Adevinta

Q4 2022 Interim Report

February 23, 2023

Content

Highlights of Q4 2022

All FY 2022 targets achieved despite market headwinds

Core markets revenue growth of 10% and total revenues up 8% yoy at €1,644m

Group underlying EBITDA[1] of €579m, including the €(12)m impact of the French DST, reported EBITDA of €548m at 33.3% margin

More than €35m of run-rate synergies delivered

Strong cash flow generation[2] of €437m and continuous debt reduction throughout the year

Successful execution of our *Growing at Scale* strategy

2022 portfolio optimisation review completed, with launch of sale process for Hungary

Business integration on track, with main milestones implemented in 2022: major systems rollouts, exit of TSAs, new operating models in support functions…

Strong focus on operational excellence, with:

- Increased monetisation of Mobility and Real Estate verticals, along with product improvements and increased added-value for customers
- Continued rapid scaling and product launches, eg in transactional services
- Strong financial discipline

[1] Consolidated EBITDA before share-based compensation impact
[2] Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments

Strong Q4 2022 results performance in a soft macro environment

Further strong core markets revenue growth : +13% year-on-year, driven by outstanding performance at Mobile.de

- Steady double digit growth in Classifieds (+15%), with strong performance in Mobility (+19%) and Real Estate (+9%) while Jobs remained dynamic (+5%),
- Consumer Goods transaction revenues growth up +60% yoy, with strong revenue growth in all Core markets
- Advertising revenues down 5% yoy
- Total revenue up 9% yoy, at €431m

Reported EBITDA margin of 33.6%, up 2pp yoy, despite French DST impact and business mix evolution - Total consolidated EBITDA of €145m

€1.7bn impairment loss to the book value of eCG assets and Hungary, reflecting:

- Global increases in WACC driven by increase in interest rates and equity risk premiums
- High share-price driven book value at closing of eCG transaction (+48% vs signing price)
- More conservative expected growth trajectory in Canada and Hungary
- **Offset by better mid-long term business outlook for German assets**

Outlook

2023 outlook

- **Low double digit Core Markets revenue growth**
- **Reported EBITDA in the range of €620m to €650m**, reflecting year-on-year improvement in EBITDA margin despite mix evolution
- **Leverage reduced to below 3x net debt/EBITDA** by year end

Long-Term ambition for Core markets

- **2023-2026 annual revenue growth between 11% and 15%**
- **2026 EBITDA margin: 40-45%**

Key performance indicators - Q4 2022

Core markets revenues	Visits
€393m ***+13% yoy***	**leboncoin / Mobile.de / ebayK** ***+36% yo3y / -11% yo3y / +31% yo3y*** ***+8% yoy / -3% yoy / +3% yoy***
Group revenues	**Motors**
€431m ***+9% yoy***	**ARPA leboncoin / ARPL Mobile.de** **€425 / €22** ***+18% yoy / +14% yoy***
EBITDA	**Real Estate**
€145m ***33.6% reported margin*** ***34.2% margin excluding DST***	**ARPA leboncoin / ARPA ebayK** **€575 / €110** ***+8% yoy / +1% yoy***
Adjusted net cash-flow from operating activities	**Transactions**
€114m	**leboncoin / ebayK** ***+27% yoy / +149% yoy***

***ARPA**: Average Revenue per Account (formula for a given month: paying professional accounts revenue / # of paying professional accounts)*
***ARPL**: Average Revenue per Listing (formula for a given month: revenue generated from dealer subscriptions, features and insertions / average monthly live listings)*
***Transactions**: based on payouts - number of payments made to sellers following a successful transaction*
***Visits**: every user session on a single device, based on internal data. Consent rates and tracking related adjustment applied for eBay K as from Q3'21 and for Mobile.de as from Q1'22. Privacy legislation differently interpreted in France, no adjustments are needed.*
***Adjusted net cash flow from operating activities**: net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments*

Message from our CEO

2022 was a pivotal year for Adevinta. After completing the acquisition of eCG in 2021, we focused on delivering a successful integration of the business and advancing our Growing at Scale strategy. We announced a new leadership team and structure with responsibilities aligned to execute and deliver on our strategy and to complete our integration roadmap with the implementation of new operating models for our global functions. We successfully developed and launched new features and products for the benefit of our users and clients, while maintaining our commitment to financial discipline. I want to thank our teams for everything they have done to support our progress and ensure that all our marketplaces continue to be the most attractive platforms for seamlessly trading second hand products. It is only as a result of their relentless work, we achieved all our financial goals for 2022, despite a challenging environment.

Core markets revenue growth accelerated to 13% in the quarter as a result of strong recovery in Mobile.de and continued solid performance in other markets. Classifieds revenue grew 15% year-on-year, demonstrating the strength of our market positions, value proposition and business models. Transactional services, another strategic pillar, delivered an impressive performance with 60% year-on-year revenue growth. Advertising revenues were down 5% due to the current weaker macroeconomic environment and more cautious investment approach of advertisers.

While managing the business and prioritising investment to ensure long term value accretive sustained growth , we continue to look at all opportunities to optimise our cost base and drive efficiencies. We delivered a 2-point increase in EBITDA margin in the fourth quarter. This despite the negative impact of French DST and the evolution of the business mix, demonstrating the strict financial discipline in train throughout the business. This focus on cost optimisation and control will continue while we will look to use the current resources we have even more efficiently, protecting our people and delivering on our commitments at the same time.

Cash generation remained strong in the quarter, allowing us to further repay debt and mitigate some of the impact of rising interest rates.

Our product roadmap continues to be fully aligned with our strategic ambition and allows us to deliver more value for our users and clients. Our project to align our organisation with our strategy around Mobility, Re-Commerce and Real Estate & Emerging Verticals, will allow us to share even more our product and technology capability across our five core European markets.

I remain very confident about the many opportunities that we have ahead of us. I expect 2023 to be another successful year, combining growth, efficiencies and value creation for our stakeholders.

Antoine Jouteau,
CEO

Financial performance

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

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

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

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

In 2021 Adevinta's decided to divest **Australia** and **South Africa**, these subsidiaries **were classified as held for sale and as discontinued operations as of 31 December 2021** and disclosed in "Profit (loss) from discontinued operation" in the profit and loss statement. In 2022, similarly **Mexico was exited**, initially this asset **was classified as held for sale as at 30 June 2022** and subsequently sold on 26 September 2022.

Quarterly restated figures from Q1 2019 to Q4 2022 (on a "combined" basis, adjusted for comparability) are available under the following link: www.adevinta.com/investors/financial-results-publications.

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

Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2021	2022	€ million	2022	2021	yoy%	2022	2021
9%	**394**	**431**	**Operating revenues**	**1,644**	**1,521**	**8%**	**1,644**	**1,139**
16%	**124**	**145**	**EBITDA**	**548**	**514**	**7%**	**548**	**356**
	31.6%	33.6%	EBITDA margin	33.3%	33.8%		33.3%	31.3%
7%	**139**	**149**	**Underlying EBITDA**	**579**	**555**	**4%**	**579**	**387**
	35.3%	34.6%	Underlying EBITDA margin	35.2%	36.5%		35.2%	34.0%
			Operating revenues per segment					
9%	119	129	France	494	453	9%	494	453
24%	69	86	Mobile.de	317	283	12%	317	141
8%	173	186	European Markets	708	648	9%	708	470
-18%	31	26	International Markets	114	128	-11%	114	67
0%	0		Disposals		3	-100%		3
83%	3	6	Other and Headquarters	15	9	70%	15	9
-24%	-1	-1	Eliminations	-5	-4	-22%	-5	-4
			EBITDA per segment					
3%	53	54	France	227	214	6%	227	214
34%	37	50	Mobile.de	175	164	7%	175	79
8%	71	77	European Markets	289	266	8%	289	171
4%	11	12	International Markets	49	47	5%	49	21
0%	0		Disposals		-5	-100%		-5
0%	-47	-47	Other and Headquarters	-192	-171	-13%	-192	-122
			Non-consolidated JVs					
24%	23	28	Proportionate share of revenues	107	83	29%	107	83
98%	2	4	Proportionate share of EBITDA	10	10	-2%	10	10

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

Operating revenues by category

Fourth quarter				Combined[1] Year			IFRS Year	
yoy%[2]	2021	2022	€ million	2022	2021	yoy%[2]	2022	2021
14%	279	314	Online classifieds revenues	1,226	1,109	11%	1,226	849
58%	14	21	Transactional revenues	69	46	50%	69	44
-8%	99	91	Advertising revenues	337	359	-5%	337	240
132%	2	5	Other revenues	12	6	87%	12	6
11%	**394**	**431**	**Operating revenues**	**1,644**	**1,521**	**9%**	**1,644**	**1,139**

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

Quarter performance

Adevinta exited InfoJobs Brazil (in Q1 2022), Kufar (in Q2 2022) and Mexico (in Q3 2022) which represented 5 million euros revenues included in Q4 2021 results.

