Adevinta

Q1 2021 Interim Report

May 5, 2021

Adevinta Highlights

Highlights of Q1 2021

Solid revenue performance despite challenging environment

- Total revenues[1] up 6% at €200m
- Organic growth[2] of 7% yoy
- Online classifieds revenues[1] up 8% yoy (of which 5% from transactional services)
- Display advertising revenues[1] up 2% yoy

EBITDA[1] up 33% yoy to €57m

- Top line growth
- Lower administrative costs and one-off items
- Favorable phasing of marketing expenses
- Partially offset by increase in transactional costs due to the ramp-up of the service

Successful delivery of product roadmap

- Additional features and reinforced safety in transactional solutions
- Further improvement to image recognition models available for all integrated marketplaces
- Deployment of bundled products in multi-platform markets

Further progress ahead of the eBay Classifieds Group acquisition

- Good progress on operational integration planning
- Upfront buyer for Shpock identified - public consultation launched on April 27
- Closing expected in Q2 subject to regulatory approvals

Report on second-hand effect[3]

- 19.1 million tonnes of CO_2 emissions potentially saved by our users
- Equivalent to yearly emissions of 2.1 million Europeans

Rolv Erik Ryssdal, CEO

"As we continue to navigate the uncertainty of the Covid pandemic, our focus has remained on keeping our people safe and on supporting our communities, users and customers.

We had a solid start to 2021 with 7% organic revenue growth despite having to deal with the next wave of the virus and associated lockdown measures in our key markets. Revenue from our online classifieds accelerated in the quarter, with an increased contribution from transactional services, primarily in France. Our EBITDA margin, up 5.8 points year-on-year, reflected the performance of the classifieds business and also benefited from lower administrative costs and favorable phasing of expenses, with marketing campaigns being delayed until later in the year.

We saw further enhancement of our product offering and user experience as well as strong acceleration in the deployment of transactional solutions across our portfolio.

We also made further progress on the regulatory front ahead of our expected acquisition of eBay Classifieds Group, and we continue to collaborate with the relevant authorities to meet our target of closing the transaction during the second quarter.

We remain excited about the long term growth potential of our business, and we are approaching the short term uncertainty with even more confidence after a full year of successfully managing through the crisis."

[1]Proportionate basis incl JVs - for definition of EBITDA please see section Definitions and reconciliations.
[2]Growth at constant foreign exchange rate and excluding M&A and disposals
[3]Based on 7 marketplaces in our portfolio

Key financial numbers

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

	First quarter		(€ million)
yoy%	**2020**	**2021**	
6%	**188**	**200**	**Operating revenues incl. JVs**
33%	**43**	**57**	**EBITDA incl. JVs**
	22.6%	28.4%	EBITDA margin incl. JVs
			Operating revenues - segments
15%	98	112	France
-6%	46	44	Spain
38%	19	27	Brazil
-4%	37	36	Global Markets
			EBITDA - segments
18%	47	55	France
-6%	14	13	Spain
86%	2	5	Brazil
69%	2	3	Global Markets
			Cash flow
-10%	42.8	38.7	Net cash flow from operating activities

Key consolidated financial figures

	First quarter		(€ million)
yoy%	**2020**	**2021**	**Consolidated financial figures**
4%	**175**	**182**	**Operating revenues - segments**
15%	98	112	France
-6%	46	44	Spain
38%	19	27	Brazil
-4%	37	36	Global Markets
12%	2	2	Other and Headquarters
-37%	(28)	(38)	Eliminations
32%	**40**	**53**	**Gross operating profit (EBITDA) - segments**
18%	47	55	France
-6%	14	13	Spain
86%	2	5	Brazil
69%	2	3	Global Markets
23%	(20)	(15)	Other and Headquarters
-52%	(5)	(8)	Eliminations

Operational Development

Commentary and financial numbers in the Operational Development section of this report refers to proportionate numbers including JVs.

Adevinta Overview

	First quarter		(€ million)
yoy%	2020	2021	ADEVINTA
4%	**175**	**182**	**Operating revenues**
33%	14	18	Proportional revenues from JVs
6%	**188**	**200**	**Operating revenues incl. JVs**
32%	**40**	**53**	**EBITDA**
28%	43	56	- of which Developed phase
24%	(3)	(3)	- of which Investment phase
	23.0%	29.1%	EBITDA margin
53%	2	4	Proportional EBITDA from JVs
33%	**43**	**57**	**EBITDA incl. JVs**
	22.6%	28.4%	EBITDA margin incl. JVs

Revenues, including JVs, were up 6% in Q1 2021 compared to Q1 2020, or up 7% excluding impacts of disposal, acquisitions and forex, demonstrating further performance improvement despite the challenging environment. Online classifieds revenues improved 8% (of which 5% is attributable to transactional services) compared to Q1 2020 when we saw strong performance until the Covid crisis started. Display advertising revenues increased 2% year-on-year. Disposals in Global Market and the Grupo Zap acquisition had a 1-point positive impact on revenue growth, whilst changes in exchange rate contributed negatively with 1.7 points.

Gross operating profit (EBITDA) including JVs increased 33% compared to Q1 2020. Revenue growth in the verticals, a lower level of one-off costs and favorable phasing of marketing expenses offset the ramp-up in personnel costs and transactional services.

France

	First quarter		(€ million)
yoy%	2020	2021	France
15%	98	112	Operating revenues
12%	51	56	Operating expenses
18%	47	55	EBITDA
	48.2%	49.5%	EBITDA margin

Revenues in France grew by 15% in the first quarter, despite continued difficult context with the Covid restrictions. Total classifieds revenues grew 17% compared to last year (of which 8% attributable to transactional services). Solid growth in the motor and real estate verticals was primarily driven by positive ARPA development. We saw very good traction in new solutions such as Smartbump and mandate acquisition in real estate and the L'Argus/Leboncoin bundle in motor. This more than offset the weakness in jobs and holiday rentals. Display advertising revenues turned back to positive growth in the quarter.

EBITDA margin improved 1.3 pp led by revenue growth and favorable marketing phasing. The increasing share of transactional services (contributing to gross profits, albeit at lower relative margin), the promotional campaigns on delivery fees and the expected increase in personnel costs due to the ramp-up in hiring partially reduced the improvement.

Traffic continued to show strong growth (over +30% year-on-year) driven by all categories except Jobs, impacted by the current context. New ads remained on a very positive trend with a strong growth in almost all categories except in real estate due to the structural trend and holidays rental due to current Covid restrictions.

In Q1 we continued to accelerate the P2P transactional solution improving the user experience with new functionalities, such as item status. We remained focused on our market verticalization strategy. We improved further our algorithms on the lead generation offer in real estate and we simplified the application journey in Jobs. We continued to automate processes with the application of machine learning. Additional projects such as Argus platform overhaul were also performed during the first quarter of the year.

