not to be exercised	5	62	67
Termination options expected not to be exercised	12	1	13
Total	**17**	**63**	**80**

Expenses related to short-term leases are expected to remain insignificant in 2022.

Net investment in sublease

The net investment in sublease relates to part of the London office.

	Net investment in sublease
As at 1 January 2021	2
Lease payments received	(2)
Accretion of interest	0
Translation differences	0
As at 31 December 2021	**1**
Of which current	1
Of which non-current	–

	Net investment in sublease
As at 1 January 2020	–
Additions	3
Lease payments received	(1)
Accretion of interest	(0)
Translation differences	0
As at 31 December 2020	**2**
Of which current	2
Of which non-current	1

Note 32: Events after the balance sheet date

CEO succession

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

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

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

Share buy-back

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.

A first tranche of the buy-back was for up to 4 million shares, and was made in accordance with the authorisation granted to the Board of Directors by the Company's General Meeting held on 29 June 2021. The authorisation was valid until the Ordinary General Meeting in 2022. The buy-back was expected to end no later than 28 June 2022. The first tranche was completed on 22 March 2022 and comprised a buy-back of 4 million shares.

A 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 20 April 2022, Adevinta ASA purchased a total of 566,933 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 is entering 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. Disclosures on the potential impacts that this uncertainty may have on reported figures in future periods have been included in note 3.

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. In light of the recent developments in Ukraine this review has been accelerated and Adevinta has decided to exit Belarus.

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.

Note 32: Events after the balance sheet date continued

The consideration transferred for the acquisition was €10 million paid in cash at acquisition date. At the time the consolidated financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of Null-Leasing.

Sale 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 €21 million recognised in other income and 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 €7 million and €10 million respectively, of which €2 million was intangible assets and €3 million was trade receivables and other current assets.

Other than the matters described above, no further matters have arisen since the end of the year 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.

Note 33: Ownership

Subsidiaries	Country of incorporation	% holding
Adevinta OOO	Belarus	100.0%
Editora Balcão Ltda	Brazil	100.0%
Infojobs Brasil Atividades de Internet Ltda[1]	Brazil	76.2%
Adevinta France SASU	France	100.0%
SCM Local SASU	France	100.0%
LBC France SASU	France	100.0%
Locasun SASU	France	100.0%
Paycar SAS	France	100.0%
Adevinta Product & Tech France SASU	France	100.0%
MB Diffusion SAS	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%
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%

[1] Sold on 30 March 2022

Note 33: Ownership continued

Subsidiaries	Country of incorporation	% holding
Skupe Net 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. (formerly eBay Classifieds Group Italia S.r.l.)	Italy	100.0%
ASM Classificado de Mexico SA De CV	Mexico	100.0%
Viva Clasificados Mexico, S. de R.L. De CV (formerly eBay Classifieds Mexico, S. de R.L. De CV)	Mexico	100.0%
Vivanuncios Classifieds Mexico, S. de R.L. De CV (formerly eBay Services 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%
Le Rouge Holding B.V.	Netherlands	100.0%
SnT Netherlands BV	Netherlands	100.0%
Marktplaats BV	Netherlands	100.0%
Marktplaats Bemiddeling BV	Netherlands	100.0%
Adevinta Finance AS	Norway	100.0%
Adevinta Products and Technology 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%
Infobras Spain SL	Spain	76.2%
Pixie Pixel, SL	Spain	100.0%
Adevinta Ventures AB	Sweden	100.0%
Adevinta Growth Partner AB	Sweden	100.0%

