BALTIC CLASSIFIEDS GROUP PLC

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

Baltic Classifieds Group PLC ("BCG" and the "Group"), the leading online classifieds group in the Baltics, announces half year results for the six months ended 31 October 2023 (H1 2024)

Key highlights

- We have continued to build on the momentum seen in 2023, with strong results reported across all our major businesses, underpinned by our significant leadership position[1] versus competitors.
- Business customer numbers remained strong, while individual advertising volumes achieved record highs on all major platforms.
- Revenue grew 20% to €35.8 million (H1 2023: €29.8 million). Core classifieds revenue streams of B2C and C2C, which together comprise 90% of total revenues, grew 25% and 19% respectively.
- EBITDA[2] grew 22% to €27.8 million (H1 2023: €22.8 million). Our EBITDA margin[2] expanded to 78% (H1 2023: 77%).
- Adjusted basic EPS[2] grew 22% to 4.6 € cents (H1 2023: 3.8 € cents) while basic EPS for the period grew to 3.1 € cents (H1 2023: 2.3 € cents).
- Cash generated from operating activities grew 21% to €29.1 million (€24.0 million in H1 2023), with cash conversion[2] maintained at 99% (H1 2023: 99%).
- Interim dividend declared up 25% at 1.0 € cent per share (H1 2023: 0.8 € cent per share), having already returned €7.0 million through ongoing share buybacks programme and reduced gross debt by €15.0 million in the reporting period.

Financial highlights

€m (unless stated otherwise)	H1 2024	H1 2023	Change
Auto	13.7	10.7	28%
Real Estate	8.8	7.3	20%
Jobs & Services	7.1	6.0	18%
Generalist	6.3	5.8	9%
Group revenue	**35.8**	**29.8**	**20%**
Operating cost excluding depreciation and amortisation (D&A)	(8.0)	(7.0)	14%
EBITDA[2]	**27.8**	**22.8**	**22%**
EBITDA margin[2]	**78%**	**77%**	**1% pt**
D&A	(8.4)	(8.5)	(1%)
Operating profit	**19.4**	**14.3**	**36%**
Add back: amortisation of acquired intangibles	8.1	8.1	0%
Adjusted operating profit[2]	**27.5**	**22.4**	**23%**
Profit for the period	**15.3**	**11.5**	**33%**
Adjusted net income[2]	**22.7**	**18.9**	**20%**
Basic EPS (€ cents)	**3.1**	**2.3**	**34%**
Adjusted basic EPS[2] (€ cents)	**4.6**	**3.8**	**22%**

- Adjusted operating profit[2] of €27.5 million (H1 2023: €22.4 million) is tracking close to EBITDA[2].
- Adjusted net income[2] grew 20% to €22.7 million (H1 2023: €18.9 million) with the only adjustment to profitability being the amortisation of acquired intangibles and the corresponding tax impact. Profit for the period grew 33% to €15.3 million (H1 2023: €11.5 million).
- Net debt[2] fell by €8.4 million to €36.9 million (2023: €45.3 million) and we ended the half-year with leverage[2] at 0.7x (2023: 1.0x). Gross loan balance decreased to €55.0 million (2023: €70.0 million).

Operational results

- At the start of the new financial year, we implemented C2C pricing and packaging changes across all our business units.
- We implemented our annual B2C price actions in Auto and Real Estate between September and October 2023, supported by improvements in products and packaging. In Jobs & Services, this began in September 2023 and are being rolled out over the subsequent 12 months.
- During H1 2024 we improved our products and services, including:
    - **Auto:** We have upgraded and expanded car history check service to the whole Lithuanian market. It is a stand-alone product as well as a potential element of the higher-tier business customer package. Another data product was also introduced in Autoplius.lt which allows business customers to analyse competitors and benchmark their performance against other market players.
    - **Real Estate:** We introduced a new prominence package for business clients in Aruodas.lt and KV.ee. This package includes bump-ups of listings which effectively elevates the number of impressions and leads. We also upgraded KV.ee property history tool which helps buyers better navigate in the latest developments within the real estate market.
    - **Jobs and Services:** in CVbankas.lt we developed tools to simplify the selection of job candidates. Employers can now set the filters to quickly identify the best candidates which fit their criteria and can quickly access potential employees in the CV database. Paslaugos.lt introduced the option to sign a service agreement between the service provider and the customer within the platform, which is viewed as a convenient tool for users and a valuable data source for the platform.
    - **Generalist:** In Osta.ee we introduced the 'buy now, pay later' functionality to provide an easy alternative for buyers to finance their purchases.
- The changes to our B2C packages and prices led to increased yields[3] in all business lines:
    - Auto: +31%,
    - Real Estate: +27%,
    - Jobs: +6%.
- Traffic to our websites averaged 57.9 million visits per month[4], which implies the Baltic population visited our sites 10 times every month.
- We maintained our significant leadership position over the nearest competitor for all our largest sites compared to 2023: Autoplius.lt at 8x (6x in 2023), Auto24.ee at 39x (29x in 2023), Aruodas.lt at 21x (21x in 2023), KV.ee plus City24.ee in Estonia at 17x (16x in 2023), CVBankas.lt at 8x (9x in 2023) and Skelbiu.lt at 23x (19x in 2023).
- Auto and Jobs business customer numbers reached record highs - up 5% and 7% accordingly, Real Estate broker numbers were strong and in line with last year.
- We have more active C2C ads: Auto up 37%, Real Estate up 20% and Services up 40%. Listings on our Generalist[5] platform grew 8%.
- We also implemented changes to our C2C packages and prices, which combined with rising market prices of the goods and services advertised on our sites, have resulted in increased yields in all business lines. It is worth noting that the yield per active ad is arithmetically diluted due to ads staying on the site for longer durations. Yields per active ad were: Auto (6%), Real Estate (2%), Services +8%. In Generalist[5] revenue per listing grew +1%.
- H2 2023 and H1 2024 grew exceptionally in terms of the volume of active ads in our Real Estate and Auto verticals. This was a result of a normalized speed of sale in these verticals, which we consider more typical.
- The number of BCG employees during the H1 2024 was maintained at 134 FTEs (end of 2023: 134 FTEs). At the end of the period the split of women to men was 50:50.
- We have achieved our goal to reduce our emissions by at least 42% by 2030 and are aiming to achieve net zero by 2050. Furthermore, we are striving to meet our targets of having at least 80% of our electricity come from renewable energy sources by 2025 and 100% by 2030, and of having all our company cars be electric or low emission by 2030.

Justinas Šimkus, Chief Executive Officer of Baltic Classifieds Group, said:

"The stars have aligned extremely well for all of our businesses as we have seen record numbers of advertisers, as well as an improved competitive position and increased yields across our entire portfolio.