Spain

	First quarter		(€ million)
yoy%	**2020**	**2021**	**Spain**
-6%	46	44	Operating revenues
-5%	33	31	Operating expenses
-6%	14	13	EBITDA
	29.6%	29.5%	EBITDA margin

Revenues in Spain saw negative growth of -6% compared to Q1 2020, still impacted by tough macro environment due to Covid, but demonstrating a steady recovery over the last four quarters. Classifieds revenues were down 8% compared to Q1 2020 where we had seen a very strong performance until mid-March. We observed some recovery in the number of house transactions in the real estate market, although still below last year level in the period until February. The jobs market continued to be impacted by the downturn in signed employment contracts, showing a timid trend reversal in March. On the other hand, car revenues grew thanks to the combination of higher ARPU (benefiting from the successful migration of customers to new product offering) and the increased penetration both in larger clients and through our generalist brand Milanuncios.

Display advertising grew 6% year-on-year, with pick-up in direct sales and continued growth in programmatic revenues.

The EBITDA margin in Q1 was broadly stable year-on-year at 29.5%, as the decline in revenues and the evolution of the business mix were offset by delayed marketing investments and lower administrative costs. We continued to invest in talent acquisition in the quarter, in order to support and boost our market positions.

We saw traffic growth up to 2% in Q1 compared to Q1 2020, driven by our motor and real estate marketplaces. Leads were also up 5% in Q1 with all sites showing positive growth compared to Q1 2020.

In Q1 we developed multiple improvements in user experience in real estate such as the app design, machine learning recommenders and alert content categorisation. In motor, we launched a pilot for consumer-to-business car sale and new gallery in apps with contact options. In Jobs we improved employer branding home page with company profile and added additional matching tools on candidates screening page. We implemented a new navigation bar in our generalist Milanuncios and improved the user profile with photo and location, together with enhancement in the transactional flow of our Payment & Delivery solution.

Brazil

	First quarter		(€ million)
yoy%	**2020**	**2021**	**Brazil**
38%	19	27	Operating revenues
31%	17	22	Operating expenses
86%	2	5	EBITDA
	12.6%	16.9%	EBITDA margin

OLX Brazil revenues and EBITDA are included on a 100% basis for both periods.

Strong depreciation of brazilian real against euro compared to Q1 2020 continued to impact total revenue growth.

However, operational revenue in the Brazil segment increased by 87% in local currency driven by the acquisition of Grupo ZAP in Q4 2020.

OLX.com.br in Brazil, which is a 50% owned joint venture, increased revenue by 94% year-on-year in local currency, including the contribution from Grupo Zap. On a comparable basis, revenues grew 15%, with classified performance up 9% compared to Q1 2020. Strong growth in real estate as a result of the cross-selling strategy with Grupo ZAP and consumer goods were the main drivers. We also observed a steady recovery in car revenues, benefiting from higher conversion in the private segment and price optimizations in the professional sales offering. Display advertising grew 18% compared to Q1 2020 on a comparable basis, driven by solid performance in indirect advertising fuelled by new formats and traffic growth and the transactional model started to scale both in volumes and revenues.

Operational KPIs continued to outperform, with strong growth in traffic, leads and demand, while we observed a boost in supply.

Infojobs.com.br in Brazil increased its operational revenues by +10% in local currency led by positive growth in both classifieds and advertising revenue. Main operational KPIs showed solid growth during the first quarter and demonstrated rapid recovery from the impact of the Covid.

In Q1, cumulative EBITDA increased by €2 million when compared to Q1 2020, positively impacted by the acquisition of Grupo ZAP. On a comparable basis, EBITDA margin decreased compared to Q1 2020, as a result of the continued investment in talent and product & tech resources and unfavorable phasing of marketing expenses, which exceeded the revenue increase.

In Q1 we increased penetration in real estate with the double bundle ZAP / Vivareal and we launched the triple bundle ZAP / Vivareal / OLX as an MVP for existing clients. In motor, we launched the first bundles for professional sellers, increasing the number of products offered and we tested a new vehicle history solution. We improved Payment & Delivery with better flows for ad insertion, filtering and findability, leading to a consistent growth in the main transactional KPIs.

Global Markets

	First quarter		(€ million)
yoy%	2020	2021	Global Markets
-4%	37	36	Operating revenues
-8%	35	32	Operating expenses
69%	2	3	EBITDA
	5.3%	9.3%	EBITDA margin

Willhaben revenues and EBITDA are included on a 100% basis for both periods.

The Global Markets portfolio saw negative reported revenue growth of -4% compared to Q1 2020. Excluding disposals, revenue grew 6% with strong performance in the main markets throughout the quarter led by willhaben and Ireland. Classifieds revenues (including transactional revenues) were up 5% year-on-year excluding disposals (-5% on a reported basis). Revenues in advertising were also up 7% excluding disposals (-3% on a reported basis).

Q1 2021 EBITDA was up +4pp year-on-year landing at €3 million mainly driven by Ireland and willhaben which both significantly increased EBITDA when compared to Q1 2020 as revenues recovered, partially offset by lower EBITDA in Italy due to the acceleration of marketing and P&T investment to support ramp-up of transactional services and product improvement.

During Q1 we announced and finalised the divestment of our investment phase operations in Chile. Total revenue of disposed assets amounted to €0.8 million in Q1 2021 (€4.1 million in Q1 2020) and EBITDA of disposals totalled €(0.3) million (€(0.8) million in Q1 2020).

In Italy, we saw excellent performance of the operational KPIs, with both traffic and content growing at double digit rates. In Motor we continued to gain share in content and dealers despite minor weakness in private revenues. Advertising performed well with a good uplift in programmatic, whilst Jobs remained below prior year levels due to ongoing market uncertainty. Transactional, which was launched in December, continued to ramp up with P2P payment and escrow services offered.

In willhaben, we saw a continuation of the positive evolution in Q4 2020, with year-on-year growth in traffic and content, in particular new private content, and a strong performance in Advertising. Paylivery, the peer-to-peer payment and delivery service, continued to gain traction and scale with growth in both average order value and seller conversion rates. Jobs remained below prior year levels however showing encouraging signs towards the end of the quarter with a record number of self-service ads.

In Ireland, we also saw year-on-year growth in traffic and content in both verticals despite continued local lockdown measures with an increase of dealer market share and a surge in private content in DoneDeal. In Daft we saw a continued growth of Multi Unit Rentals and successful implementation of price optimisations for private clients.

In Hungary, we saw a resilient performance in Advertising and further encouraging signs towards the end of the quarter with strong delivery figures and a recovery in generalist content whilst Jobs remained below prior year levels due to unfavourable market environment.