Excluding the impact of these divestments, **group revenues were up 11% in the fourth quarter** compared to the same period last year:

- **Online classifieds revenues** improved by 14% year-on-year;
- **Transactional revenues** grew by 58% year-on-year;
- **Advertising revenues** were down 8%.

Core Markets revenues reached €393 million euros in the quarter, representing a strong 13% growth, accelerating quarter after quarter, despite the continued supply softness in the Mobility segment and the weaker market environment:

- **Online classifieds revenues** improved by 15%, supported by double-digit revenue growth in Mobility which benefited from successful price increases implemented during the year, the recovery of dealer listings at Mobile.de, driven by lower demand, and high value added product development both for users and car dealers. Real Estate performance remained steady, with high single digit growth in the period. Jobs continued to perform strongly, despite lapping tougher comps in Spain;
- **Transactional revenues** grew by 60% year-on-year, with strong revenue growth in all Core markets;
- **Advertising revenues** were down 5% year-on-year, as a result of an overall weaker advertising market, especially in automotive display advertising.

Gross operating profit (reported EBITDA) amounted to 145 million euros, up 16% year-on-year, representing a 33.6% margin. This was the result of (i) the positive topline evolution, (ii) lower marketing investment, driven by different phasing, spend discipline and prioritisation, (iii) cost management in the current market context, and (iv) a lower impact from share-based compensation. This was partly offset by (i) the continued scaled build-up of global capabilities with the implementation of new operating models for support functions and Product and Technology teams, and to accelerate new business model development and value creation, (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth, and (iii) the (3) million euro provision booked related to the French DST.

Excluding the impact from the French digital services tax legislation (DST), EBITDA improved by 18%, to 147 million euros compared to the fourth quarter of 2021, representing a 34.2% margin

Underlying EBITDA[3] was 149 million euros in the fourth quarter of 2022, representing a 34.6% underlying EBITDA margin.

[3] Consolidated EBITDA before share-based compensation impact (€(4)m in Q4 2022 vs. €(15)m in Q4 2021)

Segment information

France

Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2021	2022	€ million	2022	2021	yoy%	2022	2021
9%	**119**	**129**	**Operating revenues**	**494**	**453**	**9%**	**494**	**453**
-14%	(66)	(75)	Operating expenses	(267)	(240)	-11%	(267)	(240)
3%	**53**	**54**	**EBITDA**	**227**	**214**	**6%**	**227**	**214**
	44.5%	42.0%	EBITDA margin	46.0%	47.1%		46.0%	47.1%

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

Traffic[4] improved compared to last year (+8%). Importantly compared to 2019, traffic was up 36%. Listings increased 22% year-on-year, and was up 5% compared to the previous quarter. Once again, this positive content development was driven by Consumer Goods (up 24% year-on-year) while Real Estate professional content was back to positive growth (+3% year-on-year). Car professional content was impacted by the continued market supply dynamics (down 10%).

Total P2P transaction payments in France saw further strong traction in the quarter, with payouts up 27% year-on-year. This evolution was supported by two successful promotional campaigns for delivery in November and December, where new record levels of transactions were reached, as well as the new wallet and instalment solutions. User experience improvements (eg: transactional messages update with renewed format and content) also contributed to this performance.

Reported revenues in France grew by 9% in the fourth quarter of 2022. Online classifieds revenues grew 6% year-on-year mainly driven by Real Estate and Mobility. Real Estate high single-digit revenue growth benefited from the launch of enhanced subscription packages in September, with high added-value for professional clients. This contributed positively to the ARPA evolution (to €575; +8% year-on-year). Mobility revenue growth was driven by the 18% ARPD increase (to €425) which more than offset the effect of declining professional volumes. Jobs revenues were down year-on-year. **Advertising revenues were slightly down (-2%) compared to last year**, where we saw the ongoing impact of reduced activity from media agencies and programmatic. **Revenues from transactions were up 50% year-on-year**, on the back of transaction volume growth and AOV increase (+16% year-on-year).

Reported EBITDA was 54 million euros, up 3% year-on-year, supported by the positive top-line development. This was partly offset by (i) an increase in personnel, due to investments in product and technology development and the one-off impact of an exceptional inflation bonus grant, (ii) a slight increase in marketing costs, and (iii) a provision of (3) million euros related to the French DST that was booked in the quarter. Direct transaction costs also increased during the period. The improved delivery pricing structure and the expansion of the wallet roll-out (both a positive impact on the margin) partially offset the impact of higher transaction volumes. These effects, combined with higher transaction volumes, enabled Transactional Services to break even at the end of the year. **The reported EBITDA margin deteriorated accordingly by 2.5 percentage points year-on-year.**

EBITDA, excluding DST, improved by 8% compared to the fourth quarter of 2021. The EBITDA margin, excluding DST, was broadly stable compared to the same period last year despite the unfavourable evolution of the business mix.

In the Real Estate vertical, we further enhanced our offering to professional clients with the integration of Google reviews and improvements to our Seller Prospecting Map, while expanding the roll out of our new Seller Prospecting tool and a new Premium Pack for developers . **In the Mobility vertical, we updated the pricing algorithm for l'Argus** to adapt it to the current market context and further optimised our used car transaction solution ("Pack Sérénité"). **We also continued to deploy our market verticalization strategy**, with for example the implementation of free cancellation up to 30 days before booking in Holiday Rentals and better visibility for direct application ads in Jobs.

In Consumer Goods, our marketplace for professional sellers performed well, with a strong increase in the number of transactions (+193% quarter-on-quarter) and steady growth in GMV (+66% quarter-on-quarter). This performance was supported by innovation and improvements to the user experience, with inventory management on the seller dashboard, additional moderation criteria for 'new' content, and more detailed categorisation.

[4] Visits: every user session on a single device, based on internal data

Mobile.de

Fourth quarter				Combined[1] Year			IFRS Year	
yoy%	2021	2022	€ million	2022	2021	yoy%	2022	2021
24%	**69**	**86**	**Operating revenues**	**317**	**283**	**12%**	**317**	**141**
-14%	(32)	(36)	Operating expenses	(142)	(120)	-19%	(142)	(62)
34%	**37**	**50**	**EBITDA**	**175**	**164**	7%	**175**	**79**
	53.8%	57.8%	EBITDA margin	55.2%	57.8%		55.2%	56.0%

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

Traffic[5] was 3% lower than in the fourth quarter of 2021, and 11% lower than 2019, again indicative of the overall weakness in the automotive market. Despite the low levels of available stock in the market, **dealer listings returned to positive growth** compared to the same period last year (+9%) driven by the easing of comps and as a result of low demand due to the economic environment.

Revenues in mobile.de improved by 24% in the fourth quarter of 2022. Online classified revenues increased by 29% year-on-year, mainly due to the recovery in dealer listings and the successful implementation and execution of the dealer price adjustment in April, in combination with increasing value for customers. Average revenue per dealer listing increased by +14% year-on-year. **Revenues from private sellers posted a strong performance** in the quarter, supported by higher ARPL. **Advertising revenues decreased by 7%** compared to the previous year, again impacted by the reduced level of advertising spending by OEMs as a result of the low level of new car production (a trend seen previously) and the current market context.

EBITDA improved by 34% in the fourth quarter, mainly driven by the positive top-line development and operating leverage. This was partly offset by the increase in internal resources as we continued to invest in product enhancements and in sales and customer care operations to support new business models (online buying & selling and leasing). **Marketing expenses decreased in the quarter** (down 10% year-on-year) as a result of high comps. **Accordingly, the EBITDA margin improved by 4 percentage points year-on-year.**

We continued to customise our new Online Buying & Selling service, launched at the end of September, with flow improvements to enhance the user experience and process optimisation. The first full end-to-end transaction took place in Q4 and we are now progressively scaling the business. During the quarter, **we also improved the user experience** by introducing the mobile.de desktop dark mode.