Note 33: Ownership continued

Subsidiaries	Country of incorporation	% holding
Adevinta Products & Technology UK Limited	United Kingdom	100.0%
Adevinta UK Ltd	United Kingdom	100.0%
Gumtree IP Aus Holding Ltd	United Kingdom	100.0%
Gumtree IP ROW Holding Ltd	United Kingdom	100.0%
Gumtree IP SA Holding Ltd	United Kingdom	100.0%
Carsguide Autotrader Media Solutions Australia PTY Ltd	Australia	100.0%
Gumtree Australia PTY Ltd	Australia	100.0%
Kijiji Canada Ltd	Canada	100.0%
Kijiji Classifieds, LLC (formerly eBay Mobile Labs LLC)	USA	100.0%
alaMaula Argentina S.R.L (formerly eBay Classifieds Argentina SRL)	Argentina	100.0%
Gumtree South Africa (PTY) Ltd	South Africa	100.0%
2ememain Belgium BVBA (formerly eBay Classifieds 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 Negócio Atividades de Internet Ltda	Brazil	50.0%
ZAP S.A. Internet	Brazil	50.0%
Vivareal Internet Ltda.	Brazil	50.0%
Geoimovel Tecnologia e informacao imobiliaria Ltda.	Brazil	50.0%
Suahouse.com Tecnologia e Gestao imobaliaria Ltda	Brazil	50.0%
DataZap S.A. Intellgencia imobiliaria	Brazil	50.0%
Infoprop Brasil Technologia Ltda	Brazil	50.0%
Facher Tecnologia Ltda	Brazil	50.0%
OLX Meios de Pagamento, Ltda	Brazil	50.0%
Silver Brazil JVCO BV	Netherlands	50.0%

Note 33: Ownership continued

Associate companies	Country of incorporation	% holding
SARL SNEEP ALGERIE	Algeria	49.0%
Younited SA	France	8.4%
703 Search BV	Netherlands	31.5%
CustoJusto Unipessoal Lda	Portugal	30.0%

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.

After the eCG acquisition, the following APMs are no longer considered significant for understanding the Group's performance and, hence, are not included in Adevinta's Annual Report 2021:

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

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

Definitions and reconciliations continued

Measure	Description	Reason for including
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and unutilised drawing rights on credit facilities.	Management believes that 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 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 fluctuation and changes in consolidation scope.

Definitions and reconciliations continued

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

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

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

Definitions and reconciliations continued

Reconciliation of underlying tax rate

	Year	
Underlying tax rate (€ million)	2021	2020
Profit (loss) before taxes	(35)	(39)
Share of profit (loss) of joint ventures and associates	8	(16)
Other losses for which no deferred tax benefit is recognised	87	178
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	37	(7)
Other non-taxable gains	(3)	(3)
Impairment losses	4	42
Adjusted tax base	**97**	**155**
Taxes	19	31
Reassessment of previously unrecognised deferred tax assets (note 13)	–	18
Capital gain tax (note 4)	–	(5)
Other non-recurring tax items	9	4
Adjusted taxes	**28**	**48**
Underlying tax rate	**29.2%**	**30.6%**

The decrease in the underlying tax rate in 2021 compared to 2020 is mainly due to the eBay Classifieds Group acquisition and the decrease in tax rate in France.

The decrease in 2021 compared to 2020 of other losses for which no deferred tax benefit is recognised is mainly due to the recognition in 2021 of tax benefit from acquisition related costs and financing costs and due to the net foreign exchange loss in 2020 resulted mainly from the derivatives entered into in relation to the Grupo Zap acquisition and the expected acquisition of the eBay Classifieds Group.

Reassessment of previously unrecognised deferred tax assets in 2020 included recognition of €14 million deferred tax assets in Spain, due to increased probability of utilising deferred tax benefits following reorganisation of centralised development activities and €4 million of deferred tax assets recognised in France as it was probable that these deferred tax assets can be recovered.

Other non-recurring tax items in 2021 include the adjustment of the tax rates applicable to deferred tax assets and liabilities and R&D projects developed in Spain. Other non-recurring tax items in 2020 included mainly tax credits in relation to R&D projects developed in Spain.

Other non-taxable or non-deductible items are related to permanent differences (note 13).

Income statement

for the year ended 31 December 2021

€ thousand	Note	2021	2020
Operating Revenues	3	50,152	25,000
Personnel expenses	5	(3,378)	(2,358)
Other operating expenses	4,19	(67,263)	(45,719)
Depreciation and amortisation		(262)	(402)
Other income and expenses	6	(1,135)	(2,320)
Operating profit (loss)		**(21,886)**	**(25,799)**
Financial income	7	255,427	8,187
Financial expenses	7	(55,663)	(163,988)
Net financial items		**199,764**	**(155,801)**
Profit (loss) before taxes		**177,878**	**(181,600)**
Taxes	8	–	–
Profit (loss)		**177,878**	**(181,600)**