Shpock continued to show accelerated growth in the transactional model during Q1 amidst additional investment in marketing to build on current momentum. The sale of Shpock is part of a package of proposed undertakings offered to the CMA to address the UK regulator's competition concerns following its review of Adevinta's proposed acquisition of eBay Classifieds Group and would be expected to close shortly after receipt of these approvals.

Other and Headquarters

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

The Other and Headquarters segment improved EBITDA by 4.5 million euros year-on-year, to (15.5) million euros in Q1 2021, benefiting from lower personnel-related costs despite increasing number of employees as a consequence of some one-offs impacting in the first quarter of 2020 and lower training costs. In addition, some administrative costs such as travel expenses due to the Covid context and third-party services were postponed.

Outlook

We see an acceleration of the trends that support the development of the digital economy and the emergence of new business models. Strong secular shifts in online behavior and changing consumption patterns are driving expectations for more convenient user digital journeys. Professionals are rethinking the way they operate and are in demand for more efficient and digital content advertising solutions. As we will continue to invest in product & technology to improve our offering and expand on the value chain, we are in an ideal position to continue to lead in the sector, to accompany our users and customers in their digitalization journey and to benefit from this ongoing transformation. Sustainable growth opportunities will stem from further monetization in our existing markets, driving inherent operational leverage. In addition, the ramp up of new services such as transactional solutions will be an increasing source of incremental revenue and profits.

We had a strong and encouraging start to the year. The comparison base for revenues will turn favorable as from the second quarter of 2021 and we expect positive momentum to continue through the rest of 2021 barring stricter lockdown situations. Unlike in 2020, we will not benefit from government subsidies in the second quarter (c.3 million euros in Q2 2020). While we will continue to adapt our cost base to the business environment, we will accelerate investment as needed and where we believe we have opportunities to strengthen our positions. We believe we are well placed after a full year of successfully maneuvering through the crisis, therefore we are approaching the short term uncertainty with even more confidence.

Following the acquisition of eBay Classifieds Group we will become the world's leading online classifieds pure player with unprecedented scale. We will benefit from leading positions in 16 countries, covering 1 billion people. As the largest player in the sector, we will be uniquely positioned to accelerate growth. We will leverage our complementary expertise and know-how across geographies and verticals to ensure best-in-class product offering and user experience for our customers. We expect the combination with Adevinta to drive substantial and sustainable revenue and cost synergies with an estimated run-rate EBITDA impact of 130 to 165 million euros in the third year based on the current portfolio. At completion of the transaction, we will enter the integration phase. This will include a global assessment of market opportunities and the definition of our long-term strategic plan for the combined business. Our combined group strategic and financial objectives will be communicated in a Capital Markets Day which we anticipate holding in Q4.

Group Overview

Operating profit

Revenue increased by 4% in Q1 2021, compared to Q1 2020, amounting to €182.1 million. Revenue growth in France offset the decrease in Spain and the negative impact of asset disposals in Global Markets.

Operating expenses decreased by (4)% in Q1 2021, compared to Q1 2020. Personnel expenses were broadly stable year-on-year whilst other operating expenses decreased by (9)%, compared to Q1 2020 mainly due to marketing cost phasing and reduced administrative and external services costs.

As a result, gross operating profit (EBITDA) increased by 32% in Q1 2021, compared to Q1 2020. Gross operating profit (EBITDA) for the quarter amounted to €53.0 million compared to €40.1 million in Q1 2020.

Share of profit (loss) of joint ventures and associates decreased by €0.5 million in Q1 2021 to €(0.1) million mainly driven by lower results in Brazil.

An impairment loss of €(25.1) million related to classification of Shpock (Finderly GmbH and Shpock Services LKH Ltd) as held for sale has been recognised in Q1 2021. Other income and expenses increased to €(25.1) million in Q1 2021 (Q1 2020 €(1.1)m) mainly due to the increase in acquisition-related and integration costs as well as the loss on sale of Yapo.cl SpA amounting to €(11.3) million (mainly related to foreign exchange translation reserve reclassified from equity to income statement). Other income and expenses are disclosed in note 4 to the condensed consolidated financial statements.

Operating profit (loss) in Q1 2021 amounted to €(12.4) million (€25.7 million in Q1 2020). Please also refer to notes 3 and 4 to the condensed consolidated financial statements.

Net profit and earnings per share

Net financial items include a €(9.3) million net foreign exchange loss in Q1 2021, mainly due to the depreciation of the BRL against the EUR (compared to a €(48.5) million net foreign exchange loss in Q1 2020 which includes change in fair value of derivatives related to Grupo Zap acquisition amounting to €(42.0) million). Net financial items also include €(7.3) million interest expense in Q1 2021 related to the bonds issued in November 2020. Net financial items are disclosed in note 5 to the condensed consolidated financial statements.

The underlying tax rate has decreased from 30.6% in full year 2020 to 27.3% in Q1 2021. In 2021 the underlying tax rate is positively impacted by the decrease in the tax rate applicable in France (excluding the effect of such decrease in applicable tax rate, the underlying tax rate for Q1 2021 would have been 32.5%). The reported tax rate is (23.9)% in Q1 2021, compared to (48.2)% in Q1 2020. The decrease in the reported tax rate is mainly due to the derecognition of deferred tax liabilities related to the impairment loss on Shpock and decrease in the tax rate applicable in France.

Basic earnings per share in Q1 2021 is €(0.06) compared to €(0.05) in Q1 2020. Adjusted earnings per share in Q1 2021 is €0.01 compared to €(0.05) in Q1 2020.

Financial position

The carrying amount of the Group's assets decreased by €(46.8) million to €3,276.6 million during 2021. The decrease in the carrying amount of the Group's assets is mainly driven by the decrease in intangible assets primarily due to the impairment loss of €(25.1) million on initial classification of Shpock as held for sale (allocated to goodwill and other intangible assets) and the derecognition of intangible assets of €(17.6) million related to the disposal of Yapo.cl SpA.

The carrying amount of the Group's liabilities decreased by €(65.8) million to €2,035.9 million during 2021. The decrease in the carrying amount of the Group's liabilities were impacted by the changes in fair value of the foreign exchange forward contracts related to the expected acquisition of eBay Classifieds Group amounting to €(83.9) million partly offset by the accrual for interests on bonds (€7.3 million) and increase in NOK term loan (€9.3 million) due to the appreciation of the NOK against the EUR.

The Group's equity ratio is 38% as at 31 March 2021 compared to 37% at the end of 2020.

Cash flow

Net cash flow from operating activities was €38.7 million in Q1 2021, compared to €42.8 million in Q1 2020.