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

European Markets

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

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

Fourth quarter			€ million	Combined[1] Year			IFRS Year	
yoy%[2]	2021	2022		2022	2021	yoy%[2]	2022	2021
9%	**173**	**186**	**Operating revenues**	**708**	**648**	**10%**	**708**	**470**
-9%	(102)	(110)	Operating expenses	(420)	(382)	-10%	(420)	(299)
9%	**71**	**77**	**EBITDA**	**289**	**266**	9%	**289**	**171**
	41.0%	41.1%	EBITDA margin	40.8%	41.1%		40.8%	36.4%

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

Revenues in the European markets segment (excluding Kufar) increased by 9% in the fourth quarter of 2022, led by strong performance at eBay Kleinanzeigen (+11% year-on-year), in Spain (+9% year-on-year) and Italy (+13% year-on-year). Online classified revenues were up by 15%, supported by growth in all verticals: especially Consumer Goods, Mobility and Real Estate. Advertising revenues were down 6% year-on-year, impacted similarly by the weak economic context leading to lower spend by advertisers. Transactional revenues continued with strong momentum and almost doubled compared to the same period last year.

EBITDA improved by 9% compared to the fourth quarter of 2021, in line with topline evolution. This was partly offset by an increase in personnel expenses, particularly at eBay Kleinanzeigen, with further investment in product development and sales and customer support, in line with the revenue growth of the business. Transactional costs also increased, driven by higher volumes and by promotional campaigns to drive adoption of the service. **EBITDA margin was broadly flat year-on-year, despite unfavourable mix evolution.**

eBay Kleinanzeigen revenues grew 11% in the period and reached 64 million euros. This was driven by significant momentum in Consumer Goods, with a strong performance in Small and Medium Businesses (+30% subscribers year-on-year), Real-Estate, with further market share gains (+20% professional clients year-on-year; stable ARPA year-on-year) and Mobility. These developments were partially offset by a decline in advertising revenues due to a weaker global market environment. Nevertheless, advertising performance was stronger than the overall German market. Transactional revenues more than doubled in the period, benefiting from recent product launches ("Buy Now" option, integrated shipping with DHL). Compared to the fourth quarter of 2019, traffic[6] increased by 31%.
During the quarter, in our Real Estate vertical, we began rolling out our new pricing and packaging offering for professional clients and launched a new C2B seller lead feature.

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

In Spain, revenues grew 9% in the period and reached 54 million euros. This was mainly a result of strong performance in all three verticals in online classifieds, up 10% year-on-year. Jobs performed strongly (+14% year-on-year), despite lapping tougher comps, the Real-Estate growth continued to be fueled by our new Product and Packaging, driving ARPA growth, whilst the Mobility growth was supported by new value-added solutions. Advertising revenues were up 2% year-on-year, driven by new client acquisition. Transactional revenues continued to ramp-up.
In the quarter, we delivered new added-value solutions for our users (eg: search experience enhancements, Google Maps roll-out at Fotocasa, improved candidate's sign up experience at InfoJobs) and further developed our transactional solutions (eg: introduction of Vouchers and new "confirm receipt" button, test on new payment methods).

Benelux revenues grew 4% in the period and reached 39 million euros. Revenue growth in online classifieds and transactional services, benefiting from promotional shipping campaigns and the introduction of DHL as a second shipping carrier, was partly offset by lower advertising revenues (-8% year-on-year), impacted like other markets by the weaker macroeconomic environment.
In the quarter our SMBs offering was enhanced , with the scaling of our Marktplaats Shopify app and launch of a direct debit payment option to improve the user experience.

In Italy, revenues grew 13% mainly driven by the strong performance in Mobility and Consumer Goods and continued strong momentum of transactional services (launched in August 2021). Advertising revenues were down year-on-year, driven by softer programmatic performance and the Kijiji.it shutdown.

In Ireland, revenues grew 12% year-on-year, with double-digit growth in Mobility and Real Estate and high single-digit revenue growth in Consumer Goods while advertising revenues declined year-on-year.

In Willhaben (not included in segment information), revenues grew 21% year-on-year, with strong performance in Jobs, Real Estate and Advertising. Transactional services almost doubled in the period.

International Markets

International Markets comprises Kijiji in Canada, Autotrader, Gumtree and Carsguide in Australia (sold on 4 October 2022), Gumtree in South Africa (sold on 23 November 2022), Segundamano and Vivanuncios in Mexico (sold on 26 September 2022) and OLX and Infojobs Brazil (sold on 30 March 2022) in Brazil.

In 2021, Adevinta decided to divest **Australia** and **South Africa.** These subsidiaries were **classified as held for sale and as discontinued operations** as of 31 December 2021 and disclosed within "Profit (loss) from discontinued operation" in the profit and loss statement.

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

Fourth quarter				Combined[1] Year			IFRS Year	
yoy%[2]	2021	2022	€ million	2022	2021	yoy%[2]	2022	2021
-9%	**31**	**26**	**Operating revenues**	**114**	**128**	**-6%**	**114**	**67**
2%	(20)	(14)	Operating expenses	(65)	(81)	9%	(65)	(47)
-17%	**11**	**12**	**EBITDA**	**49**	**47**	-3%	**49**	**21**
	35.2%	45.2%	EBITDA margin	42.9%	36.5%		42.9%	30.6%

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

International markets, which only include Canada from the fourth quarter of 2022, showed a 9% year-on-year decline in revenues (excluding Infojobs Brazil and Mexico). Canada posted a 1% revenue growth in online classifieds, led by Mobility, which benefited from an increase in subscriptions from the successful conversion of our free trial dealer program. This was partly offset by a soft performance in advertising (-27% year-on-year), driven by lower vibrancy and soft direct display revenues.

Reported EBITDA was up €1m year-on-year, following the exit of Mexico. In Canada, lower EBITDA year-on-year reflected the topline evolution and an increase in personnel costs, partially offset by a reduction in marketing expenses and other cost optimisation. **Reported EBITDA margin improved by 10 percentage points year-on-year.**

OLX Brasil (not included in segment information) increased revenues by 5% year-on-year in local currency and reached 41 million euros (100% view), in a context of political and macro-economic uncertainties (national election, higher interest rates…). Revenue growth was driven by the expansion of the triple-bundle strategy across brands in Real-Estate, by higher ARPU in Mobility, both for private customers and dealers, and good liquidity and conversion in Consumer Goods. Transactional revenues doubled over the period. Advertising revenues, however, were down year-on-year impacted by the weaker macroeconomic environment.

EBITDA was up 137% compared to last year in local currency and amounted to 5 million euros (100% view). This development was driven by (i) a decrease in marketing expenses, mainly due to lower investments in ZAP+ branding and performance, and (ii) lower personnel expenses, mainly due to a headcount reduction, without compromising operations. The EBITDA margin for the quarter was 13%.

Our transactional solutions saw improvements in the quarter with the introduction of new shipping price rules, a new shipping carrier and a checkout flow that allows buyers to select alternative payment methods. A seller history was launched coupled with the existing seller review features, contributing to increasing trust & safety on the platform. In Mobility, we launched a price reference for buyers on the web and for sellers in apps, increasing marketplace liquidity and for Real Estate, we integrated a new CRM module into the professional ZAP+ platform.

Other (central P&T) and Headquarters

Other and Headquarters costs comprise Adevinta's shareholder and central functions as well as the central product and technology development.

The Other and Headquarters EBITDA were flat compared to last year, at (47) million euros.

The continued build-up of global capabilities due to the implementation of new operating models for support functions and Product and Technology teams to drive operational efficiencies and accelerate value creation was offset by larger share of cost allocations to the markets to reflect global teams support and lower share-based compensation.

As a percentage of revenues, Central P&T and Headquarters costs were down year-on-year, at 11%.

Towards optimised organisation to drive scale benefit

Our previously announced portfolio review and optimisation programme is now completed:

- In the fourth quarter of 2022, we completed the strategic review for Canada. We concluded that Adevinta will continue to operate and optimise the asset, outside of Core Markets.
- On 23 February 2023, we announced the launch of the sale process for Hungary, which was the last remaining business under strategic review.

The delivery of our integration roadmap remained on track with more than 100% of our targeted run-rate synergies of 35 million euros for the full year 2022 achieved at the end of December 2022.

Main achievements of the period include:

- Launch of the cloud migration and of the Data and Marketing transformation;
- Execution of more procurement synergies;
- Additional synergies from platform rationalisation and handover to local teams.

Key milestones for the next quarters include the further roll-out of the new operating models for support functions, continued cloud migration, Data & Marketing transformation and further P&T efficiency optimisation, with the main synergies expected to be realised in 2023.

Our run-rate EBITDA synergy target in year 3 remains unchanged, at 130 million euros.