Statement of financial position

for the year ended 31 December

€ thousand	Note	2021	2020
ASSETS			
Deferred tax assets	8	–	–
Intangible assets	9	6,312	308
Investments in subsidiaries	10	8,813,983	1,345,571
Other non-current assets	11	2,965,644	192,744
Non-current assets		**11,785,939**	**1,538,623**
Current assets	11	381,685	1,219,590
Cash and cash equivalents	12	5,950	43,008
Current assets		**387,635**	**1,262,598**
Total assets		**12,173,574**	**2,801,221**
EQUITY AND LIABILITIES			
Share capital	13	24,384	13,769
Other paid in capital	13	9,918,983	1,029,064
Treasury shares	13	(17,183)	(456)
Retained earnings	13	434,300	256,411
Equity		**10,360,484**	**1,298,788**
Pension liabilities	15	1,180	796
Other non-current liabilities	16,17	1,375,238	1,091,320
Non-current liabilities		**1,376,418**	**1,092,116**
Current liabilities	16,17	**436,672**	**410,317**
Total equity and liabilities		**12,173,574**	**2,801,221**

Statement of cash flows

for the year ended 31 December

€ thousand	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		177,878	(181,600)
Taxes paid	8	–	(342)
Depreciation and amortization		262	402
Group contributions included in financial income	7	–	–
Dividends	7	–	–
Capitalised interest income		(47,867)	(4,948)
Net effect pension liability	15	409	345
Other non-cash items and change in working capital		(388,095)	140,731
Net cash flow from operating activities		**(257,413)**	**(45,412)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant & equipment		(6,266)	–
Change in subsidiaries' receivables and liabilities in cash pool (net)	11,16	66,325	64,558
Group contributions and dividends (net)		–	–
Increase of non-current loans to subsidiaries		(1,350,792)	(1,135)
Repayment of non-current loans from subsidiaries	11	43,559	185,470
Acquisitions of and capital increase in subsidiaries		(2,474)	(10)
Net cash flow from investing activities		**(1,249,648)**	**248,883**
Net cash flow before financing activities		**(1,507,061)**	**203,471**
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase	13	–	–
Capital decrease	13	–	–
Net sale (purchase) of treasury shares	13	(16,727)	(456)
Increase of non-current loans from group	16	7,081	31,123
New interest-bearing loans and borrowings	16	1,479,649	–
Repayment of interest-bearing loans and borrowings	16	–	(200,000)
Net cash flow from financing activities		**1,470,003**	**(169,333)**
Net increase (decrease) in cash and cash equivalents		**(37,058)**	**34,138**
Cash and cash equivalents as at 1 January		**43,008**	**8,870**
Change in cash		–	–
Cash and cash equivalents as at 31 December	**12**	**5,950**	**43,008**

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 portion of the group's executive management, board of directors, 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 has retained a majority interest of 59.28% 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 (10.2% stake) to funds advised by Permira. On 29 July 2021, Permira exercised the 30-day option granted by eBay to purchase an additional 10 million Class A shares at the same price. The transaction between eBay Inc. and Permira was completed on 18 November, 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. See note 14 Shareholder structure for further ownership details.

The financial statements for Adevinta ASA for the year 2021 were approved by the Board of Directors on 21 April 2022 and will be proposed to the General Meeting in June 2022.

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.

Note 2: Significant accounting policies continued

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.

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. See note 13 (Equity) for further details.

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.

Note 2: Significant accounting policies continued

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.

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

	2021	2020
Management services to subsidiaries	50,152	25,000
Operating revenues	**50,152**	**25,000**

Operating revenues consist of management services provided to other group companies. Management services to subsidiaries from 2020 have been reclassed from Other income and expenses to Operating revenues caption for comparable purposes.

Notes to the parent company financial statements continued

Note 4: Other operating expenses

	2021	2020
Rent and maintenance	15	69
Office and administrative expenses	332	721
Professional fees	10,056	9,032
Acquisition related costs	37,853	29,830
Integration related cost	19,007	6,067
Other operating expenses	**67,263**	**45,719**

Acquisition-related costs and integration-related costs are mainly attributed to the acquisition of eBay Classifieds Group. These costs from 2020 have been reclassed for comparable purposes from Other income and expenses as they are operating expenses related to the services provided by the Company to other group companies.