Net cash flow from investing activities was €1.9 million in Q1 2021, compared to €(19.5) million in Q1 2020. The increase is mainly due to the proceeds from the sale of Yapo.cl SpA, net of cash sold amounting to €14.8 million.

Net cash flow from financing activities was €(26.7) million in Q1 2021, compared to €(4.3) million in Q1 2020. The decrease is primarily related to the acquisition by Adevinta ASA of 1,700,000 treasury shares amounting to €(22.4) million to meet the long term share incentive obligations for 2021.

Digital services tax (DST)

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

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

During 2020 Spain approved DST legislation applicable as from January 2021. The DST will levy a 3% tax over certain digital services for groups with worldwide revenues above €750 million and Spanish revenues applicable to DST above €3 million, with payment expected to take place in 2021. Management has assessed that Spanish DST, which mainly differs in definition of group threshold from the French DST but resembles Italian DST, is applicable to Adevinta and hence a provision is recognised as at 31 March 2021.

Agreement to acquire eBay Classifieds Group

In July 2020, Adevinta announced that it has entered into a definitive agreement to acquire 100% of eBay Classifieds Group, the global classifieds arm of eBay Inc., for a headline value of approximately US$9.2 billion. The transaction, which is expected to be closed by 30 June 2021, will lead to the creation of a globally scaled, pure-play online classifieds leader with a diversified and complementary portfolio of assets and brands. The press release published on 21 July 2020 is available at www.adevinta.com.

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

The closing of the transaction is subject to eBay Classifieds Group Dutch Works Council approval, regulatory approvals and customary closing conditions. Certain aspects of the transaction are also subject to shareholder approval in Adevinta. In connection with closing of the transaction, Adevinta published on 23 December 2020 a listing prospectus for the listing of the new shares that will be issued to eBay and admitted to trading and listed on the Oslo Stock Exchange upon (and subject to) completion of the transaction. The prospectus is available at www.adevinta.com.

The gross proceeds from Notes issued in November 2020, currently placed into a segregated escrow account pledged in favor of the holders of the Notes, will be released from escrow and Term Loan B will be funded, immediately prior to completion of the acquisition. The Term Loan B and the Notes will be guaranteed by certain subsidiaries of Adevinta and eCG and secured by shares of certain of the guarantors as well as certain material bank accounts and the intercompany receivables of Adevinta.

UK CMA update

On 2 March 2021, Adevinta confirmed that the UK Competition and Markets Authority (CMA) has announced that it considers there are reasonable grounds to believe that the remedies presented by Adevinta and eBay address their concerns in respect of Adevinta's proposed acquisition of eBay Classifieds Group. The remedies proposed by Adevinta and eBay are the divestment of each company's primary classifieds operations in the UK: Shpock (subsidiary of Adevinta as at 31 March 2021) and Gumtree (UK) and Motors.co.uk (will both be acquired from eBay at closing). These remedies have been proposed in response to the competition concerns raised by CMA on 16 February 2021.

On 27 April 2021, Adevinta confirmed that it has proposed Russmedia Equity Partners ("Russmedia") as an upfront buyer of Shpock, Adevinta's primary classifieds operation in the UK. The proposal of an upfront buyer for Shpock is part of a package of proposed undertakings offered to the CMA to address the UK regulator's competition concerns following its review of Adevinta's proposed acquisition of eBay Classifieds Group ("eCG"). The CMA stated that it considers Russmedia to be a suitable purchaser of Shpock and that Adevinta's proposed undertakings, which also includes the divestment of Gumtree UK and motors.co.uk, are appropriate to remedy its competition concerns. The CMA has provisionally concluded that the proposed undertakings will be effective and that it has no concerns about their implementation. Acceptance of the proposed undertakings, including Russmedia's acquisition of Shpock, remain subject to a two-week public consultation process starting 27 April 2021 and final approvals by the CMA. The sale of Shpock would be expected to close shortly after receipt of these approvals.

The Shpock operations are classified as held for sale at 31 March 2021 and the disposal group is measured at the lower of their carrying amount and fair value less cost to sell. The Shpock operations are part of the Group's Global Markets operating segment.

Austrian regulator update

The Austrian regulator approval process is ongoing.

Repurchase of shares by Adevinta ASA

On 3 March 2021 a buy-back programme to settle the 2021 long term incentive obligation was announced. Adevinta ASA acquired 1,700,000 treasury shares in March 2021 amounting to €22.4 million. 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 of the Covid pandemic remain uncertain. Adevinta will continue to assess the impact to the business should the pandemic extend beyond our current estimates and will update the appropriate assumptions for calculating the recoverable amounts of CGUs should this be required.

The Group had as at 31 March 2021 net interest-bearing debt of €467.6 million (see specification in Definitions and reconciliations below) and €479.9 million total liquidity available.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

	First quarter		Year
€ million	**2021**	**2020**	**2020**
Operating revenues	**182.1**	**174.5**	**673.5**
Personnel expenses	(69.9)	(69.6)	(258.0)
Other operating expenses	(59.2)	(64.8)	(233.0)
Gross operating profit (loss)	**53.0**	**40.1**	**182.5**
Depreciation and amortisation	(15.1)	(13.7)	(60.6)
Share of profit (loss) of joint ventures and associates	(0.1)	0.4	16.2
Impairment loss	(25.1)	-	(42.8)
Other income and expenses	(25.1)	(1.1)	(39.4)
Operating profit (loss)	**(12.4)**	**25.7**	**55.9**
Net financial items	(17.7)	(50.6)	(94.7)
Profit (loss) before taxes	**(30.1)**	**(24.9)**	**(38.8)**
Taxes	(7.2)	(12.0)	(31.0)
Profit (loss)	**(37.3)**	**(36.9)**	**(69.8)**
Profit (loss) attributable to:			
Non-controlling interests	0.9	(0.8)	1.8
Owners of the parent	(38.2)	(36.1)	(71.6)
Earnings per share in €:			
Basic	(0.06)	(0.05)	(0.10)
Diluted	(0.06)	(0.05)	(0.10)

Condensed consolidated statement of comprehensive income

	First quarter		Year
€ million	**2021**	**2020**	**2020**
Profit (loss)	**(37.3)**	**(36.9)**	**(69.8)**
Remeasurements of defined benefit pension liabilities	-	-	0.0
Income tax relating to remeasurements of defined pension liabilities	-	-	(0.0)
Net gain/(loss) on cash flow hedges	83.9	-	(144.3)
Change in fair value of financial instruments	-	-	(0.3)
Items not to be reclassified subsequently to profit or loss	**83.9**	**-**	**(144.6)**
Exchange differences on translating foreign operations	(5.5)	(83.1)	(101.7)
Net gain/(loss) on cash flow hedges	(1.1)	(0.4)	(4.4)
Items to be reclassified subsequently to profit or loss	**(6.6)**	**(83.5)**	**(106.1)**
Other comprehensive income	**77.3**	**(83.5)**	**(250.7)**
Comprehensive income	**40.0**	**(120.4)**	**(320.5)**
Comprehensive income attributable to:			
Non-controlling interests	1.3	(1.1)	4.0
Owners of the parent	38.7	(119.3)	(324.5)