Importantly, we have seen strong growth in our core revenue streams of B2C and C2C, with a 25% and 19% increase respectively. This is a strong indication that customers continue to place their trust in our services, despite the ongoing macroeconomic uncertainty. This growth is a testament to the reliability and effectiveness of our platform in facilitating transactions for our customers.

Our strategic pricing and packaging events, for C2C in the beginning of the financial year and B2C in the end of the reporting period, have also contributed to this success, setting us up to build on this momentum in second half of the year.

I just wanted to express my sincere gratitude to the entire team for their hard work and dedication. It is because of their efforts that we have achieved the success, and I am truly honoured to be a part of such a talented and devoted team."

Outlook

- The Board remains confident in the outlook for the second half of the year, underpinned by the pricing and packaging changes that have already been successfully implemented and the continuing momentum across our business.
- The Board is upgrading guidance for the full year 2024 to a range of 18-19% revenue growth. The lower end of this range is based on an unchanged, increasingly conservative, guidance of 15% revenue growth for H2 2024 as compared to H2 2023.
- The Board expects EBITDA margin for financial year 2024 to expand by around 1 percentage point when compared to 2023 and that EBITDA margins will continue to expand incrementally going forward.
- The Board remains confident with the existing capital allocation policy in the absence of M&A opportunities, which remains focused on increasing dividends, share buybacks (subject to market and regulatory limitations on our ability to do so) and reducing debt.

[1] Audience lead. Leadership position based on time on site using Similarweb data, except for Auto24. Auto24 has no significant vertical competitor, next relevant player is Generalist portal, therefore, the relative auto market share for this Generalist portal is calculated by multiplying time on site by the percentage of active auto listings out of total listings at the end of the reported period.
[2] Alternative performance measure, see note 3 for further details.
[3] Yield refers to the change in average monthly revenue per active C2C ad (in Auto, Real Estate, Services), per C2C listing (in our Generalist) or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per company).
[4] Note: there were changes in the cookie consent policy (general obligation to consent with all cookies that are not strictly necessary for website operation) and internet browsers policy of more strict control of 3rd party cookies on websites. Both mentioned reasons result in loss of data collected by web analytics services like Google Analytics.
[5] Skelbiu.lt only, which is our main Generalist portal.

Analyst presentation dates/Conference call details

A presentation for analysts will be held via video webcast and conference call at 9:30 am GMT, Wednesday 6 December 2023. Details below.

The live webcast will be available at:
https://www.investis-live.com/balticclassifieds/655c784e464d140d00f4af52/gsaw

Participants joining via telephone:

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Access code: 335480
*Press *1 to ask a question, *2 to withdraw your question, or *0 for operator assistance.*

Accessing the telephone replay
A recording will be available until **Wednesday, December 13, 2023**

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About Baltic Classifieds Group PLC

Baltic Classifieds Group PLC ("BCG") is the leading online classifieds group in the Baltics, which owns and operates fourteen leading vertical and generalist online classifieds portals in Lithuania, Estonia and Latvia. BCG's online classifieds portfolio comprises four business lines – automotive, real estate, jobs & services and generalist. In the 6 months ended 31 October 2023, the Group's portals were visited on average 57.9 million times a month (Source: Google Analytics), making the Group one of the largest online companies in the region (Source: Google Analytics).

The Group listed on the London Stock Exchange in July 2021 and is a member of the FTSE 250 Index.

For more information, please visit https://balticclassifieds.com/

Summary of operating performance in H1 2024

Market Context

- In Auto market, consumer demand has normalised to pre-COVID levels with promising autumn figures. The easing of sourcing issues has led to a 4% increase in car transactions[1], yet there's room to reach pre-pandemic levels. Car prices are rising at a slower 10% rate[2] compared to last year, reflecting consumers' preference for newer, pricier vehicles rather than inflationary factors. Average sale times[2] have lengthened, leading to an expansion in supply. However, dealers are benefiting from increasing transaction volumes and average car prices continuing to rise.
- Due to increased prices for construction materials and consequently postponed start of construction by some developers together with a rise in EURIBOR rates, the total number of Real Estate transactions was down 12%[3] compared to H1 2023. However, the average price of an apartment has increased by 8%[4].
- The Lithuanian job market continues to demonstrate resilience and adaptability. The tension due to labour shortages persists and the unemployment rate in the country remains low. Despite a small spike in unemployment during H2 2023, during H1 2024 Lithuanian employment market again witnessed a decrease in unemployment levels. These levels range between 5.4% and 5.9%[5], aligning closely with the figures from the same period in the previous year.
- eCommerce activities have increased during the past few years. The numbers of online buyers and sellers grew with transactions moving online. This has helped the growth of our generalist platforms and ancillary services like deliveries.

Revenue

Group revenue grew 20% to €35.8 million (H1 2023: €29.8 million) as a consequence of a growth in all four business lines, underpinned by strength in the core business:

- Auto business line grew 28%. B2C grew 38% and C2C grew 25%.
- Real Estate business line grew 20%. B2C grew 26% and C2C grew 17%.
- Jobs & Services business line grew 18%. B2C (Jobs) grew 13% and C2C (mainly Services) grew 49%.
- Generalist business line, which is largely C2C, grew 9%.

The share of core classifieds revenue streams, B2C and C2C, grew to 90% of total Group revenue (H1 2023: 88%). B2C revenue, representing 50% of Group revenue, grew 25% and C2C, representing 40% of Group revenue, grew 19%.

The main drivers of revenue growth continue to be an increase in the number of advertisements/ listings across our business sectors, an increasing number of advertisers across our business sectors except Real Estate, and an increase in the average spend per customer/advertisement across all our businesses.

In May 2023, at the beginning of the period currently reported on, we introduced C2C pricing and packaging changes on most of our portals, reflected in the reported revenue numbers. In September and October 2023, we introduced B2C price and package changes for the Real Estate, Auto and Jobs portals, reflecting improvements to our proposition. These will contribute more to the second half of the year.

	H1 2024	H1 2023	Change, %
Auto B2C – monthly number of dealers	3,749	3,577	5%
Real Estate B2C – monthly number of brokers	4,917	4,941	(0%)
Jobs* B2C – monthly number of companies	2,377	2,224	7%
Auto C2C – monthly number of active ads	34,695	25,379	37%
Real Estate C2C – monthly number of active ads	20,140	16,733	20%
Services* monthly number of active ads	8,243	5,876	40%
Generalist** monthly number of listings	100,873	93,365	8%
Auto B2C – monthly ARPU[6] (€)	271	207	31%
Real Estate B2C – monthly ARPU (€)	172	136	27%
Jobs B2C – monthly ARPU (€)	411	388	6%
Auto*** C2C - monthly revenue per active ad (€)	20	22	(6%)
Real Estate C2C - monthly revenue per active ad (€)	23	23	(2%)
Services monthly revenue per active ad (€)	23	21	8%
Generalist revenue per listing (€)	7	7	1%

* In Jobs & Services business line B2C revenue comes from Jobs only; C2C revenue principally comes from Services portals, therefore only Services platforms' information is presented.