The verticalisation of Adevinta's operations to align with the 'Growing at Scale is ongoing:

Major achievements during the period included:

- New vertical and segment responsibilities with new leadership team on January 1st, 2023;
- Set up of the project team, structure and governance of the project;
- Design of Vertical Organisation progressing - collaborating and workshops with senior business leaders and functional leads.

Outlook

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

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

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

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

We continue to experience temporary headwinds with the low production levels of new cars globally that have a consequential knock-on effect on used car listing volumes and OEM marketing spend. The overall macro environment has also weakened following the start of the Ukraine war, resulting in rising inflation and interest rates and lower consumer confidence, ultimately affecting advertising investment.

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

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

In France, we will continue to benefit from our resilient mobility and real estate business models and our ability to drive ARPU growth through upselling and price increases. This will more than offset the foreseen decline in dealers' and agents' new listings. We expect traction in transactional services and our new solution for consumer goods professional clients to drive incremental revenues. The advertising market will remain challenging throughout the year. Overall we expect slight acceleration in revenue growth compared to 2022.

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

In European markets we expect a similar revenue growth trajectory than in 2022, with sustained classifieds performance, on the back of improved monetization, and further strong traction in Transactional services despite higher comps. Advertising revenues are expected to remain under pressure throughout the year.

Since Adevinta's creation and following eCG acquisition, we have built up capacity and redesigned enabling functions and enhanced the quality of our global operations to support business development and drive efficiencies throughout the Group. As we are implementing a new allocation methodology to mirror the actual usage of global services, we expect the 2022 central costs level to be the run rate going forward, despite forecasted revenue growth, thus driving overall operating leverage.

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

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

Group Overview

Results

Revenue increased by 9% in the fourth quarter of 2022 to €431 million, compared to the same period last year, mainly led by revenue growth in online classifieds (+12% year-on-year) and by strong revenue growth from transactional services (+58% year-on-year), while advertising revenues continued to be impacted by the overall weaker advertising market, especially in automotive display advertising, and lower vibrancy of some platforms.

Operating expenses increased by 6% in the fourth quarter of 2022 to €286 million, compared to the same period last year. This was the result of (i) the continued build-up of global capabilities with the implementation of new operating models for support functions and Product and Technology teams, and to accelerate new business model development and value creation, (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth, and (iii) the €(3) million euro provision booked related to the French DST.

Gross operating profit (EBITDA) increased by 16% to €145 million in the fourth quarter of 2022, compared to €124 million in the same period in 2021.

Depreciation and amortisation increased by €(18) million in the quarter, mainly driven by the reassessment of useful lives of certain trademarks in Q2 2022 (see note 2).

Share of profit (loss) of joint ventures and associates in the fourth quarter of 2022 decreased by €(17) million compared to the same period in 2021 mainly driven by lower results in Brazil from which €(16) million correspond to a decrease in deferred tax assets after reassessing their recoverability.

An impairment loss of €(1,722) million has been recognised in the fourth quarter 2022 and is mainly attributable to Canada (€(802) million), eBayKleinanzeigen (€(489) million), mobile.de (€(411) million) and Hungary (€(17) million) with the loss being distributed to goodwill (€(1,492) million) and other intangible assets (€(228) million). Adevinta acquired the businesses in Canada, eBay Kleinanzeigen and Mobile.de as part of the eCG acquisition in June 2021 where 80% of the purchase amount was paid in Adevinta shares with the share price increasing 48% from the signing to the closing date of the transaction (share price was NOK 170 at closing) which significantly increased the goodwill attributable to the businesses. The macroeconomic uncertainties and increasing inflation during 2022 has triggered a significant increase in market interest rates and equity risk premiums. This has significantly increased the weighted average cost of capital (WACC) that Adevinta uses for discounting cash flows when estimating the recoverable amounts of its CGUs, which has resulted in the impairment loss for Canada, eBay Kleinanzeigen and Mobile.de. In eBay Kleinanzeigen and Mobile.de the impact of the WACC was partly offset by better mid-longer term business performance whilst for Hungary and Canada there was a negative impact considering the revised growth trajectory of the businesses.

Other income and expenses amounted to €(14) million in the fourth quarter of 2022 with the main drivers being integration expenses related to the eCG acquisition of €(16) million. In the fourth quarter of 2021 other income and expenses amounted to €(25) million mainly due to integration costs related to the eCG acquisition of €(15). Other income and expenses are disclosed in note 4 to the condensed consolidated financial statements.

Operating profit (loss) in the quarter amounted to €(1,691) million (€33 million in the fourth quarter of 2021). Please also refer to note 3 to the condensed consolidated financial statements.

Net financial items showed an expense of €(35) million in the quarter compared to an expense of €(28) million in 2021, mainly due to foreign exchange loss in Q4 2022 (€(12) million) driven by the depreciation of the exchange rate of the BRL against the EUR (foreign exchange loss of €(4) million in Q4 2021). Net financial items are disclosed in note 5 to the condensed consolidated financial statements.

The Group reported a tax income in Q4 2022 of €1 million compared to a tax income of €16 million in Q4 2021. The tax expense in Q4 2022 was positively impacted by decrease in deferred tax liabilities due to the impairment of intangible assets and concluding that some prior year hedging losses are tax deductible, which was partially offset by derecognition of deferred tax assets in the Dutch tax group due to updated forecasts of taxable income. In Q4 2021 there was a positive adjustment of the tax rate applicable to deferred tax assets and liabilities in the Dutch tax group and the recognising of tax benefit from integration and financing costs related to the eCG acquisition. In general, the tax expense line is after Q2 2021 positively affected by reversal of deferred tax liability related to the amortisation of identifiable intangible assets recognised upon the acquisition of eCG. Please see note 7 for the relationship between Profit (loss) before tax and the reported tax expense.

Basic earnings per share in the fourth quarter of 2022 is €(1.44) compared to €0.02 in the fourth quarter of 2021. Adjusted earnings per share in the fourth quarter of 2022 is €(0.07) compared to €0.04 in the fourth quarter of 2021.

Financial position

The carrying amount of the Group's assets decreased by €(2,182) million to €12,064 million during 2022, mainly due to the impairment of goodwill and other intangible assets (€(1,722) million), the depreciation and amortisation (€(300) million), the decrease in cash and cash equivalents (€(161) million), the sale of the assets that were presented as held for sale as of 31 December 2021 (€(114) million), the decrease in deferred tax assets (€(149) million) and the share of profit (loss) of joint ventures and associates (€(41) million). These were partially offset by CAPEX (€89 million), the increase in receivables related to the sales of subsidiaries (€60 million) and by the exchange gain in the period driven by the appreciation of the exchange rate of the BRL against the EUR, increasing both the investments in joint ventures and associates (€39 million) and the value in EUR of the loan in BRL (increase of €20 million) granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture). Also contributing was the interest accrued in relation to this loan (€24 million) as well as the increase in fair value of the cross-currency interest rate swap contracts due to USD appreciation versus EUR (€49 million).

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

The Group's equity ratio is 72% as at 31 December 2022 compared to 73% as at 31 December 2021.

The Group had at 31 December 2022 net interest-bearing debt of €2,199 million (see specification in Definitions and Reconciliations below) **and €520 million total liquidity available**. Management considers Adevinta's liquidity and refinancing risk to be acceptable considering the cash generation projections as well as the cash conversion rate of the business.

Cash flow

Net cash flow from operating activities was €60 million in the fourth quarter of 2022, compared to €59 million in the same period of 2021, mainly due to an increase in EBITDA as well as a decrease in tax payments being more than offset by negative impact from working capital and provisions, mostly because of DST payments in France amounting to €(33) million, including €(22) million in respect of DST for prior years.

Net cash flow from investing activities was €(15) million in the fourth quarter of 2022, compared to €(62) million in the same period of 2021. The reduction of the cash outflow from investing activities is mainly due to purchases of intangible assets and property, plant & equipment being €12 million lower, proceeds from sale of subsidiaries of €11 million whereas in the fourth quarter of 2021 there were €(16) million paid in relation to the acquisition of subsidiaries .

Net cash flow from financing activities was €(86) million in the fourth quarter of 2022, compared to €(6) million in the same period of 2021. The increase in cash outflow is mainly due to the repayment of TLB EUR amounting to €(75) million.

Transactions of Treasury Shares by Adevinta ASA

On 24 February 2022, Adeverinta ASA announced the decision to initiate a buy-back of up to 10 million of its own shares. The share buy-back programme is structured into two tranches. The first tranche was completed on 22 March 2022 and comprised a buy-back of 4 million shares amounting to €37 million. The second tranche was completed on 29 June 2022 and comprised a buy-back of 4 million shares amounting to €29 million. The purpose of the buy-back was to acquire shares to be used as settlement in the Company's share-based incentive plans over the next 3 years.