Note 5: Personnel expenses

	2021	2020
Salaries and wages	1,591	955
Social security costs	601	300
Net pension expense (note 15)	407	351
Other personnel expenses	38	14
Share-based payment	741	738
Total personnel expenses	**3,378**	**2,358**
Number of FTEs	1	2

Remuneration of the Board is included in personnel expenses. Board directors are not included in the number of FTEs.

Rolv Erik Ryssdal is the CEO of Adevinta ASA. 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 6: Other income and expenses

Other income and expense consists of:

	2021	2020
Transition costs	825	2,320
Other costs	310	–
Other income and expense	**1,135**	**2,320**

Transition costs mainly relate to the establishment of Adevinta's own corporate functions following the spin-off from Schibsted in 2019.

Note 7: Financial items

Financial income consists of:

	2021	2020
Interest income	48,041	4,951
Interest income cash pool	1,365	1,798
Group contributions received	–	–
Dividends from subsidiaries	–	–
Foreign exchange gain (agio)	60,970	1,430
Other financial income	145,051	8
Total	**255,427**	**8,187**

Financial expenses consist of:

	2021	2020
Interest expenses	38,666	5,469
Interest expenses cash pool	–	–
Interest expenses on pension plans (note 15)	12	7
Foreign exchange loss (disagio)	7,770	157,465
Other financial expenses	9,215	1,047
Total	**55,663**	**163,988**

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 and foreign exchange loss in 2020 are 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 17 (Financial risk management and interest-bearing borrowings), which are not designated as hedging instruments. Other financial income corresponds 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 as described in note 16 (Non-current and current liabilities). Other financial expenses in 2021 include the amortization of origination fees capitalized in note 16 and other financial expenses not capitalized. In 2020 Other financial expenses relate mainly to the cancellation of the 300 million revolving credit facility.

Note 8: Income taxes

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2021	2020
Profit (loss) before taxes	177,878	(181,600)
Currency exchange difference[1]	(15,084)	8,669
Dividends received	–	–
Other permanent differences	310	10,897
Change in temporary differences	(156,069)	156,280
Effect of unrecognised actuarial gain (loss) in the pension liability	25	(72)
Taxable income before use of tax losses carried forward	**7,060**	**(5,826)**
Use of tax losses carried forward from previous years for which no deferred tax asset has been recognised	(7,060)	–
Taxable income	**–**	**(5,826)**
Tax rate	22%	22%

(1) The currency exchange difference occurs as a result of the annual accounts and tax papers being filed in different currencies.

Effective tax rate is a result of:

	2021	2020
Profit (loss) before taxes	177,878	(181,600)
Tax charged based on nominal rate	39,133	(39,952)
Tax effect permanent differences	74	2,381
Tax effect currency exchange differences	(3,319)	1,907
Change in temporary differences not booked	(34,335)	34,382
Tax losses carried forward for which no deferred tax assets is recognised	–	1,282
Use of tax losses carried forward from previous years for which no deferred tax asset has been recognised	(1,553)	–
Taxes	**–**	**–**

Note 8: Income taxes continued

The net deferred tax liability (asset) consists of the following:

	2021	2020
Temporary differences related to:		
Property, plant and equipment	(178)	–
Pension liabilities	(1,180)	(796)
Other current liabilities	73	(156,558)
Temporary differences	**(1,285)**	**(157,354)**
Taxable losses to carry forward	(17,307)	(12,878)
Total basis for deferred tax liability (assets)	**(18,592)**	**(170,232)**
Tax rate	22%	22%
Net deferred tax liability (asset) with applicable year's tax rate	(4,090)	(37,451)
Deferred tax assets not booked	4,090	37,451
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 9: Intangible Assets

	2021	2020
Intellectual Property (IP)	4,189	–
Consolidation tool	2,076	–
Other	47	308
Total	**6,312**	**308**

Pursuant to the acquisition of eCG, Adevinta ASA acquired some IP related to Kijiji Canada amounting to 4,189 thousand euros. This IP has been transferred at net book value to a subsidiary of the Group in March 2022.

Note 10: 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:

					Carrying amount	
	Ownership and voting share	Location	Total Equity	Result (100%)	2021	2020
Adevinta Finance AS	100%	Oslo, Norway	1,475,976	(45,436)	2,094,225	1,345,561
Adevinta Oak Holdings BV	100%	Amsterdam, Netherlands	(829,632)	(158,524)	6,719,758	10
Total					**8,813,983**	**1,345,571**

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.