** Skelbiu.lt only, which is our main Generalist portal.
*** The average monthly revenue per active C2C auto listing based on the C2C revenue generated by auto listings only, excluding any C2C revenue generated from vehicle parts, vehicles other than autos and other C2C listings.

We continue seeing strengthening network effects across all business units as a growing number of customers drive content, which in turn encourages greater engagement for our audience.

Overall, the number of B2C customers remained very strong:

- Auto dealers grew by 5% mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as if they were C2C customers.
- Real Estate brokers were flat.
- The number of Jobs customers grew by 7%, primarily due to a strengthened job market compared to the same period last year, which a year ago faced challenges from rising energy prices and cautious economic forecast for the winter. Currently the situation seems more stable, which resulted in an increase in the number of companies expanding or seeking new employees.

In C2C, the number of active ads and listings grew across all business lines. In Real Estate, Auto and Generalist the growth was primarily driven by the underlying market conditions, i.e. longer selling time (which means each advert is active for more time). The growth in Services active ads number was driven by the growing client base using our platform.

In terms of ARPU in our B2C segment:

- Auto ARPU was up 31% due to price and packaging changes implemented mid-2023 (in September and October 2022) and most recent price and packaging changes done in mid-2024 (in September and October 2023). On top of that, the tailwind of recovering inventory levels resulted in the utilization of more slots per customer.
- Real Estate ARPU was up 27% due to subscription fee and packaging changes which took place mid-2023. The changes implemented from September 2022 to January 2023 were aimed at both growth in ARPU and incentivising customers to choose individual and more expensive premium packages for brokers. This year's annual pricing actions were implemented during September and October 2023.
- Jobs ARPU was up 6% due to reduced volume discounts. CVbankas, being the market leader, is well-positioned to take advantage of a vibrant employment market with low unemployment rates, ensuring continued revenue growth. Price changes were implemented on new and renewing customers in September 2022 and were rolling out to the customers through the 12-month cycle until autumn this year. This year the new prices were introduced in September 2023, and like last year, are rolling out to the customers through the 12-month cycle.

In terms of the yields[6] in our C2C segment:

- We implemented price changes and observed an uptick in average transaction values which have a positive impact on our revenues due to value-based pricing. However, arithmetically the monthly revenue per active advertisement in Auto and Real Estate decreased by 6% and 2% respectively, as a consequence of customers opting for longer packages, leading to extended durations of advertisements on our sites.
- Services average monthly revenue per active advertisement was up 8% mainly due to price changes and an increased usage of our value-added services.
- Generalist average revenue per listing was up 1% due to price changes and rising average transaction values in the automotive and real estate categories, partly offset by change in mix of ads categories.

Operating costs

Our costs represent a relatively small proportion of our revenue and, due to continued cost management, inflation did not significantly affect our profitability.

	H1 2024	**H1 2023**	**Change**
Labour costs	5.3	4.4	19%
Advertising and marketing services	0.5	0.4	15%
IT expenses	0.4	0.3	28%
Other	1.8	1.8	(1%)
Operating cost excluding depreciation and amortisation (D&A)	**8.0**	**7.0**	**14%**
D&A	8.4	8.5	(1%)
Operating cost	**16.4**	**15.5**	**6%**

Most of our operating costs are people costs. It is close to 15% from Group revenue in both reported and a comparative period.

BCG team remained the same size as at the end of the year 2023. However, our team grew by 4% to 134 FTEs if we compare to H1 2023 (on average, 128 FTEs). Investment in our people increased by 19% to €5.3 million (H1 2023: €4.4 million). Most of the increase in people costs was driven by annual salary reviews and the cost of a performance share plan ("PSP") in the amount of €1.0 million (H1 2023: €0.7 million).

Our marketing costs equal to 1.4% from revenue - we are a portfolio of brands and spend less on external service providers while advertising on our own sites for free. Other Group costs comprise IT (1.2% from revenue) and general administrative expenses (5.0% from revenue). We have supported a couple of non-governmental organisations (NGOs) assisting Ukraine in the war situation in their country and a local teachers' development organization 'Choosing to teach' by donating €0.1 million (H1 2023: €0.1 million).

Net finance expense

Our finance costs mainly comprise of interest costs (2% margin plus Euribor until the 7th of July 2022 and 1.75% margin plus Euribor since then) in the amount of €1.9 million (H1 2023: of €1.0 million) and commitment fees relating to €10.0 million unsecured and undrawn Revolving Credit Facility ("RCF").

Net debt and leverage

During H1 2024, €15.0 million of the existing debt has been voluntarily repaid.

Compared to the end of 2023, net debt[7] was reduced by €8.4 million to €36.9 million (2023: €45.3 million) and we ended the half-year with leverage[7] at 0.7x (2023: 1.0x).

€m	31-Oct-23	30-Apr-23
Bank Loan principal amount	55.0	70.0
Customer credit balances[8]	2.3	2.4
Total debt	57.3	72.4
Cash	(20.4)	(27.1)
Net debt	**36.9**	**45.3**
EBITDA[7] LTM	51.1	46.0
Leverage	**0.7x**	**1.0x**

Tax

The Group tax charge of €2.3 million (H1 2023: €1.7 million) represented an effective tax rate of 13% (H1 2023: 13%). The Group tax charge is a net of:

- current tax expense of €2.9 million (H1 2023: €2.5 million); and
- change in deferred tax which is positive €0.7 million and mainly consists of deferred tax from acquired intangibles (H1 2023: €0.8 million which included €0.7 million deferred tax from acquired intangibles).

Profitability and Alternative Performance Measures

The Group has identified certain Alternative Performance Measures ("APMs") that it believes provide additional useful information on the performance of the Group. These APMs are not defined within IFRS and are not considered to be a substitute for, or superior to, IFRS measures. These APMs may not be necessarily comparable to similarly titled measures used by other companies.

Directors use these APMs alongside IFRS measures when budgeting and planning, and when reviewing business performance.

For APM descriptions and reconciliation to IFRS measures, see note 3.