Condensed consolidated statement of financial position

€ million	31 March 2021	31 December 2020
Intangible assets	1,276.5	1,321.8
Property, plant and equipment and right-of-use assets	102.0	108.5
Investments in joint ventures and associates	350.2	369.0
Other non-current assets	188.6	184.8
Non-current assets	**1,917.3**	**1,984.1**
Trade receivables and other current assets	1,206.5	1,208.3
Cash and cash equivalents	144.9	131.0
Assets held for sale	7.9	-
Current assets	**1,359.3**	**1,339.3**
Total assets	**3,276.6**	**3,323.4**
Equity attributable to owners of the parent	1,220.0	1,202.5
Non-controlling interests	20.7	19.2
Equity	**1,240.7**	**1,221.7**
Non-current interest-bearing borrowings	1,276.2	1,266.2
Other non-current liabilities	142.5	153.4
Non-current liabilities	**1,418.7**	**1,419.6**
Current interest-bearing borrowings	302.2	294.8
Other current liabilities	307.1	387.3
Liabilities directly associated with the assets held for sale	7.9	-
Current liabilities	**617.2**	**682.1**
Total equity and liabilities	**3,276.6**	**3,323.4**

Condensed consolidated statement of cash flows

	First quarter		Year
€ million	**2021**	**2020**	**2020**
Profit (loss) before taxes	(30.1)	(24.9)	(38.8)
Depreciation, amortisation and impairment losses	40.2	13.7	103.4
Share of loss (profit) of joint ventures and associates	0.1	(0.4)	(16.2)
Dividends received from joint ventures and associates	1.2	0.0	2.2
Taxes paid	(9.1)	(0.6)	(41.7)
Sales losses (gains) non-current assets and other non-cash losses (gains)	11.3	0.0	(6.1)
Net loss on derivative instruments at fair value through profit or loss	(0.9)	42.0	78.9
Other non-cash items and changes in working capital and provisions	26.0	13.0	23.0
Net cash flow from operating activities	**38.7**	**42.8**	**104.7**
Development and purchase of intangible assets and property, plant & equipment	(10.6)	(11.3)	(43.5)
Acquisition of subsidiaries, net of cash acquired	(1.5)	(7.5)	(7.4)
Acquisition of debt and equity instruments of joint ventures and associates	-	-	(286.9)
Proceeds from sale of subsidiaries, net of cash sold	14.8	0.0	30.9
Net sale of (investment in) other shares	(0.8)	(0.7)	(7.5)
Net change in other investments	-	(0.0)	(2.8)
Net cash flow from investing activities	**1.9**	**(19.5)**	**(317.2)**
Net cash flow before financing activities	**40.6**	**23.3**	**(212.5)**
New interest-bearing loans and borrowings	-	(0.7)	491.3
Repayment of interest-bearing loans and borrowings	-	-	(205.1)
Net sale (purchase) of treasury shares	(22.4)	-	(2.0)
IFRS 16 lease payments	(4.3)	(3.6)	(12.5)
Net cash flow from financing activities	**(26.7)**	**(4.3)**	**271.7**
Effects of exchange rate changes on cash and cash equivalents	0.0	(1.3)	(0.0)
Net increase (decrease) in cash and cash equivalents	**13.9**	**17.7**	**59.2**
Cash and cash equivalents as at 1 January	131.0	71.8	71.8
Cash and cash equivalents as at 31 March	**144.9**	**89.5**	**131.0**

Condensed consolidated statement of changes in equity

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2020	**1,524.4**	**14.4**	**1,538.8**
Comprehensive income	(324.5)	4.0	(320.5)
Transactions with the owners	2.6	0.8	3.4
Capital increase	-	*0.4*	*0.4*
Share-based payment	*3.5*	-	*3.5*
Change in treasury shares	*(0.5)*	-	*(0.5)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0.4)*	*0.4*	-
Equity as at 31 December 2020	**1,202.5**	**19.2**	**1,221.7**
Comprehensive income	38.7	1.3	40.0
Transactions with the owners	(21.2)	0.2	(21.0)
Share-based payment	*1.4*	-	*1.4*
Change in treasury shares	*(22.4)*	-	*(22.4)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0.2)*	*0.2*	-
Equity as at 31 March 2021	**1,220.0**	**20.7**	**1,240.7**

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2020	**1,524.4**	**14.4**	**1,538.8**
Comprehensive income	(119.3)	(1.1)	(120.4)
Transactions with the owners	-	2.1	2.1
Share-based payment	*2.1*	-	*2.1*
Changes in ownership of subsidiaries that do not result in a loss of control	*(2.1)*	*2.1*	-
Equity as at 31 March 2020	**1,405.1**	**15.4**	**1,420.5**

Notes

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

The Adevinta Group was established on 9 April 2019 following the demergers of Schibsted Multimedia AS and Schibsted ASA and the consequential transfer of Schibsted's online classifieds operations outside the Nordics to Adevinta ASA. The company was listed on the Oslo Stock Exchange on 10 April 2019. Schibsted has retained a majority interest of 59.28% in Adevinta ASA.

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

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

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

Operating segments

Management has assessed operating segments according to IFRS 8 Segments. Based on the internal reporting structure, Adevinta has identified France, Spain, Brazil and Global Markets as operating segments, which is in line with how the business will continue to be developed and managed by the chief operating decision maker.

In the Consolidated Income Statement and Consolidated Statement of Financial Position of Adevinta, OLX Brazil and willhaben are accounted for using the equity method of accounting. The segment figures for Brazil and for willhaben in Global Markets are presented on a 100% basis to reflect how the business and performance is monitored by management. Subsequent adjustments are included in Eliminations to get to the equity method of accounting in the Consolidated Income Statement and Consolidated Statement of Financial Position.

Note 2. Changes in the composition of the Group

Disposal of Yapo

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

Details of the sale of the subsidiary:

	€ million
Consideration received or receivable	16.1
Carrying amount of net assets sold	(17.0)
Loss on sale before income tax and reclassification of foreign currency reserve	**(0.9)**
Reclassification of foreign currency translation reserve	(10.4)
Loss on sale before income tax	**(11.3)**
Income tax	-
Loss on sale after income tax	**(11.3)**

The carrying amount of total assets and net assets as at the date of sale were €20.4 million and €17.0 million respectively, of which €17.6 million was intangible assets and €1.2 million cash.