In January 2022 393,194 treasury shares were transferred to employees, in relation to the Adevinta Performance Share Plan (PSP) granted to some senior employees in 2019. In addition, 232,310 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In February 2022 18,707 treasury shares were transferred to employees in relation to bonus matching shares given to employees who enrolled in the Employee Share Saving plan. In addition, 22,107 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In April 2022 5,600 treasury shares were transferred to employees, in relation to the Spot Equity Award plan. In addition, 5,972 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In April 2022 272,156 treasury shares were transferred to employees, in relation to the Legacy Equity Award program (LEP) granted to legacy eCG employees upon the acquisition of eCG. In addition, 277,552 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In May 2022 11,380 treasury shares were transferred to employees, in relation to bonus matching shares given to employees who enrolled in the Employee Share Saving Plan. In addition, 16,326 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In June 2022 1,830 treasury shares were transferred to employees, in relation to the Legacy Equity Award program (LEP). In addition, 1,857 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In August 2022 14,126 treasury shares were transferred to employees, in relation to matching shares given to employees who enrolled in the Employee Share Saving Plan (ESSP). In addition, 8,446 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In September 2022 68,218 treasury shares were transferred to the employees, in relation to the Spot Equity Award plan. In addition, 62,015 treasury shares were sold through a broker on the Oslo Stock Exchange to cover the participant's tax liabilities in relation to the shares transferred.

In October 2022 203,927 treasury shares were transferred to the employees, in relation to the Legacy Equity Plan. In addition, 210,807 treasury shares were sold through a broker in the open market to cover the participant's tax liabilities in relation to the shares transferred.

In November 2022 14,927 treasury shares were transferred to employees in relation to bonus matching shares given to employees who enrolled in the Employee Share Saving plan. In addition, 8,718 treasury shares were sold to cover the participant's tax liabilities in relation to the shares transferred.

In November 2022, 4,973 treasury shares were transferred to the employees, in relation to the Performance Share Plan - New Joiner and 43,971 treasury shares were transferred to the employees, in relation to the Spot Equity Award plan. 5,420 treasury shares and 42,526 treasury shares respectively were sold through a broker in the open market to cover the participant's tax liabilities in relation to the shares transferred.

Covid pandemic

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

The Russian government invasion of Ukraine

The Russian government invasion of Ukraine, alongside the imposition of international sanctions, has a pervasive economic impact. Adevinta is monitoring the development, including updating risk assessment and measures. When we announced our new strategic plan in November 2021, we identified Belarus, as one of our operations to be placed under review. Subsequently on 27 April 2022 Adevinta announced its decision to exit Belarus and on 20 May 2022 a sales agreement was signed with the local management as buyers and closing of the deal at the same date.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Operating revenues	**431**	**394**	**1,644**	**1,139**
Personnel expenses	(122)	(120)	(483)	(368)
Other operating expenses	(164)	(149)	(613)	(415)
Gross operating profit (loss)	**145**	**124**	**548**	**356**
Depreciation and amortisation	(82)	(64)	(300)	(156)
Share of profit (loss) of joint ventures and associates	(18)	(0)	(41)	(8)
Impairment loss	(1,722)	(2)	(1,722)	(22)
Other income and expenses	(14)	(25)	(112)	(140)
Operating profit (loss)	**(1,691)**	**33**	**(1,627)**	**29**
Net financial items	(35)	(28)	(49)	(65)
Profit (loss) before taxes	**(1,726)**	**5**	**(1,676)**	**(35)**
Taxes	1	16	(10)	(19)
Profit (loss) from continuing operations	**(1,725)**	**21**	**(1,687)**	**(54)**
Profit (loss) from discontinued operations	**(29)**	**6**	**(57)**	**7**
Profit (loss) attributable to:				
Non-controlling interests	2	1	8	6
Owners of the parent	(1,755)	26	(1,752)	(54)
Earnings per share in €:				
Basic	(1.44)	0.02	(1.43)	(0.06)
Diluted	(1.44)	0.02	(1.43)	(0.06)

Condensed consolidated statement of comprehensive income

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Profit (loss)	**(1,754)**	**27**	**(1,744)**	**(48)**
Remeasurements of defined benefit pension liabilities	2	0	2	0
Income tax relating to remeasurements of defined benefit pension liabilities	(0)	(0)	(0)	(0)
Net gain/(loss) on cash flow hedges	0	0	0	56
Change in fair value of financial instruments	(7)	15	(7)	16
Income tax related to change in fair value of financial instruments	(2)	-	(2)	-
Items not to be reclassified subsequently to profit or loss	**(7)**	**15**	**(7)**	**72**
Exchange differences on translating foreign operations	(128)	8	31	22
Net gain/(loss) on cash flow hedges	4	0	19	7
Income tax related to hedges of net investments in foreign operations	(5)	-	(5)	-
Items to be reclassified subsequently to profit or loss	**(129)**	**8**	**47**	**29**
Other comprehensive income	**(136)**	**23**	**37**	**101**
Comprehensive income	**(1,890)**	**50**	**(1,707)**	**53**
Comprehensive income attributable to:				
Non-controlling interests	2	1	6	5
Owners of the parent	(1,892)	49	(1,713)	48

Condensed consolidated statement of financial position

€ million	31 December 2022	31 December 2021
Intangible assets	10,880	12,790
Property, plant and equipment and right-of-use assets	96	118
Investments in joint ventures and associates	446	370
Other non-current assets	257	375
Non-current assets	**11,679**	**13,653**
Trade receivables and other current assets	315	247
Cash and cash equivalents	70	231
Assets held for sale	-	115
Current assets	**385**	**593**
Total assets	**12,064**	**14,247**
Equity attributable to owners of the parent	8,614	10,368
Non-controlling interests	14	18
Equity	**8,628**	**10,385**
Non-current interest-bearing borrowings	2,183	2,312
Other non-current liabilities	846	987
Non-current liabilities	**3,029**	**3,299**
Current interest-bearing borrowings	9	152
Other current liabilities	397	383
Liabilities directly associated with the assets held for sale	-	27
Current liabilities	**407**	**563**
Total equity and liabilities	**12,064**	**14,247**

Condensed consolidated statement of cash flows

	Fourth quarter		Year	
€ million	**2022**	**2021**	**2022**	**2021**
Profit (loss) before taxes from continuing operations	(1,726)	5	(1,676)	(35)
Profit (loss) before taxes from discontinued operations	4	6	(28)	7
Profit (loss) before taxes	**(1,722)**	**11**	**(1,705)**	**(28)**
Depreciation, amortisation and impairment losses	1,803	67	2,054	180
Share of loss (profit) of joint ventures and associates	18	0	41	8
Dividends received from joint ventures and associates	-	-	3	3
Taxes paid	(9)	(30)	(60)	(92)
Sales losses (gains) on non-current assets and other non-cash losses (gains)	(7)	(1)	(23)	33
Net loss on derivative instruments at fair value through profit or loss	-	-	-	3
Accrued share-based payment expenses	5	16	33	32
Unrealised foreign exchange losses (gains)	12	4	(28)	2
Other non-cash items and changes in working capital and provisions	(39)	(9)	37	52
Net cash flow from operating activities	**60**	**59**	**352**	**193**
Development and purchase of intangible assets and property, plant & equipment	(26)	(38)	(89)	(77)
Acquisition of subsidiaries, net of cash acquired	-	(16)	(11)	(2,181)
Proceeds from sale of intangible assets and property, plant & equipment	-	-	-	0
Proceeds from sale of subsidiaries, net of cash sold	11	(7)	12	274
Net sale of (investment in) other shares	(0)	(0)	(8)	3
Net change in other investments	(0)	-	5	(3)
Net cash flow from investing activities	**(15)**	**(62)**	**(92)**	**(1,983)**
Net cash flow before financing activities	**45**	**(3)**	**259**	**(1,790)**
New interest-bearing loans and borrowings	-	-	-	2,440
Repayment of interest-bearing loans and borrowings	(76)	(1)	(321)	(493)
Net sale (purchase) of treasury shares	(5)	-	(79)	(22)
Lease payments	(2)	(5)	(19)	(20)
Dividends paid to non-controlling interests	(2)	-	(10)	(8)
Net cash flow from financing activities	**(86)**	**(6)**	**(429)**	**1,898**