	H1 2024	H1 2023	Change
EBITDA[7]	**27.8**	**22.8**	**22%**
EBITDA margin[7]	**78%**	**77%**	**1% pt**
D&A	(8.4)	(8.5)	(1%)
Operating profit	**19.4**	**14.3**	**36%**
Add back: amortisation of acquired intangibles	8.1	8.1	0%
Adjusted operating profit[7]	**27.5**	**22.4**	**23%**
Net finance costs	(1.8)	(1.1)	63%

Profit before tax	**17.6**	**13.2**	**33%**
Income tax expense	(2.3)	(1.7)	35%
Profit for the period	**15.3**	**11.5**	**33%**
Add back: deferred tax impact of acquired intangibles amortisation	(0.7)	(0.7)	-
Adjusted net income[7]	**22.7**	**18.9**	**20%**
Basic EPS (€ cents)	**3.1**	**2.3**	**34%**
Adjusted basic EPS[7] **(€ cents)**	**4.6**	**3.8**	**22%**

This year there were no add-backs to our EBITDA. Our EBITDA grew 22% to €27.8 million (H1 2023: €22.8 million). The EBITDA margin was 78% (H1 2023: 77%).

Adjusted operating profit grew to €27.5 million (H1 2023: €22.4 million) and reported operating profit was €19.4 million (H1 2023: €14.3 million).

BCG intends to return one third of adjusted net income each year via an interim and final dividend. For this purpose, we show amortisation of acquired intangibles and the tax effect on it together with the adjusting items in the table above. Adjusted net income grew 20% and reached €22.7 million (H1 2023: €18.9 million). Profit for the period grew to €15.3 million (H1 2023: €11.5 million).

Earnings per Share ("EPS")

Basic EPS was 3.1 € cents based on the weighted average number of shares of 492,016,798. (H1 2023: 2.3 € cents based on weighted average number of shares of 497,524,476). Similarly to last half year, there was no dilution effect on EPS from the employee share arrangements.

Adjusted basic EPS grew 22% and was 4.6 € cents (H1 2023: 3.8 € cents).

Cash flow and cash conversion

Cash generated from operating activities grew 21% (from €24.0 million in H1 2023 to €29.1 million). Cash conversion[7] was maintained at 99% (H1 2023: 99%). Net cash inflow from operating activities grew 12% to €24.2 million (H1 2023: €21.6 million).

Capital allocation

Net cash generated from operating activities was used for the below:

- Paying the final dividend for the year 2023 of 1.7 € cents per share in October 2023, totalling €8.4 million.
- Reducing the loan liability by partially paying down the debt in the amount of €15.0 million (H1 2023: €7.0 million).
- Buying back Company shares for cancellation for €7.0 million (H1 2023: €0.7 million).

The capital allocation policy remains unchanged. We intend to use all the cash we generate in a year, within that same year or shortly thereafter for the below:

- BCG intends to return one third of adjusted net income each year via an interim and final dividend, split approximately one third and two thirds, respectively. The interim dividend for the year 2024 will be paid on 24 January 2024 to members on the register on 15 December 2023. Dividends are declared and paid in euros. Shareholders can elect to have dividends paid in British Pound Sterling. Currency election deadline for 2024 interim dividend is 3 January 2024.
- We will continue considering value-creating M&A opportunities. All options for financing attractive acquisition opportunities remain open, including using own cash, increasing our debt and even seeking additional equity capital. However, using own cash is the most likely and this would most likely not affect dividends but might reduce capacity for share buy-backs.
- We intend using a combination of share buy-backs and debt repayment from the balance of cash.

We also intend to keep our capital policy under review and may revise it from time to time.

Going concern

The Group generated significant cash from operations during the period. As of 31 October 2023, the Group had drawn none of the €10.0 million unsecured Revolving Credit Facility ("RCF") and had cash balances of €20.4 million. The €10.0 million RCF is committed until July 2026.

[1] Source: State Enterprise Regitra, Autotyrimai and Maanteeamet
[2] Company information

[3] Source: State Enterprise Centre of Registers Lithuania, Land Register Latvia, Land Board Estonia
[4] Average apartment prices based on apartment prices in Vilnius, Riga and Tallinn. Source: Swedbank (prices per square metre)
[5] September 2023 data from the Department of Statistics of Lithuania
[6] Yield refers to the change in average monthly revenue per active C2C ad (in Auto, Real Estate, Services), per C2C listing (in our Generalist) or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per company).
[7] Alternative performance measure, see note 3 for further details.
[8] Customer credit balances relate to amounts held by customers in e-wallets and are included within trade and other payables as well as cash and cash equivalents.

Principal risks and uncertainties

The Group is exposed to a number of risks and uncertainties in its business which could impact its ability to effectively execute its strategy over the remaining six months of the year and could cause actual results to differ materially from expected and/or historical results.

The Board has considered the principal risks and uncertainties for the first half and the remaining half of the financial year and will be reporting on them more fully in the Annual Report and Accounts for the year ended 30 April 2024.

Geopolitical situation in the region

Any sort of conflict, tension between countries or even an association with it may have impact on trade, security, and political relations. Further escalation or prolonged war in Ukraine could result in the unrest and instability in the Baltic countries as well. Such situations could impact consumer behaviour (e.g. reducing spending / investing), seller activity (e.g. disruption in retailing), or impact investor perception of the business.

Political and macroeconomic situation

Economic conditions (whether due to economic cycle or supply chain disruption) could lead to a retraction in the underlying markets, a reduction in stock, consumer wallets and a reduction in listers budgets / appetite to spend, which all have the potential to reduce revenue. Economic conditions can also impact the cost pressures (such as wage growth, price inflation, interest rates, etc.).

Disruption to our customer and / or supplier operations

Disruption to the Group’s customers’ and / or suppliers’ operations conducting day-to-day business may impact on the Group's ability to deliver desired results.

Competition

The Group might be affected by new competitors in existing markets or new spheres of activities. Also, changes in technology or consumer behaviour affect the way that people search for cars, real estate, jobs or generalist products, which may lead to a loss of consumer audience. There is a risk of a new entrant to the market with a new business model (for example, providing services free of charge), affecting the Group’s audience, content and revenue. Furthermore, as the Group diversifies into new and adjacent markets, the competitor set widens.

Laws & regulations

The Group is subject to certain competition and antitrust laws. Antitrust laws may limit the market power and pricing or other actions of any particular firm.

Companies can be subject to legal action or investigations and proceedings by national and supranational competition and antitrust authorities and claims from its clients and business partners for alleged infringements of competition and antitrust laws, which could result in fines or other forms of liability or otherwise damage the companies' reputation. Such laws and regulations could limit or prohibit the ability to grow in certain markets.

Future acquisitions by the Group could be impacted by applicable antitrust laws and could be unsuccessful if the necessary competition approvals by competition authorities are not obtained.