Shpock disposal group classified as held for sale

On 2 March 2021, Adevinta confirmed that the UK Competition and Markets Authority (CMA) has announced that it considers there are reasonable grounds to believe that the remedies presented by Adevinta and eBay address their concerns in respect of Adevinta's proposed acquisition of eBay Classifieds Group. The remedies proposed by Adevinta and eBay are the divestment of each company's primary classifieds operations in the UK: Shpock, Gumtree (UK) and Motors.co.uk. These remedies have been proposed in response to the competition concerns raised by CMA on 16 February 2021. The sale of Shpock is expected to be finalised no later than 30 June 2021.

The carrying amount of Shpock is expected to be recovered principally through a sale transaction. Shpock is available for immediate sale in its present condition and its sale is highly probable. Therefore, the disposal group is classified as held for sale as at 31 March 2021. The Shpock operations are reported within the Group's Global Markets operating segment.

The following assets and liabilities are classified as held for sale as at 31 March 2021:

	€ million
Assets of the disposal group	
Intangible assets	3.4
Other non-current assets	1.0
Trade and other current receivables	1.9
Cash and cash equivalents	1.6
Assets held for sale	**7.9**
Liabilities of the disposal group	
Non-current liabilities	1.2
Cash pool	3.6
Other current liabilities	3.1
Liabilities directly associated with the assets held for sale	**7.9**
Net assets of the disposal group	-

On initial classification as held for sale, the disposal group has been measured at the lower of its carrying amount and fair value less costs to sell. In relation to this an impairment loss has been recognised amounting to €(25.1) million, which has been allocated to goodwill (€1.7 million) and other intangible assets (€23.4 million). Related deferred tax liabilities have been derecognised amounting to €(5.9) million.

Note 3. Operating segment disclosures

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

Based on the internal reporting structure, Adevinta has identified France, Spain, Brazil and Global Markets as reportable operating segments.

- France comprises primarily leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun, PayCar, L'Argus and Pilgo.
- Spain comprises primarily InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios.
- Brazil comprises Silver Brazil joint venture (including OLX, Anapro and Grupo Zap) and Infojobs Brazil. In the Consolidated income statement and Consolidated statement of financial position of Adevinta, OLX Brazil is accounted for using the equity method of accounting. The segment figures for Brazil are presented on a 100% basis to reflect how the business and performance is monitored by management. Subsequent adjustments are included in Eliminations to get to the equity method of accounting in the Consolidated income statement and Consolidated statement of financial position.
- Global Markets comprises primarily Subito and Infojobs in Italy; Daft, Done Deal and Adverts in Ireland; Hasznaltauto and Jofogas in Hungary; Yapo in Chile (sold in Q1 2021); Segundamano in Mexico; Kufar in Belarus; Shpock in Austria, Germany and United Kingdom; and willhaben in Austria. In the Consolidated income statement and Consolidated statement of financial position of Adevinta, willhaben is accounted for using the equity method of accounting. The segment figures for willhaben in Global Markets are presented on a 100% basis to reflect how the business and performance is monitored by management. Subsequent adjustments are included in Eliminations to get to the equity method of accounting in the Consolidated income statement and Consolidated statement of financial position.

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

Eliminations comprise reconciling items related to equity method conversion for OLX Brazil and willhaben and 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 Definitions and Reconciliations section for definition of Investment phase operations.

Operating revenues and profit (loss) by operating segments

First quarter 2021 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	111.2	43.6	26.7	35.6	0.6	(35.6)	182.1
Operating revenues from other segments	0.5	0.2	-	0.2	1.7	(2.6)	-
Operating revenues	**111.7**	**43.8**	**26.7**	**35.8**	**2.3**	**(38.2)**	**182.1**
Gross operating profit (loss) excl. Investment phase	55.3	12.9	4.5	5.8	(15.5)	(7.5)	55.5
Gross operating profit (loss)	55.3	12.9	4.5	3.3	(15.5)	(7.5)	53.0
Operating profit (loss)	**48.1**	**10.1**	**1.5**	**(35.4)**	**(33.1)**	**(3.6)**	**(12.4)**

First quarter 2020 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	97.3	46.4	19.3	37.0	1.3	(26.8)	174.5
Operating revenues from other segments	0.2	-	-	0.2	0.7	(1.1)	(0.0)
Operating revenues	**97.5**	**46.4**	**19.3**	**37.2**	**2.0**	**(27.9)**	**174.5**
Gross operating profit (loss) excl. Investment phase	47.0	13.7	2.4	5.3	(20.0)	(5.0)	43.4
Gross operating profit (loss)	47.0	13.7	2.4	2.0	(20.0)	(5.0)	40.1
Operating profit (loss)	**40.9**	**10.9**	**0.4**	**(0.8)**	**(24.2)**	**(1.5)**	**25.7**

Full year 2020 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	392.1	164.7	73.3	145.2	5.4	(107.2)	673.5
Operating revenues from other segments	1.1	-	-	0.6	3.5	(5.2)	-
Operating revenues	**393.2**	**164.7**	**73.3**	**145.8**	**8.9**	**(112.4)**	**673.5**
Gross operating profit (loss) excl. Investment phase	190.9	52.6	12.9	25.4	(60.6)	(21.9)	199.3
Gross operating profit (loss)	190.9	52.6	12.9	8.6	(60.6)	(21.9)	182.5
Operating profit (loss)	**166.3**	**40.6**	**(0.6)**	**(28.9)**	**(115.6)**	**(5.9)**	**55.9**

Operating revenues by category:

	First quarter		Full Year
€ million	**2021**	**2020**	**2020**
Advertising revenues	28.8	28.6	117.6
Classifieds revenues*	151.6	143.6	546.2
Other operating revenues	1.7	2.3	9.7
Operating revenues	**182.1**	**174.5**	**673.5**

*Classifieds revenues include transactional revenues for €10.1 million in Q1 2021, €3.0 million in Q1 2020 and €22.4 million in 2020.