Note 11: Other non-current and current assets

	Non-current		Current	
	2021	2020	2021	2020
Group companies' receivables in cash pool	–	–	107,077	121,618
Other receivables from Group companies	2,965,644	192,744	274,354	1,299
Prepaid expenses	–	–	6	67
Other receivables	–	–	248	1,096,606
Total	**2,965,644**	**192,744**	**381,685**	**1,219,590**

Non-current receivables from Group companies in 2021 consist of a loan to Adevinta France SAS of €113,393 thousand (€127,955 thousand in 2020), a loan to LBC France SASU of €21,262 thousand (€20,889 thousand in 2020), a loan to Adevinta Holdco Spain SL of €20,088 thousand (€43,900 thousand in 2020), a loan to Adevinta Finance AS of €1,357,815 thousand and a loan to Oak Germany Buyer GmbH of €1,453,086 thousand.

Current other receivables included in 2020 mainly funds of € 1,060,000 thousand locked in an escrow account related to Senior Secured Notes issued in 2020 by Adevinta ASA, see note 22 (Financial risk management) and 23 (Interest-bearing borrowings) to the consolidated financial statements.

Note 12: Cash and cash equivalents

	2021	2020
Net assets in cash pool	5,235	43,008
Net assets outside the cash pool	715	–
Total Cash and cash equivalents	**5,950**	**43,008**

Adevinta ASA has a multi-currency cash pool with Danske Bank and a multi-currency cash pool with BNP. 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 2020 and 2021, 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 13: Equity

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
Equity as at 31 December 2020	**13,769**	**(456)**	**1,029,064**	**256,411**	**1,298,788**
Capital Increase	10,615	–	8,890,149	–	8,900,764
Change in treasury shares	–	(16,727)	–	–	(16,727)
Share-based payment	–	–	(230)	–	(230)
Unrecognised actuarial gain (loss) in pension plans, net of tax	–	–		25	25
Other	–	–	–	(14)	(14)
Profit (loss)	–	–	–	177,878	177,878
Equity as at 31 December 2021	**24,384**	**(17,183)**	**9,918,983**	**434,300**	**10,360,484**

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.

Note 13: Equity continued

The Annual General Meeting of Adevinta ASA held 29 June 2021, authorised the Board to buy-back own shares up to 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 2022, but in no event later than 30 June 2022.

At the Annual General Meeting of 29 June 2021 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 the aggregate amount cannot exceed 10% of the Adevinta ASA's share capital at the time of the resolution to either issue shares or convertible loans (on the assumption that 100% of the convertible loans would be converted into equity). The authorisation will lapse at the time of the next Annual General Meeting in the company, but no later than 30 June 2022.

In March 2021 Adevinta ASA decided to acquire 1,700,000 of its own shares at a total purchase price of NOK 227.4 million (equivalent to €22.4 million). The purpose of the buy-backs was to have treasury shares available to settled share-based long-term incentive schemes obligations. Adevinta ASA has in 2021 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 1,321,054 treasury shares as of 31 December 2021 (52,227 as of 31 December 2020).

Note 14: Shareholder structure

The 20 largest shareholders as at 31 December 2021

	Total number of shares	% of shares
Schibsted ASA	406,050,523	33.1 %
eBay International Holding GmbH	402,256,518	32.8 %
Clearstream Banking S.A.*	135,479,598	11.1 %
Folketrygdfondet	28,075,715	2.3 %
State Street Bank and Trust Comp*	21,785,348	1.8 %
Blommenholm Industrier AS	17,093,587	1.4 %
The Bank of New York Mellon*	11,601,245	0.9 %
JPMorgan Chase Bank, N.A., London*	11,185,807	0.9 %
Alecta Pensionsforsakring, oms.	6,985,326	0.6 %
The Northern Trust Comp, London Br*	5,395,589	0.4 %
JPMorgan Chase Bank, N.A., London*	5,053,162	0.4 %
JPMorgan Chase Bank, N.A., London*	4,583,735	0.4 %
JPMorgan Chase Bank, N.A., London*	3,931,171	0.3 %
BNP Paribas Securities Services*	3,764,138	0.3 %
State Street Bank and Trust Comp*	3,484,426	0.3 %
State Street Bank and Trust Comp*	3,249,257	0.3 %
State Street Bank and Trust Comp*	3,122,828	0.3 %
The Bank of New York Mellon*	3,000,019	0.2 %
eBay International Management B.V.	2,994,233	0.2 %
State Street Bank and Trust Comp*	2,966,619	0.2 %
Total 20 largest shareholders		**88.3%**

* Nominee accounts.