Technology

Cyber-attacks. The Group is at greater risk from cyber threats due to its large scale and prominence. As the business is entirely dependent on information technology to provide its services, successful attacks have the potential to directly affect revenue.

Major data breach. Cyber-attack or the Group's own failures, resulting in disabling of platforms or systems, or resulting in a major data breach, could have an adverse impact on the Group’s reputation, loss of trust and loss of revenue and / or profits. Data breaches, a common form of cyber-attack, can have a massive negative business impact and often arise from insufficiently protected data.

Disruption to availability of services. The availability and reliability of services to the Group’s customers is of paramount importance. Any downtime or disruption to consumer or advertiser services can have an adverse impact on the business (complaints and credits for customers, consumer usage, and potential reputational impact).

Therefore, the availability of third-party services, which are necessary when using the services provided by the Group, such as internet provision, mobile communication, are also crucial.

Acquisition risk

The Group might make an unsuccessful acquisition or integration of an acquisition which in turn could lead to reduced profits, impairment charge.

Climate change

From a long-term perspective, the Group is subject to physical climate risks directly related to climate change and transitional climate risks, which may arise due to transitioning to a lower-carbon economy. Increased severity of extreme weather events due to accelerating global warming may result in disruption to provision of services from our service providers, affect the availability of websites and change commercial customers' behaviour.

New regulations relating to the reduction of carbon emissions and increasing customer climate change awareness may affect the Group's operations and the volume of listings and encourage us to adapt our business to the new regulations and changing market tendencies.

Forward-looking statement

Certain statements in this results announcement and update on trading constitute forward-looking statements. Any statement in this document that is not a statement of historical fact including, without limitation, those regarding the Company's future plans and expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this statement. As a result, you are cautioned not to place reliance on such forward-looking statements. Nothing in this statement should be construed as a profit forecast.

Responsibility statement of the directors in respect of the half yearly financial report

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;

• the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("DTR") 4.2.7R and 4.2.8R namely:

(a) an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in Annual report and Accounts 2023 that could do so.

Justinas Šimkus	**Lina Mačienė**
Chief Executive Officer	**Chief Financial Officer**
6 December 2023	**6 December 2023**

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 October 2023

	Notes	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Revenue	5	35,791	29,778	60,814
Other income		23	2	9
Expenses	6	(16,447)	(15,497)	(31,767)
Operating profit		**19,367**	**14,283**	**29,056**
Finance income	7	132	1	7
Finance expenses	7	(1,914)	(1,095)	(2,698)
Net finance costs		**(1,782)**	**(1,094)**	**(2,691)**
Profit before tax		**17,585**	**13,189**	**26,365**
Income tax expense	8	(2,250)	(1,669)	(3,150)
Profit for the period		**15,335**	**11,520**	**23,215**
Other comprehensive income/(loss)		-	-	-
Total comprehensive income for the period		**15,335**	**11,520**	**23,215**
Attributable to:				
Owners of the Company		**15,335**	**11,520**	**23,215**
Earnings per share (€ cents)				
Basic and diluted	9	**3.12**	**2.32**	**4.68**

Condensed Consolidated Interim Statement of Financial Position

At 31 October 2023

	Notes	31 October 2023 (€ thousands)	31 October 2022 (€ thousands)	30 April 2023 (€ thousands)
Assets				
Property, plant and equipment		561	518	502
Intangible assets and goodwill	10	377,464	393,857	385,633
Right-of-use assets		835	317	884
Deferred tax assets		241	-	153
Other non-current receivables		-	35	-
Non-current assets		**379,101**	**394,727**	**387,172**
Trade and other receivables	11	4,156	3,480	3,522
Cash and cash equivalents		20,449	22,220	27,070
Current assets		**24,605**	**25,700**	**30,592**
Total assets		**403,706**	**420,427**	**417,764**
Equity				
Share capital	12	5,745	5,817	5,783
Own shares held	13	(5,854)	(6,252)	(6,252)
Capital reorganisation reserve		(286,904)	(286,904)	(286,904)
Capital redemption reserve		77	5	39
Retained earnings		620,437	616,410	619,986
Total equity		**333,501**	**329,076**	**332,652**
Loans and borrowings	15	54,413	75,615	69,231
Deferred tax liabilities		3,660	4,999	4,223
Non-current liabilities		**58,073**	**80,614**	**73,454**
Current tax liabilities		1,382	892	1,784
Loans and borrowings	15	395	301	462
Trade and other payables	16	6,011	5,864	5,530
Contract liabilities		4,344	3,680	3,882
Current liabilities		**12,132**	**10,737**	**11,658**
Total liabilities		**70,205**	**91,351**	**85,112**
Total equity and liabilities		**403,706**	**420,427**	**417,764**

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 October 2023

	Note	Share capital (€ thousands)	Share premium (€ thousands)	Own shares held (€ thousands)	Capital reorganisation reserve (€ thousands)	Capital redemption reserve (€ thousands)	Retained earnings (€ thousands)	Total equity (€ thousands)
Balance at 1 May 2022		**5,822**	**-**	**(3,418)**	**(286,904)**	**-**	**611,877**	**327,377**
Profit for the period		-	-	-	-	-	11,520	**11,520**
Other comprehensive income		-	-	-	-	-	-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**11,520**	**11,520**
Transactions with owners:								
Share-based payments	19	-	-	-	-	-	662	**662**
Purchase of shares for performance share plan	13	-	-	(2,834)	-	-	-	**(2,834)**
Purchase of shares for cancellation	12	(5)	-	-	-	5	(694)	**(694)**
Dividends	14	-	-	-	-	-	(6,955)	**(6,955)**
Balance at 31 October 2022		**5,817**	**-**	**(6,252)**	**(286,904)**	**5**	**616,410**	**329,076**
Balance at 1 May 2022		**5,822**	**-**	**(3,418)**	**(286,904)**	**-**	**611,877**	**327,377**
Profit for the year		-	-	-	-	-	23,215	**23,215**
Other comprehensive income		-	-	-	-	-	-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**23,215**	**23,215**
Transactions with owners:								
Share-based payments	19	-	-	-	-	-	1,567	**1,567**
Tax impact of employee share schemes		-	-	-	-	-	20	**20**
Purchase of shares for performance share plan	13	-	-	(2,834)	-	-	-	**(2,834)**
Purchase of shares for cancellation	12	(39)	-	-	-	39	(5,775)	**(5,775)**
Dividends	14	-	-	-	-	-	(10,918)	**(10,918)**
Balance at 30 April 2023		**5,783**	**-**	**(6,252)**	**(286,904)**	**39**	**619,986**	**332,652**
Balance at 1 May 2023		**5,783**	**-**	**(6,252)**	**(286,904)**	**39**	**619,986**	**332,652**
Profit for the period		-	-	-	-	-	15,335	**15,335**
Other comprehensive income		-	-	-	-		-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**15,335**	**15,335**
Transactions with owners:								
Share-based payments	19	-	-	-	-	-	959	**959**
Tax impact of employee share schemes		-	-	-	-	-	(20)	**(20)**
Exercise of employee share schemes	13	-	-	398	-	-	(395)	**3**
Purchase of shares for cancellation	12	(38)	-	-	-	38	(7,069)	**(7,069)**
Dividends	14	-	-	-	-	-	(8,359)	**(8,359)**
Balance at 31 October 2023		**5,745**	**-**	**(5,854)**	**(286,904)**	**77**	**620,437**	**333,501**