Disaggregation of revenues by category:

First quarter 2021 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Total
Advertising revenues	16.4	5.4	0.2	6.8	-	28.8
Classified revenues	94.3	38.0	1.1	18.2	-	151.6
Other revenues	0.5	0.2	-	0.2	0.4	1.3
Revenues from contracts with customers	**111.2**	**43.6**	**1.3**	**25.2**	**0.4**	**181.7**
Revenues from lease contracts, government grants and others	0.0	-	(0.1)	0.2	0.3	0.4
Operating revenues from external customers	**111.2**	**43.6**	**1.2**	**25.4**	**0.7**	**182.1**

First quarter 2020 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Total
Advertising revenues	15.8	5.1	0.2	7.5	-	28.6
Classified revenues	80.8	41.3	1.3	20.2	0.0	143.6
Other revenues	0.8	-	-	0.1	1.0	1.9
Revenues from contracts with customers	**97.4**	**46.4**	**1.5**	**27.8**	**1.0**	**174.1**
Revenues from lease contracts, government grants and others	0.0	-	-	0.1	0.3	0.4
Operating revenues from external customers	**97.4**	**46.4**	**1.5**	**27.9**	**1.3**	**174.5**

Full year 2020 € million	France	Spain	Brazil	Global Markets	Other / Headquarters	Total
Advertising revenues	65.6	21.1	0.6	30.3	-	117.6
Classified revenues	322.8	143.6	4.2	75.4	0.2	546.2
Other revenues	3.5	-	-	0.2	2.9	6.6
Revenues from contracts with customers	**391.9**	**164.7**	**4.8**	**105.9**	**3.1**	**670.4**
Revenues from lease contracts, government grants and others	0.2	-	-	0.5	2.4	3.1
Operating revenues from external customers	**392.1**	**164.7**	**4.8**	**106.4**	**5.5**	**673.5**

Note 4. Other income and expenses and impairment loss

	First quarter		Full Year
€ million	**2021**	**2020**	**2020**
Restructuring costs	0.0	(0.6)	(2.4)
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	(11.3)	(0.0)	6.6
Gain (loss) on sale of intangible assets and property, plant & equipment	-	-	(0.7)
Gain (loss) on amendment of pension plans	-	-	0.0
Acquisition-related costs	(5.4)	(0.4)	(32.5)
Integration-related costs	(8.3)	-	(6.1)
IPO-related costs	(0.1)	-	(3.1)
Other	(0.0)	(0.1)	(1.2)
Total other income and expenses	**(25.1)**	**(1.1)**	**(39.4)**

Loss on sale and remeasurement of subsidiaries, joint ventures and associates of €(11.3) million relates to the loss on sale of Yapo (Chile).

Acquisition-related costs of €(5.4) million and integration-related costs of €(8.3) million mainly relate to the upcoming acquisition of eBay Classifieds Group.

On initial classification as held for sale of Shpock, an impairment loss has been recognised amounting to €(25.1) million, which has been allocated to goodwill and other intangible assets.

Note 5. Net financial items

	First quarter		Full year
€ million	**2021**	**2020**	**2020**
Net interest income (expenses)	(8.3)	(1.0)	(9.2)
Net foreign exchange gain (loss)	(9.3)	(48.5)	(84.5)
Net other financial income (expenses)	(0.1)	(1.1)	(1.0)
Net financial items	**(17.7)**	**(50.6)**	**(94.7)**

Net interest expenses in Q1 2021 include €(7.3) million interest expenses related to the bonds issued in November 2020.

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

Note 6. Contingent liabilities

Digital Services Tax in France

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

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

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

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

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

• €750 million of worldwide revenue; and,

• €25 million of revenue generated in France.

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

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

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

Should the interactions with the French Tax Authorities and other actions conclude differently, the DST amounts applicable to Adevinta are not expected to exceed €20.4 million in total for 2019, 2020 and Q1 2021. Management will continue to work with the French tax authorities to obtain further clarification on this matter.

Note 7. Other matters

Covid pandemic

The Covid outbreak is currently affecting the world economy negatively and has increased the uncertainty on estimating the recoverable amounts for certain CGUs. The recoverable amount of a CGU is the higher of an asset's fair value less costs of disposal and value in use. Value in use is assessed by discounting estimated future cash flows. Reference is made to the carrying amounts, principles and estimation uncertainty and sensitivity for impairment testing in note 15 in Adevinta's Annual Report for 2020.

The risk of changes in expected cash flows that affect the consolidated financial statements will naturally be higher in markets in an early phase 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.

Adevinta has goodwill related to cash-generating units in certain markets that presently recognise negative or low profitability due to large investments to improve market positions and immature monetisation rates. Such units are dependent on future growth in profitability to recover goodwill. As at 31 March 2021, this mainly applies to Mexico (Chile sold in Q1 2021), where there is increased uncertainty about the future performance due to Covid and where the recoverable amount is close to the carrying amount.

The recoverable amounts can be significantly affected by assumptions applied for the discount rates, sustained growth and future cash flows which are uncertain at this stage. Management has based its current estimates of future cash flows on the expectation that the businesses will recover from Covid in line with expected recovery projections for 2021 and the discount rates are based on an expected stabilization of volatility, risk premiums and interest rates at levels indicative of the current environment. The expected economic recovery can be negatively impacted by the pace of the vaccine rollout and its effectiveness to deter further stringent lockdown restrictions and in certain instances continued government support policies. To this end management will continue to monitor the situation and its consequential impact to the businesses.

Based on the current estimates, no impairments have been identified in Q1 2021 (apart from impairment of assets held for sale which is not Covid related). Adevinta will continue to assess the impact to the business should the pandemic extend beyond our current estimates and will update the appropriate assumptions for calculating the recoverable amounts should this be required.

The Group had as at 31 March 2021 net interest-bearing debt of €467.6 million (see specification in Definitions and reconciliations below) and €479.9 million total liquidity available. Management still considers Adevinta's liquidity and refinancing risk to be low.

Note 8. Events after the balance sheet date

Covid pandemic

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

UK CMA Update

On April 27, Adevinta confirmed that it has proposed Russmedia Equity Partners ("Russmedia") as an upfront buyer of Shpock, Adevinta's primary classifieds operation in the UK. The proposal of an upfront buyer for Shpock is part of a package of proposed undertakings offered to the CMA to address the UK regulator's competition concerns following its review of Adevinta's proposed acquisition of eBay Classifieds Group. The CMA stated that it considers Russmedia to be a suitable purchaser of Shpock and that Adevinta's proposed undertakings, which also includes the divestment of Gumtree UK and motors.co.uk, are appropriate to remedy its competition concerns. The CMA has provisionally concluded that the proposed undertakings will be effective and that it has no concerns about their implementation. Acceptance of the proposed undertakings, including Russmedia's acquisition of Shpock, remain subject to a two-week public consultation process starting today and final approvals by the CMA. The sale of Shpock would be expected to close shortly after receipt of these approvals.

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

Definitions and Reconciliations

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

APMs should not be considered as a substitute for or superior measures of performance in accordance with IFRS. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below. As APMs are not uniformly defined, the APMs set out below might not be comparable with similarly labelled measures by other companies.