The list of shareholders is based on the public VPS list. The number of shareholders as at 31 December 2021 is 5,143 compared to 5,629 in 2020. Foreign ownership is 62.7% as at 31 December 2021 versus 29.6% in 2020. See note 26 (Equity) in the consolidated financial statements for more information regarding number of shares.

Note 14: Shareholder structure continued

Number of shares owned by the Board and the Group management:

	Number of shares
Orla Noonan (Chairman of the Board)	5,030
Kristin Skogen Lund (Member of the Board)	–
Peter Brooks-Johnson (Member of the Board)	–
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)	–
Rolv Erik Ryssdal (CEO)	182,214
Uvashni Raman (CFO)	19,350
Antoine Jouteau (France)	34,024
Gianpaolo Santorsola (European Markets)	48,725
Zachary Candelario (International Markets)	–
Renaud Bruyeron (Product & Technology)	28,951
Patricia Lobinger (Mobile.de)	–
Nikki Dexter (People & Communications)	15,875
Total Board and Group management	**334,169**

Note 15: 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 2021 as well as 2020 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.

Note 15: Pension plans continued

Amounts recognised in profit or loss:

	2021	2020
Current service cost	397	338
Net interest on the net defined benefit liability	12	7
Net pension expense – defined benefit plans	**409**	**345**
Pension expense defined contribution plans	10	13
Net pension expense	**419**	**358**
Of which included in Profit or loss – Personnel expenses	407	351
Of which included in Profit or loss – Financial expenses	12	7

Amounts recognised in the statment of financial position:

	2021	2020
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	1,180	796
Net pension liabilities	**1,180**	**796**
Social security tax included in present value of defined benefit liabilities	1,477	96

Changes in pension liabilities:

	2021	2020
As at 1 January	796	379
Net pension expense	409	345
Contributions/benefits paid	–	–
Unrecognized actuarial (gain) loss recognized in equity (incl. tax)	(25)	72
As at 31 December	**1,180**	**796**

New measurement of defined benefit obligation includes:

	2021	2020
Actuarial gains and losses arising from changes in financial assumptions	–	–
Other effects of remeasurement (experience deviation)	25	(72)
Remeasurement of defined benefit liabilities	**(25)**	**72**

Notes to the parent company financial statements continued

Note 16: Non-current and current liabilities

	Non-current		Current	
	2021	2020	2021	2020
External interest-bearing borrowings (note 17)	1,337,034	1,060,000	147,176	4,562
Financial derivatives	–	–	–	156,215
Group companies' liabilities in cash pool	–	–	276,672	224,888
Other liabilities to Group companies	38,204	31,123	5,437	2,802
Other liabilities	–	197	7,387	21,850
Total	**1,375,238**	**1,091,320**	**436,672**	**410,317**

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. External interest-bearing borrowings non-current amount in 2021 are shown net of costs related to the issuance of debt amounting to €40,556 thousand that are deferred and amortized over the life of the related debt. The accumulated amortization in 2021 charged to the profit and loss account amounted to €4,279 thousand.

The Senior Facilities Agreement entered into November 2020 included a five year multicurrency Revolving Credit Facility ("RCF EUR Loan") for a total amount of €450m also contingent on the eBay Classifieds Group acquisition. Current External interest-bearing borrowings correspond to the drawn portion of the RCF EUR Loan as of 31 December 2021 that amounts to €150 million plus the accrued interest payable in the short term that amounted to €4,436 thousand in 2021 (€4,562 thousand in 2020). RCF amount is shown net of costs amounting to €7,260 thousand that are deferred and amortized over the life of the related debt. The accumulated amortization in 2021 charged to the profit and loss account amounted to €586 thousand.