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 31 October 2023

	Notes	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Cash flows from operating activities				
Profit for the period		15,335	11,520	23,215
Adjustments for:				
Depreciation and amortisation	6	8,445	8,498	16,989
Amortisation of up-front fee and borrowing costs		-	203	-
Impairment loss on trade receivables		-	57	-
Profit on property, plant and equipment disposals		-	-	(4)
Taxation	8	2,250	1,669	3,150
Net finance costs	7	1,782	891	2,691
Share-based payments	19	959	662	1,567
Other non-cash items		-	(2)	1
Working capital adjustments:				
Increase in trade and other receivables		(634)	(411)	(448)
Increase in trade and other payables		518	414	91
Increase in contract liabilities		462	537	739
Cash generated from operating activities		**29,117**	**24,038**	**47,991**
Corporate income tax paid		(3,324)	(1,626)	(3,122)
Interest received		132	-	-
Interest and commitment fees paid		(1,739)	(846)	(2,208)
Net cash inflow from operating activities		**24,186**	**21,566**	**42,661**
Cash flows from investing activities				
Acquisition of intangible assets and property, plant and equipment		(177)	(153)	(251)
Proceeds from sale of property, plant and equipment		3	-	4
Acquisition of business		-	(1,600)	(1,600)
Net cash used in investing activities		**(174)**	**(1,753)**	**(1,847)**
Cash flows from financing activities				
Repayment of loans and borrowings	15	(15,000)	(7,000)	(14,000)
Payment of lease liabilities		(155)	(123)	(247)
Purchase of own shares for cancellation	12	(7,119)	(580)	(5,663)
Purchase of own shares for performance share plan	13	-	(2,834)	(2,834)
Proceeds from exercise of share options	13	3	-	-
Dividends paid	14	(8,359)	(6,955)	(10,918)
Net cash used in financing activities		**(30,630)**	**(17,492)**	**(33,662)**
Net cash (outflow) / inflow from operating, investing and financing activities		**(6,618)**	**2,321**	**7,152**
Differences on exchange		(3)	(15)	4
Net (decrease) / increase in cash and cash equivalents		**(6,621)**	**2,306**	**7,156**
Cash and cash equivalents at the beginning of the period		27,070	19,914	19,914
Cash and cash equivalents at the end of the period		**20,449**	**22,220**	**27,070**

1. General information

Baltic Classifieds Group PLC (the "Company") is a Company incorporated in the United Kingdom and its registered office is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH (Company no. 13357598). The condensed consolidated interim financial statements as at, and for the six months ended, 31 October 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal business of the Group is operating leading online classifieds portals for automotive, real estate, jobs and services, and general merchandise in the Baltics.

2. Principles of preparation of condensed consolidated interim financial statements

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for us in the UK and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared by applying accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 30 April 2023.

The information for the year ended 30 April 2023 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor has reported on those accounts; their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 30 April 2023.

Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements, in accordance with UK-adopted IFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in any future periods affected.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 April 2023.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern covering a period of at least 12 months from the date of approval of these condensed consolidated interim financial statements and has a reasonable expectation that the Group has adequate resources to continue in operational existence over this period.

The Group meets its day-to-day working capital requirements from cash balances, if needed the Group also has access to a revolving credit facility that amounts to €10,000 thousand and is available until July 2026. As at 31 October 2023 no amounts of the revolving credit facility were drawn down. The bank loan matures in July 2026 and its availability is subject to continued compliance with certain covenants, it becomes repayable on demand in the case of a change in control. The Group voluntarily repaid €15,000 thousand of the loan during the six months ended 31 October 2023, the outstanding balance at the period end amounts to €55,000 thousand. In addition, the Company has bought-back its own shares for €7,119 thousand and paid a dividend comprising €8,359 thousand of cash. The Group had cash balances of €20,449 thousand at the period end.

When assessing the going concern of the Group, the directors have reviewed the year-to-date financial information. During the six months ended 31 October 2023 the Group has earned a profit of €15,335 thousand and generated €24,186 thousand in operating cash flow. The Directors also reviewed detailed financial forecasts for the period ending 12 months from the date of approval of these condensed consolidated interim financial statements. The assumptions used in the financial forecasts are based on the Group's historical performance and the Directors' experience of the industry.

The Directors considered severe but plausible downside scenarios taking into account the impact of any major data breach, adverse changes to the competitive environment and a continuing geopolitical tension in the neighbouring countries, and their effect on revenues and costs. In all scenarios considered a positive liquidity and covenants headroom is maintained during the 12 months after signing the half year report. The stress testing indicates that, the Group will comply with its debt covenants and have sufficient funds, to meet its liabilities as they fall due for the assessment period.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these condensed consolidated interim financial statements and therefore have prepared these condensed consolidated interim financial statements on a going concern basis.

3. Alternative performance measures (APMs)

In the analysis of the Group's financial performance, certain information disclosed in the financial statements may be prepared on a non-GAAP basis or has been derived from amounts calculated in accordance with IFRS but are not themselves an expressly permitted GAAP measure. These measures are reported in line with the way in which financial information is analysed by management and designed to increase comparability of the Group's year-on-year financial position, based on its operational activity. These measures are not designed to be a substitute for any of the IFRS measures of performance and may not be directly comparable with other companies' alternative performance measures. The key alternative performance measures presented by the Group are:

- Adjusted operating profit which is Operating profit after adding back acquired intangibles amortisation. This measure helps to provide an indication of the Group's ongoing business performance.
- EBITDA which is Operating profit after adding back depreciation and amortisation. This measure is used internally to assess business performance and in budgeting and forecasting.
- EBITDA margin which is EBITDA as a percentage of revenue. Progression in EBITDA margin is an important indicator of the Group's operating efficiency.
- Adjusted net income which is Profit for the period after adding back post-tax impact of acquired intangibles amortisation. It is used to arrive at Adjusted basic EPS and in applying the Group's capital allocation policy.
- Adjusted basic EPS which is Adjusted net income divided by the weighted average number of ordinary shares in issue. This measure helps to provide an indication of the Group's ongoing business performance.
- Net debt which is calculated as total debt (bank loans principal and Osta.ee customer credit balances) less cash and cash equivalents. Net debt is used to arrive at the leverage ratio.
- Leverage which is calculated as Net debt as a percentage of EBITDA over last twelve months (LTM). This measure is used in assessing covenant compliance for the Group's loan facility which includes a Total leverage ratio covenant (see note 15).
- Cash conversion which is EBITDA after deducting acquisition of intangible assets and property, plant and equipment as a percentage of EBITDA. This measure is used to monitor the Group's operational efficiency.