Condensed consolidated statement of cash flows

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Effects of exchange rate changes on cash and cash equivalents	(3)	1	(1)	1
Net increase (decrease) in cash and cash equivalents	**(44)**	**(8)**	**(170)**	**109**
Cash and cash equivalents at start of period	105	232	231	131
Cash and cash equivalents attributable to assets held for sale at start of period	10	17	9	-
Cash and cash equivalents at end of period	**70**	**231**	**70**	**231**
Cash and cash equivalents attributable to assets held for sale at end of period	**-**	**9**	**-**	**9**

Condensed consolidated statement of changes in equity

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2021	**1,203**	**19**	**1,222**
Comprehensive income	48	5	53
Transactions with the owners	9,117	(7)	9,110
Costs of hedging transferred to the carrying amount of goodwill acquired in a business combination	*88*	-	*88*
Issue of ordinary shares as consideration for a business combination	*9,023*	-	*9,023*
Capital increase	-	*0*	*0*
Share-based payment	*23*	-	*23*
Dividends paid to non-controlling interests	-	*(8)*	*(8)*
Change in treasury shares	*(17)*	-	*(17)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	-
Equity as at 31 December 2021	**10,368**	**18**	**10,385**
Comprehensive income	(1,713)	6	(1,707)
Transactions with the owners	(40)	(10)	(50)
Share-based payment	*13*		*13*
Dividends paid to non-controlling interests		*(10)*	*(10)*
Change in treasury shares	*(53)*		*(53)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	*0*
Equity as at 31 December 2022	**8,614**	**14**	**8,628**

Notes

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

The Adevinta Group was established 9 April 2019 following demergers of Schibsted Multimedia AS and Schibsted ASA and the consequential transfer of Schibsted's online classifieds operations outside the Nordics to Adevinta ASA. The shares of Adevinta ASA are listed on the Oslo Stock Exchange. Schibsted retained a majority interest of 59% in Adevinta ASA until 25 June 2021. Pursuant to the acquisition of eCG, the economic interest held by Schibsted decreased to 33% and eBay Inc. obtained an economic interest of 44% and neither party has control over the Adevinta Group. In July 2021, an agreement between eBay Inc. and Permira was signed, which committed eBay to sell approximately 125 million shares in Adevinta (10% stake) to funds advised by Permira. On 29 July 2021, Permira exercised the 30-day option granted by eBay to purchase an additional 10 million Class A shares at the same price. The transaction between eBay Inc. and Permira was completed on 18 November 2021, and eBay sold 134,743,728 Class A Shares in Adevinta, representing an 11% stake in Adevinta, to Permira. After this transaction, voting rights held by Schibsted, eBay and Permira are 35%, 30% and 12%, respectively.

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

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

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

Note 2. Changes in the composition of the Group

Acquisition of Null-Leasing

On 18 March 2022, Adevinta completed the acquisition of Null-Leasing DSB Deutschland GmbH, a provider of digital leasing services in Germany. The transaction enables Adevinta to expand its offering as it looks to further build on its existing suite of products and services. Most of the purchase price is allocated to goodwill.

Disposal of InfoJobs Brazil

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

Disposal of Kufar

When Adevinta announced its strategy of 'Growing at Scale' in November 2021, the company identified Belarus as one of its operations to be placed under review. In light of the recent developments in Ukraine this review was accelerated and Adevinta decided to exit Kufar, its classifieds business in Belarus, while focusing on its five core European Markets (Germany, France, Spain, Benelux and Italy). On 20 May 2022, Adevinta completed the transfer of 100% of Kufar shares to the existing local team. The transfer resulted in a loss of €(1) million recognised in other income and expenses, of which €(0) 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 €2 million and €2 million respectively, of which €1 million was intangible assets and €1 million was cash and cash equivalents.

Disposal of the Mexican disposal group

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

Reassessment of useful life of certain trademarks

In connection to the decision to exit Mexico, management has reassessed the estimated useful lives of certain trademarks within the combined CGU of Mexico, Spain and Italy with effect from 1 June 2022. The effect of the changes is additional amortisation expense of €15 million recognised in the fourth quarter of 2022, and assuming the trademarks are held until the end of their estimated useful lives, the additional amortisation expense will amount to €25 million in 2023 and 2024, respectively, and €10 million in 2025.

Discontinued operations

Following the decision to divest the businesses in Australia and South Africa in November 2021, the carrying amount of Carsguide Autotrader Media Solutions Australia PTY Ltd, Gumtree Australia PTY Ltd and Gumtree South Africa (PTY) Ltd was expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa were available for immediate sale in their present condition and their sale was highly probable. Therefore, these subsidiaries were classified as held for sale and were measured at the lower of its carrying amount and fair value less costs to sell. In relation to this, an impairment loss was recognised in the second quarter of 2022 amounting to €(29) million. Furthermore, these operations constitute major geographical locations and are therefore classified as discontinued operations.

On 25 August 2022, Adevinta signed an agreement for the sale of Gumtree Australia, CarsGuide and Autotrader Australia to The Market Herald for a total cash consideration of US$60 million. The transaction was closed in October 2022. The sale resulted in a gain of €6 million recognised in Profit (loss) from discontinued operations, of which €2 million is the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €82 million and €26 million respectively, of which €62 million was intangible assets and €16 million was deferred tax liabilities.

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

In November 2021, Adevinta sold its subsidiaries Gumtree UK and Motors.co.uk to Classifieds Group Limited. The disposal was related to a previous agreement with the UK's Competition and Market Authority ("CMA") for approval of Adevinta's acquisition of eCG. Gumtree UK and Motors.co.uk were classified as subsidiaries acquired exclusively with a view to resale upon acquisition on 25 June 2021. These businesses' net assets were classified as held for sale and measured at estimated fair value less costs to sell and their operations were presented as discontinued operations. The disposal of Gumtree UK and Motors.co.uk resulted in a gain of €2 million, with no impact on income tax. The gain was presented within the profit from discontinued operations in 2021. The carrying amount of assets and liabilities as at the date of sale (30 November 2021) were €34 million and €29 million respectively.

The financial performance and cash flow information related to the discontinued operations in Q4 2022 and YTD 2022 and in Q4 2021 and for the period from 25 June to 30 September 2021 (YTD 2021 columns) are disclosed below. For further information relating to the discontinued operations, please refer to note 4 in Adevinta's Annual Report for 2021.

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Revenue	-	32	48	71
Expenses	(3)	(23)	(50)	(59)
Gross operating profit / (loss)	(3)	9	(1)	12
Gain / (loss) on sale of subsidiaries	6	(2)	8	(3)
Operating profit / (loss) - excluding impairment loss	3	8	(1)	10
Profit / (loss) after income tax from discontinued operations - excluding impairment loss	(29)	8	(29)	10
Impairment loss recognised on remeasurement to fair value less costs to sell	(0)	-	(28)	-
Profit / (loss) after income tax from discontinued operations	**(29)**	**6**	**(57)**	**7**
Exchange differences on translation	-	2	-	0

€	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Basic earnings per share from discontinued operations	(0.02)	0.00	(0.05)	0.00
Diluted earnings per share from discontinued operations	(0.02)	0.00	(0.05)	0.00

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Net cash inflow / (outflow) from operating activities	(21)	(2)	(20)	7
Net cash inflow / (outflow) from investing activities (2022 includes an inflow of € 11 million inflow from the sale of the australian business)	11	(8)	12	(8)
Net cash inflow / (outflow) from financing activities	-	(1)	(1)	(1)
Net increase / (decrease) in cash generated by discontinued operations	**(10)**	**(10)**	**(9)**	**(2)**

Note 3. Operating segment disclosures

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

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

- France comprises primarily Leboncoin, Agriaffaires, MachineryZone, Truckscorner, Avendrealouer, Videdressing, Locasun, PayCar and Groupe Argus.
- Mobile.de comprises Mobile.de and Null-Leasing in Germany.
- European Markets comprises primarily eBay Kleinanzeigen in Germany, Marktplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches.net, Motos.net, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs, and Automobile in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary and Kufar in Belarus (sold in Q2 2022). Furthermore, Adevinta's share of the net profit (loss) of willhaben in Austria is included in operating profit (loss).
- International Markets comprises Segundamano and Vivanuncios in Mexico (sold in Q3 2022), Kijiji in Canada, Infojobs Brazil in Brazil (sold in Q1 2022) and Gumtree in other countries (Poland, Ireland, Singapore and

Argentina). Furthermore, Adevinta's share of the net profit (loss) of Silver Brazil joint venture (including OLX, Zap and VivaReal) is included in operating profit (loss).