Financial derivatives relate to deal-contingent foreign exchange forward contracts entered in relation to the eBay Classifieds Group acquisition and a cross-currency interest rate swap entered into in relation to a USD part of a senior secured Term Loan B loan facility established to partly finance the acquisition, see note 17 (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 fair value impacting the profit and loss in 2021 has been a gain of €55.8 million (loss of €156.2 million euros in 2020), €54.2 million relate to the realized profit from the foreign currency forwards that matured on the date of the acquisition and €1.6 million corresponds to a gain on the cross-currency interest rate swap related to the USD Term Loan B until the swap was novated into Adevinta Oak Holdings BV after this entity drew down the aforementioned facility upon closing of the acquisition. No other material derivatives remained in the balance sheet during 2021 after the novation date.

The non-current liabilities to group companies consist of a loan from Adevinta Finance AS of €31,679 thousand (€31,123 thousand in 2020) and a loan from Adevinta Oak Holdings BV of €6,525 thousand.

Note 17: Financial risk management and interest-bearing borrowings

Financial risk management

Funding and control of refinancing risk is handled by Adevinta's Group Treasury function. To fund the eBay Classifieds Group acquisition, in Q4 2020 Adevinta ASA completed the placement of Senior Secured Notes (the "Notes"), see note 16 (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.

Group funding was during 2020 managed via the subsidiary Adevinta Finance AS but since June 2021, Adevinta's Group main funding sources are the Revolving Credit Facility of €450 million (drawn amount €150 million), Senior Secured Notes of €1,060 million and Term Loan B facility of €900 million and $506 million (USD tranche follows an amortization schedule).

As per note 17 (Non-current and current liabilities) Adevinta ASA entered into certain derivatives to hedge currency and interest risks. For management of interest rate risk and 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	
	2021	2020	2021	2020
Bonds issued	1,060,000	1,060,000	–	–
Bank and institutional loans	317,590	–	150,000	–
Loan from Group companies	38,204	31,123	–	–
Total principal amounts	**1,415,794**	**1,091,123**	**150,000**	
of which maturity beyond five years	717,590	400,000	–	–

For more details on bank loans and credit facilities, see note 23 (Interest-bearing borrowings) in the consolidated financial statements.

Note 18: Guarantees

Adevinta ASA has issued parent company guarantees as security for payment of office rent in selected subsidiaries for €648 thousand (€370 thousand in 2020).

The Term Loan B and the Notes are guaranteed by certain subsidiaries of Adevinta and eCG and are secured by shares of certain of the guarantors, as well as, material bank accounts and the intercompany receivables of Adevinta.

Note 19: 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.

	2021	2020
Operating revenues from other Group companies	50,152	25,000
Purchase of goods and services from Schibsted ASA	100	1,444
Purchase of goods and services from other Group companies	9,764	14,739
Financial income from other Group companies	192,591	4,948
Financial expenses from other Group companies	610	435

Remuneration to management

See note 5 above and note 9 and note 10 to the consolidated financial statements for information concerning remuneration to management and share-based payment.

Note 20: 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 2021 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.

21 April 2022
Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Peter Brooks-Johnson
Board member

Kristin Skogen Lund
Board member

Sophie Javary
Board member

Michael Nilles
Board member

Julia Jäkel
Board member

Marie Oh Huber
Board member

Aleksander Rosinski
Board member

Mark Solomons
Board member

Dipan Patel
Board member

Rolv Erik Ryssdal
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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Medlemmer av Den norske Revisorforening

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 statement of financial position as at 31 December 2021 and income statement and cash flow statement 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 consolidated statement of financial position as at 31 December 2021, 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 2021 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 2021 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 4 years from the election by the general meeting of the shareholders in 2018 for the accounting year 2018.

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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 2021. 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.

Acquisition of eBay Classifieds Group

Basis for the key audit matter
Adevinta acquired all the shares of eBay Classifieds Group (eCG) on 25 June 2021. The total purchase consideration was EUR 11 264 million. The company carried out, with the assistance of third-party valuation specialists, an assessment of fair value of identifiable assets acquired and liabilities assumed in the acquired company. The assessment of fair value of intangible assets is judgmental and complex, and the initial consolidation of the acquisition has a significant impact in the financial statements of Adevinta and hence we considered this as a key audit matter.