Reconciliation of alternative performance measures

Adjusted operating profit

	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Operating profit	**19,367**	**14,283**	**29,056**
Acquired intangibles amortisation	8,104	8,094	16,198
Adjusted operating profit	**27,471**	**22,377**	**45,254**

EBITDA

	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Operating profit	**19,367**	**14,283**	**29,056**
Depreciation and amortisation[1]	8,445	8,498	16,989
EBITDA	**27,812**	**22,781**	**46,045**
EBITDA margin	**78%**	**77%**	**76%**

[1] Including acquired intangibles amortisation of €8,104 thousand in the six months ended 31 October 2023 (€16,198 thousand in the year ended 30 April 2023 and €8,094 thousand in the six months ended 31 October 2022).

Adjusted net income

	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Profit for the period	**15,335**	**11,520**	**23,215**
Acquired intangibles amortisation	8,104	8,094	16,198
Deferred tax effect of acquired intangibles amortisation	(717)	(717)	(1,434)
Adjusted net income	**22,722**	**18,897**	**37,979**

Adjusted basic EPS

	6 months ended 31 October 2023	6 months ended 31 October 2022	Year ended 30 April 2023
Adjusted net income (€ thousands)	22,722	18,897	37,979
Weighted average number of ordinary shares (note 9)	492,016,798	497,524,476	496,082,891
Adjusted basic EPS (€ cents)	**4.62**	**3.80**	**7.66**

Net debt

	31 October 2023 (€ thousands)	31 October 2022 (€ thousands)	30 April 2023 (€ thousands)
Bank loan principal amount (note 15)	55,000	77,000	70,000
Customer credit balances (note 16)	2,310	2,647	2,363
Total debt	**57,310**	**79,647**	**72,363**
Cash and cash equivalents	(20,449)	(22,220)	(27,070)
Net debt	**36,861**	**57,427**	**45,293**

Leverage

	31 October 2023 (€ thousands)	31 October 2022 (€ thousands)	30 April 2023 (€ thousands)
Net debt	36,861	57,427	45,293
Adjusted EBITDA (LTM)	51,076	42,499	46,045
Total leverage ratio	**0.72**	**1.35**	**0.98**

Cash conversion

	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
Adjusted EBITDA	27,812	22,781	46,045
Acquisition of intangible assets and property, plant and equipment	(177)	(153)	(251)
	27,635	22,628	45,794
Cash conversion	**99%**	**99%**	**99%**

4. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decisionmaker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the Board of Baltic Classifieds Group PLC.

The main focus of the Group is operating leading online classifieds platforms for automotive, real estate, jobs and services, and general merchandise in the Baltics. The Group's business is managed on a consolidated level. The Board views information for each classified platform at a revenue level only and therefore the platforms are considered products but not a separate line of business or segment. The Group considers itself a classified business operating in a well-defined and economically similar geographical area, the Baltic countries. And therefore, the Board views detailed revenue information but only views costs and profit information at a Group level. As such, management concluded that BCG has one operating segment, which also represents one reporting segment.

The revenue break-down is disclosed by primary geographical markets, key revenue streams and revenue by business lines in accordance with IFRS 15 in note 5.

5. Revenue

In the following tables, revenue from contracts with customers is disaggregated by primary geographical markets, key revenue streams and revenue by business lines.

Primary geographic markets	**6 months ended 31 October 2023** (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Lithuania	25,032	20,815	42,407
Estonia	10,065	8,366	17,203
Latvia	694	597	1,204
Total	**35,791**	**29,778**	**60,814**

Key revenue streams	**6 months ended 31 October 2023** (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Advertising revenue	1,828	1,874	3,728
Listings revenue	32,041	26,254	53,750
- Listings revenue: B2C	*17,727*	*14,198*	*29,765*
- Listings revenue: C2C	*14,314*	*12,056*	*23,985*
Ancillary revenue[1]	1,922	1,650	3,336
Total	**35,791**	**29,778**	**60,814**

Revenue by business lines	**6 months ended 31 October 2023** (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Auto	**13,679**	**10,707**	**22,236**
- Advertising revenue	523	562	1,101
- Listings revenue: B2C	6,104	4,435	9,908
- Listings revenue: C2C	5,261	4,197	8,167
- Ancillary revenue	1,791	1,513	3,060
Real Estate	**8,768**	**7,323**	**15,044**
- Advertising revenue	918	924	1,836
- Listings revenue: B2C	5,077	4,027	8,653
- Listings revenue: C2C	2,745	2,336	4,494
- Ancillary revenue	28	36	61
Jobs & Services	**7,063**	**5,969**	**11,790**
- Advertising revenue	18	6	27
- Listings revenue: B2C	5,867	5,174	9,975
- Listings revenue: C2C	1,178	789	1,788
- Ancillary revenue	-	-	-
Generalist	**6,281**	**5,779**	**11,744**
- Advertising revenue	369	382	764
- Listings revenue: B2C	679	562	1,229
- Listings revenue: C2C	5,130	4,734	9,536
- Ancillary revenue	103	101	215
Total	**35,791**	**29,778**	**60,814**

[1]Ancillary revenue includes revenue from financial intermediation, subscription services and other. Financial intermediation revenue accounts for 91% of the total ancillary revenue for the 6 months ended 31 October 2023 (93% for the 6 months ended 31 October 2022 and 91% for the year ended 30 April 2023).