Disposals comprises Adevinta's divestments of Yapo in Chile (sold in Q1 2021) and Shpock in Austria, Germany and United Kingdom (sold in Q2 2021).

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

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

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

Operating revenues and profit (loss) by operating segments

Fourth quarter 2022 **€ million**	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	**Total**
Operating revenues with third parties	128	93	179	26	-	6	-	**431**
Operating revenues from other segments	1	(7)	8	-	-	0	(1)	**-**
Operating revenues	**129**	**86**	**186**	**26**	**-**	**6**	**(1)**	**431**
Gross operating profit (loss)	54	50	77	12	-	(47)	-	**145**
Operating profit (loss)	**51**	**(377)**	**(477)**	**(818)**	**-**	**(70)**	**-**	**(1,691)**

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

2022 **€ million**	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Eliminations	**Total**
Operating revenues with third parties	492	342	681	114	-	14	-	**1,644**
Operating revenues from other segments	2	(25)	27	0	-	1	(5)	**-**
Operating revenues	**494**	**317**	**708**	**114**	**-**	**15**	**(5)**	**1,644**
Gross operating profit (loss)	227	175	289	49	-	(192)	-	**548**
Operating profit (loss)	**154**	**(299)**	**(370)**	**(820)**	**(2)**	**(291)**	**-**	**(1,627)**

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

Disaggregation of revenues by category

Fourth quarter 2022 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Online classifieds revenues	93	86	116	19	-	-	**314**
Advertising revenues	19	7	57	7	-	1	**91**
Transactional revenues	16	-	5	-	-	-	**21**
Revenues from contracts with customers	**128**	**93**	**178**	**26**	**-**	**1**	**426**
Revenues from lease contracts and other revenues	0	-	0	-	-	5	**5**
Operating revenues	**128**	**93**	**179**	**26**	**-**	**6**	**431**

Fourth quarter 2021 € million	France	Mobile.de	European Markets	International Markets	Disposals	Other / Headquarters	Total
Online classifieds revenues	88	66	103	22	-	-	**279**
Advertising revenues	19	8	61	10	-	1	**99**
Transactional revenues	11	-	3		-	-	**14**
Revenues from contracts with customers	**118**	**75**	**166**	**31**	**-**	**1**	**392**
Revenues from lease contracts and other revenues	(0)	-	0	0	-	2	**2**
Operating revenues	**118**	**75**	**167**	**31**	**-**	**3**	**394**

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

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

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

Note 4. Other income and expenses

	Fourth quarter		Year	
€ million	**2022**	**2021**	**2022**	**2021**
Restructuring costs	(2)	(5)	(17)	(5)
Gain (loss) on sale and remeasurement of subsidiaries, joint ventures and associates	4	1	18	(37)
Gain (loss) on sale of intangible assets, property, plant & equipment	(1)	(1)	(0)	(1)
Acquisition and divestment related costs	0	(4)	(3)	(49)
Integration related costs	(16)	(15)	(87)	(47)
Digital services tax related to previous years	2	-	(28)	-
Other	(2)	(1)	5	(1)
Total other income and expenses	**(14)**	**(25)**	**(112)**	**(140)**

Gain (loss) on sale of subsidiaries, joint ventures and associates of €4 million in Q4 2022 relates mainly to the gain on dilution in Younited of €4 million which together with gain on sale of InfoJobs Brazil (Brazil) of €22 million recognised in Q1 2022 and the loss on sale of the Mexican business of €(5) million recognised in Q3 2022 manly explain the gain of €18 million YTD December 2022 (see note 2).

Acquisition related costs of €(3) million in Q4 2021 and €(49) million YTD December 2021 and **Integration related costs** of €(16) million in Q4 2022 and €(87) million YTD December 2022 (€(15) million in Q4 2021 and €(47) million YTD December 2021) mainly relate to the acquisition of eBay Classifieds Group.

Digital Services Tax related to previous years of €3 million in Q4 2022 and €(28) million in 2022 related to the digital services tax in France for the period 2019 to 2021 (see note 7).

Note 5. Impairment tests

At year-end 2022, Adevinta has performed impairment testing of all cash generating units (CGUs) that include goodwill and intangible assets that have an indefinite useful life. The testing followed the principles mentioned in note 15 to the consolidated financial statements in the Company’s 2021 Annual Report.

The impairment test resulted in an Impairment loss of €(1,719) million in the fourth quarter 2022 and is attributable to Canada (€(802) million), eBay Kleinanzeigen (€(489) million), Mobile.de (€(411) million) and Hungary (€(17) million).

The impairment charge is recorded within Impairment loss in the statement of profit or loss. The impairment test has not identified any impairment loss for any other CGUs as at 31 December 2022.

Adevinta acquired the businesses in Canada, eBay Kleinanzeigen and Mobile.de as part of the eCG acquisition in June 2021 where 80% of the purchase amount was paid in Adevinta shares with the share price increasing 48% from the signing to the closing date of the transaction (share price was NOK 170 at closing) which significantly increased the goodwill attributable to the businesses. The macroeconomic uncertainties and increasing inflation during 2022 has triggered a significant increase in market interest rates and equity risk premiums. This has significantly increased the weighted average cost of capital (WACC) that Adevinta uses for discounting cash flows when estimating the recoverable amounts of its CGUs, which has resulted in the impairment loss for Canada, eBay Kleinanzeigen, Mobile.de and Hungary. In eBay Kleinanzeigen and Mobile.de the impact of the WACC was partly offset by better mid-longer term business performance whilst for Canada and Hungary there was a negative impact considering the revised growth trajectory of the businesses.

The impairment loss for 2022 was recognised against goodwill (€(1,492) million) and intangible assets with indefinite useful lives (€(228) million). For the impaired CGUs, the impairment and the carrying value of goodwill and intangible assets that have an indefinite useful life were distributed by reportable segments and CGUs as follows:

€ million		Goodwill			Trademarks, indefinite		
CGU	**Reportable segment**	**Impairment 2022**	Carrying amount 31 December 2022*	Carrying amount 31 December 2021	**Impairment 2022**	Carrying amount 31 December 2022*	Carrying amount 31 December 2021
Canada	International markets	**(574)**	-	576	**(228)**	400	630
eBay Kleinanzeigen	European markets	**(489)**	3,152	3,641	**-**	-	-
Mobile.de	Mobile.de	**(411)**	1,939	2,336	**-**	1,707	1,707
Hungary	European markets	**(17)**	10	30	**-**	2	2

*: Apart from impairment losses the change in carrying amounts is impacted by acquisitions and foreign exchange rate adjustments.

The key assumptions used in impairment testing for the impaired CGUs are presented in the table below. For the CGUs that are not impaired, pre-tax discount rates are in the range between 12.1%-16.2% (2021: 8.0%-11.0%) and sustained growth rates are in the range between 2.1%-3.2% (2021: 1.2%-1.7%).

	Pre-tax discount rate (Pre-tax WACC)		Post-tax discount rate (Post-tax WACC)		Sustained growth rate	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Hungary	16.3%	11.2%	15.2%	10.6%	4.7%	3.0%
Mobile.de	12.2%	7.6%	9.8%	6.2%	2.9%	2.1%
eBay Kleinanzeigen	12.0%	7.5%	9.8%	6.2%	2.9%	2.1%
Canada	12.9%	9.0%	9.8%	7.4%	1.8%	2.0%

For the CGUs that are not impaired, impairment can be triggered in case of material adverse changes in key assumptions, but Spain is the most sensitive CGU where, all else being equal, there will be an impairment in case of increase in the pre-tax discount rate above 1.5% points or decrease in the sustained growth rate above 3.0% points. Following the impairment loss recognised for Canada, eBay Kleinanzeigen, Mobile.de and Hungary, the recoverable amounts were equal to the carrying amounts and therefore any adverse changes in key assumptions may result in further impairment.

Note 6. Net financial items

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Interest income	7	3	26	9
Interest expense	(20)	(20)	(77)	(60)
Net foreign exchange gain (loss)	(12)	(4)	28	(2)
Net other financial income (expenses)	(10)	(7)	(26)	(11)
Net financial items	**(35)**	**(28)**	**(49)**	**(65)**

Interest expense in Q4 2022 and Q4 2021 is mainly due to financing obtained in connection to the eCG acquisition.