Our audit response
We reviewed and discussed the methods of assessing the fair value of customer relations, trademarks and technology with management and the third-party valuation specialists. We assessed the competence, integrity, and independence of the third-party valuation specialists. We tested the basis for the purchase price allocation and assessed the completeness of the assets acquired and liabilities assumed by reading the share purchase agreement, board minutes, and the final agreement after the closing negotiations. We reviewed the initial consolidation of the acquisition and had discussions with management to review the adjustments that has been done during the measurement period with effect on the recognized preliminary amounts on the transaction date.

We refer to note 4 Changes in the composition of the group for additional information.

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,

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 WACC. As part of our procedures, we discussed the forecasted

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.

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 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.

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 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 there is a material misstatement of this other information or

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that the information required by applicable legal requirements is not included, 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.

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.

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- 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.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Adevinta ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name adevintaasa-2021-12-31-en, has 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 given with legal basis in 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 an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility 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 based on the evidence we have obtained. We conducted our engagement 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

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obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised 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, 28 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

Share information

Shareholders	31 December 2021
Number of registered shareholders	5,143
Share of non-Norwegian shareholders	21.0%
Average daily trading volume FY2021	500,949
Average daily trading value FY2021	NOK 72.7 million

Source: VPS/Oslo Stock Exchange/Reuters

Largest country of ownership (VPS)	31 December 2021
United States	39.3%
Norway	37.3%
Luxembourg	12.2%
United Kingdom	5.6%
Sweden	2.8%
France	1.0%
Belgium	0.8%
Other	1.1%

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 2021

Rank	Name	% of shares outstanding	Number of shares
1	Schibsted ASA	33.1%	406,050,523
2	eBay International Holding GmbH	32.8%	402,256,518
3	Astinlux Finco S.à r.l.	11.0%	134,743,728
4	Baillie Gifford & Co.	3.6%	44,660,182
5	Folketrygdfondet	2.3%	28,075,715
6	Blommenholm Industrier AS	1.4%	17,093,587
7	Capital World Investors	1.0%	12,764,485
8	The Vanguard Group, Inc.	0.7%	8,869,471
9	Invesco Advisers, Inc.	0.6%	7,494,622
10	BlackRock Institutional Trust Company, N.A.	0.6%	7,351,233
11	Alecta pensionsförsäkring, ömsesidigt	0.6%	6,985,326
12	Capital Guardian Trust Company	0.5%	6,365,184
13	DNB Asset Management AS	0.5%	6,175,071
14	Fidelity Management & Research Company LLC	0.5%	5,665,268
15	Premier Miton Investors	0.4%	5,294,401
16	KLP Forsikring	0.4%	5,123,050
17	Vor Capital LLP.	0.4%	4,809,140
18	Storebrand Kapitalforvaltning AS	0.4%	4,475,383
19	TIN Fonder	0.3%	3,230,959
20	Kayne Anderson Rudnick Investment Management, LLC	0.3%	3,179,249

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 the 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 2022.

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. On 6 April 2022 the Company announced that in light of prevailing market conditions it was launching the second tranche earlier than initially planned. The purpose of the buy-back programme is to acquire shares to be used as settlement in the Company's share-based incentive plans over the next three years.

Share information continued

Shareholder structure

Schibsted ASA is one of Adevinta's largest shareholders, as Adevinta was demerged from Schibsted in 2019. Schibsted has stated that they have an active but financial approach to Adevinta ownership. They see material value creation potential in Adevinta and have the capabilities and knowledge to support Adevinta in realizing this potential. As of 31 December 2021, Schibsted owns a 33% stake in Adevinta and 35% voting rights.

As of 31 December 2021, eBay owns a 33% stake in Adevinta and 30% voting rights.

As of 31 December 2021, Permira owns a 11% stake in Adevinta and 12% voting rights.

For more information on the eCG transaction and on the transaction between eBay Inc. and Permira, please see note 26 (Equity) in 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 (non-voting shares).

For more information please see note 26 (Equity) in 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. At year-end 2021, twenty-five sell-side institutions, twelve of them based outside Scandinavia, officially covered the Adevinta share.

The Adevinta share produced a total return for shareholders of (18.5)% in 2021 and a return of 31.7% since the IPO. By comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a return of 23.4% and of 35.8% respectively.

Share price development for Adevinta compared to various indices and peers can be accessed at Adevinta.com/ir.

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