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 excl. Investment phase	EBITDA excl. Investment phase is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax, depreciation and amortisation excl. Investment phase. This measure equals gross operating profit (loss) from developed operations. The excluded operations are characterised by growth phase with large investments in market positions, immature monetisation rate and sustainable profitability has not been reached.	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 to convey information of segment profitability in developed phase operations. Management believes the measure enables an evaluation of operating performance.
Operating revenues incl. JVs	Operating revenues including the proportional ownership of willhaben (Austria) and OLX (Brazil).	Shows performance including the proportional ownership of willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.
EBITDA incl. JVs	Gross operating profit including the proportional ownership of willhaben (Austria) and OLX (Brazil).	Shows performance including the proportional ownership of willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.
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.
EBITDA margin excl. Investment phase	Gross operating profit (loss) excl. Investment phase/Operating revenues. The excluded operations are characterised by growth phase with large investments in market positions, immature monetisation rate and sustainable profitability has not been reached.	Shows the operations' performance regardless of capital structure, tax situation and effects from operations characterised by growth phase with large investments in market positions where profitability has not been reached as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
EBITDA margin incl. JVs	Gross operating profit (loss) including the proportional ownership of willhaben (Austria) and OLX (Brazil)/Operating revenues including the proportional ownership of willhaben (Austria) and OLX (Brazil).	Shows the operations' performance including the proportional ownership of willhaben (Austria) and OLX (Brazil) as a ratio to operating revenue including the proportional ownership of willhaben (Austria) and OLX (Brazil). Management believes the measure reflects the real scale, growth and profitability of Adevinta.

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

Developed Phase and Investment Phase

Developed Phase	
Consolidated Subsidiaries	**Joint ventures and associates**
• France: leboncoin, MB Diffusion, Avendrealouer, Videdressing, Locasun, PayCar, L'Argus and Pilgo • Spain: Coches.net, Motos.net, Fotocasa, Milanuncios, InfoJobs and Habitaclia • Italy: Subito and InfoJobs • Ireland: Daft, Done Deal and Adverts • Hungary: Hasznaltauto and Jofogas • Colombia: Fincaraiz (sold in Q4 2020) • Brazil: Infojobs	• Austria: willhaben • Brazil: OLX, Anapro and Grupo Zap. • France: Younited

Investment Phase (Investment phase refers to operations in a growth phase with large investments in market positions, but with immature monetisation rate and where sustainable profitability has not yet been reached.)	
Consolidated Subsidiaries	**Joint ventures and associates**
• Shpock in markets: Austria, Germany and United Kingdom (classified as held for sale from Q1 2021) • Chile: Yapo (sold in Q1 2021) • Mexico: Segundamano • Morocco: Avito (sold in Q4 2020) • Belarus: Kufar • Dominican Republic: Corotos (sold in Q2 2020) • Tunisia: Tayara (sold in Q4 2020)	• Indonesia: OLX (sold in Q4 2020) • Portugal: Custo Justo

	First quarter		Full Year
Reconciliation of EBITDA (before other income and expenses, impairment, joint ventures and associates) (€ million)	**2021**	**2020**	**2020**
Gross operating profit (loss)	**53.0**	**40.1**	**182.5**
= EBITDA (before other income and expenses, impairment, JVs and associates)	53.0	40.1	182.5

	First quarter		Full Year
Reconciliation of Operating revenues and EBITDA excl. Investment phase and in accordance with consolidated financial statements (€ million)	**2021**	**2020**	**2020**
Operating revenues	**182.1**	**174.5**	**673.5**
Operating revenues Investment phase	3.8	5.8	21.3
Operating revenues excl. Investment phase	178.3	168.7	652.2
Gross operating profit (loss)	**53.0**	**40.1**	**182.5**
EBITDA Investment phase	(2.5)	(3.3)	(16.8)
EBITDA excl. Investment phase	55.5	43.4	199.3

	First quarter		Full Year
Underlying tax rate (€ million)	**2021**	**2020**	**2020**
Profit (loss) before taxes	(30.1)	(24.9)	(38.8)
Share of profit (loss) of joint ventures and associates	0.1	(0.4)	(16.2)
Other losses for which no deferred tax benefit is recognised	43.4	64.2	177.9
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	11.3	-	(6.6)
Other non-taxable gains	-	-	(3.4)
Impairment losses	1.7	-	42.4
Adjusted tax base	**26.4**	**38.9**	**155.3**
Taxes	7.2	12.0	31.0
Reassessment of previously unrecognised deferred tax assets	-	-	17.7
Capital gain tax	-	-	(5.5)
Other non-recurring tax items	-	-	4.3
Adjusted taxes	**7.2**	**12.0**	**47.5**
Underlying tax rate	**27.3%**	**30.8%**	**30.6%**

	31 March		Full year
Liquidity reserve	**2021**	**2020**	**2020**
Cash and cash equivalents	144.9	89.5	131.0
Unutilised drawing rights on credit facilities	335.0	400.0	335.0
Liquidity reserve	**479.9**	**489.5**	**466.0**

	31 March		Full year
Net interest-bearing debt	**2021**	**2020**	**2020**
Non-current interest-bearing borrowings	1,276.2	187.8	1,266.2
Lease liabilities, non-current	76.3	93.1	81.6
Total non-current liabilities	**1,352.5**	**280.9**	**1,347.8**
Current interest-bearing borrowings	302.2	0.2	294.8
Lease liabilities, current	17.8	14.3	18.4
Total current liabilities	**320.0**	**14.5**	**313.2**
Interest-bearing debt	**1,672.5**	**295.4**	**1,661.0**
Proceeds from the borrowings placed in the escrow account	(1,060.0)	-	(1,060.0)
Cash and cash equivalents	(144.9)	(89.5)	(131.0)
Net interest-bearing debt	**467.6**	**205.9**	**470.0**

	First quarter		Full Year
Earnings per share - adjusted	**2021**	**2020**	**2020**
Profit (loss) attributable to owners of the parent	(38.2)	(36.1)	(71.6)
Other income and expenses	25.1	1.1	39.4
Impairment loss	25.1	-	42.8
Taxes and non-controlling interests related to other income and expenses and impairment loss	(6.0)	(0.2)	(0.6)
Profit (loss) attributable to owners of the parent - adjusted	**6.0**	**(35.2)**	**10.0**
Earnings per share – adjusted (EUR)	0.01	(0.05)	0.01
Diluted earnings per share – adjusted (EUR)	0.01	(0.05)	0.01

	First quarter		Full year
Currency rates used when converting profit or loss	**2021**	**2020**	**2020**
Pound sterling (GBP)	1.1436	1.1613	1.1253
Brazilian Real (BRL)	0.1517	0.2046	0.1721

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Financial Calendar

For information regarding conferences, roadshows and other investor questions, please visit www.adevinta.com/ir