Net foreign exchange loss in Q4 2022 and in Q4 2021 is mainly due to depreciation of the BRL against the EUR, decreasing the value in EUR of the loan in BRL granted by Adevinta Finance AS to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture). **Net other financial expenses** in Q4 2022 are mainly due to the impairment of loan issued by Adevinta Ventures AS amounting to €(4) million and to the amortisation of the costs directly attributable to the issue of the financing obtained in connection to the eCG acquisition using the effective interest method

Note 7. Income taxes

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

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Profit (loss) before taxes from continuing operations	(1,726)	5	(1,676)	(35)
Tax (expense) income based on weighted average nominal tax rate*	468	3	451	9
Tax effect of share of profit (loss) of joint ventures and associates	(6)	(0)	(14)	(3)
Tax effect of impairment loss on goodwill and other intangible assets	(399)	(1)	(399)	(1)
Tax effect of gain on sale and remeasurement of subsidiaries, joint ventures and associates	1	(1)	14	(8)
Tax effect of other permanent differences	(4)	(15)	(15)	(16)
Current period unrecognised deferred tax assets	(14)	18	(20)	(10)
Previously unrecognised tax losses used in current period	16	0	32	1
Reassessment of previously recognised deferred tax assets, including changes in tax rates	(69)	9	(69)	9
Adjustments of previously recognised income tax provisions	-	-	12	-
Other	8	2	(3)	(0)
Taxes recognised in profit or loss from continuing operations	**1**	**16**	**(10)**	**(19)**
***Weighted average nominal tax rate**	**27%**	**(62)%**	**27%**	**26%**

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

Note 8. Liabilities and contingent liabilities

Digital Services Tax in France

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

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

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

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

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

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

Due to the complexity of the law the assessment of whether DST is applicable to Adevinta Group is surrounded by uncertainty.The main uncertainties relate to whether the services which Schibsted Group (for 2018 and 2019) and Adevinta Group (for 2020 and 2021) provided to its users in France and other countries are to be considered within the scope of DST. The non-inclusion of some of the said services could mean the applicable worldwide revenues within the scope of DST should be below €750 million.

In Q3 2022 Adevinta received a ruling reply from the French tax authorities. Based on this ruling most of Adevinta's revenues in France would be subject to French DST. Adevinta, supported by external legal counsel opinion, disagrees with the ruling and has therefore appealed it. Despite disagreeing with this ruling, in October 2022 and in December 2022 Adevinta paid on account €11 million related to DST for 2022 and € 22 million related to FY 2019-2021. Adevinta made these payments both to act in good faith and maintain its good standing status with the French tax authorities. These payments would also prevent penalties and interest that may become due in the ensuing period should the options we are pursuing as we try to refute the ruling not materialise. An outstanding amount of €6 million related to LBC France FY 2019-2020 period is expected to be paid in Q1 2023. The final outcome of the appeal and other actions is uncertain, but due to the existing ruling management has at 31 December 2022 decided to recognise the payments made and a provision for the outstanding amounts in P&L in accordance with the principles in the tax ruling which amounts to €40 million (€11 million related to FY2022 and €28 million related to FY2019-2021).

Digital Services Tax in Spain

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

The assessment of the extent that Spanish DST is applicable to Adevinta Group is surrounded by a high degree of uncertainty. The main uncertainties relate to whether the services which Adevinta Group provided to its users in Spain are to be considered within the scope of DST. The current interpretation points to the non-inclusion of some of the said services and hence the provision for DST in Spain recognized as at 31 December 2022 has been based on this interpretation. Should the interactions with the Spanish tax authorities and other actions conclude differently, the additional DST amounts applicable to Adevinta are not expected to exceed €12 million in total for 2021 and 2022.

Note 9. Events after the balance sheets date

Covid pandemic

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

The Russian government invasion of Ukraine

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

Sales process for the business in Hungary

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

CFO transition

Uvashni Raman, Adevinta's CFO since April 2019, has decided to step down in autumn 2023 and a global search for a replacement has been initiated. Uvashni Raman has played a key role in creating Adevinta as an independent organisation, its IPO in 2019 and the acquisition and integration of eBay Classifieds Group.

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

Definitions and Reconciliations

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

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

Measure	Description	Reason for including
Adjusted net cash flow from operating activities	Adjusted net cash flow from operating activities is defined as: • EBITDA; • plus the decrease or minus the increase in non-cash items (including share-based compensation), change in working capital and provisions related to EBITDA; • minus the payment of income tax; • minus development and purchase of property, plant and equipment and intangible assets; • minus IFRS 16 lease payments.	Management believes that it is a useful indicator of the amount of cash flows generated by operating activities, after income tax.
EBITDA/Gross operating profit (loss)	EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss)/Operating revenues.	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
Underlying EBITDA	Underlying EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation excl. share-based compensation.	Shows performance regardless of capital structure, tax situation and share-based compensation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
Underlying EBITDA margin	Gross operating profit (loss) excl. share-based compensation/Operating revenues.	Shows the operations' performance regardless of capital structure, tax situation and share-based compensation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and unutilised drawing rights on credit facilities.	Management believes that the liquidity reserve shows the total liquidity available for meeting current or future obligations.
Interest-bearing debt/Total debt	Interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities. Total debt is defined as interest-bearing debt.	Management believes that it is a useful indicator of the Group's debt profile and its ability to meet its debt obligations.
Net interest-bearing debt/Total net debt	Net interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities less cash and cash equivalents, proceeds from borrowings placed in the escrow account and cash pool holdings. Total net debt is defined as net interest-bearing debt.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the Consolidated statement of financial position. The use of net interest-bearing debt does not necessarily mean that the cash and cash equivalent and cash pool holdings are available to settle all liabilities in this measure. Net interest-bearing debt includes proceeds of the Senior Secured Notes held in escrow until closing of the eCG acquisition.

Earnings per share adjusted (EPS (adj.))	Earnings per share adjusted for other income and expenses, impairment loss, non-controlling interests related to other income and expenses and impairment loss and taxes.	The measure is used for comparing earnings to shareholders adjusted for income and expenses related transactions and events net of tax not considered by management to be part of operating activities. Management believes the measure enables an evaluation of value created to shareholders excluding effects of non-operating events and transactions.
Revenues adjusted for currency fluctuations	Growth rates on revenue adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year.	Enables comparability of development in revenues over time excluding the effect of currency fluctuation.
Organic revenue growth	Revenue growth adjusted for the effects of currency movements and changes in the scope of consolidation.	Enables comparability of development in revenues over time excluding the effect of currency fluctuations and changes in consolidation scope.

Reconciliation of EBITDA

	Fourth quarter		Year	
€ million	**2022**	**2021**	**2022**	**2021**
Gross operating profit (loss)	**145**	**124**	**548**	**356**
= EBITDA	145	124	548	356

Underlying EBITDA

	Fourth quarter		Year	
€ million	**2022**	**2021**	**2022**	**2021**
EBITDA	145	124	548	356
Share-based compensation	4	15	31	31
Underlying EBITDA	**149**	**139**	**579**	**387**

Liquidity reserve

€ million	**31 December 2022**	**31 December 2021**
Cash and cash equivalents	70	231
Unutilised drawing rights on credit facilities	450	300
Liquidity reserve	**520**	**531**

Net interest-bearing debt

€ million	**31 December 2022**	**31 December 2021**
Non-current interest-bearing borrowings	2,183	2,312
Lease liabilities, non-current	58	73
Total non-current liabilities	**2,241**	**2,384**
Current interest-bearing borrowings	9	152
Lease liabilities, current	20	19
Total current liabilities	**29**	**171**
Total interest-bearing debt	**2,270**	**2,555**
Cash and cash equivalents	(70)	(231)
Net interest-bearing debt	**2,199**	**2,324**

Earnings per share - adjusted

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Profit (loss) attributable to owners of the parent	(1,755)	26	(1,752)	(54)
Other income and expenses	14	25	112	140
Impairment loss	1,725	2	1,754	22
Taxes and non-controlling interests related to other income and expenses and impairment loss	(65)	(7)	(88)	(15)
Profit (loss) attributable to owners of the parent - adjusted	**(81)**	**46**	**26**	**93**
Earnings per share – adjusted (EUR)	(0.07)	0.04	0.02	0.10
Diluted earnings per share – adjusted (EUR)	(0.07)	0.04	0.02	0.10

Adjusted net cash flow from operating activities

€ million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
EBITDA	145	124	548	356
+/- decrease or increase in non-cash items, change in working capital and provisions related to EBITDA	2	5	24	41
+ share based compensation	4	15	31	32
- payment of income tax	(9)	(30)	(59)	(92)
- development and purchase of property, plant and equipment and intangible assets	(26)	(38)	(89)	(77)
- IFRS 16 lease payments	(2)	(5)	(18)	(20)
Adjusted net cash flow from operating activities	**114**	**72**	**437**	**240**

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