6. Operating profit

	6 months ended 31 October 2023 (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Operating profit is after charging the following:			
Labour costs	(5,274)	(4,420)	(9,605)
Depreciation and amortisation	(8,445)	(8,498)	(16,989)
Advertising and marketing services	(493)	(427)	(971)
IT expenses	(432)	(337)	(725)
Impairment loss on trade receivables and contract assets	(6)	(57)	(79)
Other	(1,797)	(1,758)	(3,398)
	(16,447)	**(15,497)**	**(31,767)**

7. Net finance costs

	6 months ended 31 October 2023 (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Other financial income	132	1	7
Total finance income	**132**	**1**	**7**
Interest expenses	(1,857)	(1,032)	(2,602)
Commitment and agency fees	(40)	(41)	(80)
Other financial expenses	(4)	(16)	(1)
Interest unwind on lease liabilities	(13)	(6)	(15)
Total finance expenses	**(1,914)**	**(1,095)**	**(2,698)**
Net finance costs recognised in profit or loss	**(1,782)**	**(1,094)**	**(2,691)**

8. Income taxes

	6 months ended 31 October 2023 (€ thousands)	**6 months ended 31 October 2022** (€ thousands)	**Year ended 30 April 2023** (€ thousands)
Current tax expense			
Current year	(2,922)	(2,514)	(4,904)
Deferred tax expense			
Change in deferred tax	672	845	1,754
Tax expense	**(2,250)**	**(1,669)**	**(3,150)**

Tax losses can be transferred between companies within the same tax group effectively reducing consolidated income tax expense.

9. Earnings per share

	6 months ended 31 October 2023	6 months ended 31 October 2022	Year ended 30 April 2023
Weighted average number of shares outstanding	492,016,798	497,524,476	496,082,891
Dilution effect on the weighted average number of shares	-	-	279,681
Diluted weighted average number of shares outstanding	492,016,798	497,524,476	496,362,572
Profit for the period (€ thousands)	15,335	11,520	23,215
Basic earnings per share (€ cents)	**3.12**	**2.32**	**4.68**
Diluted earnings per share (€ cents)	**3.12**	**2.32**	**4.68**

Although the Group operates a Performance Share Plan (note 19), the potential ordinary shares are not treated as dilutive for the six months ended 31 October 2023 as the PSP performance condition was not satisfied during the period.

The reconciliation of the weighted average number of shares is provided below:

	6 months ended 31 October 2023	6 months ended 31 October 2022	Year ended 30 April 2023
	Number of shares	Number of shares	Number of shares
Issued ordinary shares at 1 May less ordinary shares held by EBT	493,363,165	498,292,405	498,292,405
Weighted effect of ordinary shares purchased by EBT	-	(735,652)	(1,114,685)
Weighted effect of share-based incentives exercised	148,716	-	-
Weighted effect of own shares purchased for cancellation	(1,495,083)	(32,277)	(1,094,829)
Weighted average number of ordinary shares	**492,016,798**	**497,524,476**	**496,082,891**

10. Intangible assets and goodwill

	Goodwill	Trademarks and domains	Relationships with clients	Other intangible assets	Total
	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)
Cost					
Balance at 1 May 2022	328,732	63,220	50,710	1,324	443,986
Acquisitions	1,229	120	250	-	1,599
Balance at 31 October 2022	**329,961**	**63,340**	**50,960**	**1,324**	**445,585**
Balance at 1 May 2022	328,732	63,220	50,710	1,324	443,986
Acquisitions	1,229	120	250	-	1,599
Disposals	-	-	-	(33)	(33)
Balance at 30 April 2023	**329,961**	**63,340**	**50,960**	**1,291**	**445,552**
Balance at 1 May 2023	329,961	63,340	50,960	1,291	445,552

	Goodwill (€ thousands)	Trademarks and domains (€ thousands)	Relationships with clients (€ thousands)	Other intangible assets (€ thousands)	Total (€ thousands)
Additions	-	-	-	-	-
Balance at 31 October 2023	**329,961**	**63,340**	**50,960**	**1,291**	**445,552**
Accumulated amortisation and impairment losses					
Balance at 1 May 2022	-	17,016	25,956	525	43,497
Amortisation	-	3,165	4,929	137	8,231
Balance at 31 October 2022	**-**	**20,181**	**30,885**	**662**	**51,728**
Balance at 1 May 2022	-	17,016	25,956	525	43,497
Amortisation	-	6,332	9,866	257	16,455
Disposals	-	-	-	(33)	(33)
Balance at 30 April 2023	**-**	**23,348**	**35,822**	**749**	**59,919**
Balance at 1 May 2023	-	23,348	35,822	749	59,919
Amortisation	-	3,167	4,937	65	8,169
Balance at 31 October 2023	-	**26,515**	**40,759**	**814**	**68,088**
Carrying amounts					
Balance at 1 May 2022	328,732	46,204	24,754	799	400,489
Balance at 31 October 2022	329,961	43,159	20,075	662	393,857
Balance at 30 April 2023	329,961	39,992	15,138	542	385,633
Balance at 31 October 2023	**329,961**	**36,825**	**10,201**	**477**	**377,464**

11. Trade and other receivables

	31 October 2023 (€ thousands)	**31 October 2022** (€ thousands)	**30 April 2023** (€ thousands)
Trade receivables	3,773	3,126	3,322
Expected credit loss on trade receivables	(47)	(58)	(45)
Prepayments	298	318	175
Other short-term receivables	132	94	70
Total	**4,156**	**3,480**	**3,522**

Trade and other receivables (except for loan receivables) are non-interest bearing. The Group has recognised impairment losses in the amount of €47 thousand as at 31 October 2023 (€45 thousand as at 30 April 2023 and €58 thousand as at 31 October 2022). Change in impairment losses for trade receivables, netted with recoveries, for financial half-year amounted to €6 thousand as at 31 October 2023, €79 thousand as at 30 April 2023 and €57 thousand as at 31 October 2022. As at 31 October 2023, 30 April 2023 and 31 October 2022, there are no pledges on trade receivables.

12. Equity

	Number of shares	Share capital amount (€ thousands)	Share premium amount (€ thousands)
Balance as at 1 May 2022	**500,392,405**	**5,822**	**-**
Purchase and cancellation of own shares	(426,608)	(5)	-
Balance as at 31 October 2022	**499,965,797**	**5,817**	-
Balance as at 1 May 2022	**500,392,405**	**5,822**	**-**
Purchase and cancellation of own shares	(3,429,240)	(39)	-
Balance as at 30 April 2023	**496 963 165**	**5,783**	**-**
Balance as at 1 May 2023	**496 963 165**	**5,783**	**-**
Purchase and cancellation of own shares	(3,224,063)	(38)	**-**
Balance as at 31 October 2023	**493,739,102**	**5,745**	**-**

Included within shares in issue at 31 October 2023 are 3,356 thousand (3,600 thousand in at 31 October 2022 and 3,600 thousand in at 30 April 2023) shares held by the Employee Benefit Trust ("EBT") (note 13).

13. Own shares held

	6 months ended 31 October 2023		6 months ended 31 October 2022		Year ended 30 April 2023	
	€ thousands	thousands	€ thousands	thousands	€ thousands	thousands
Balance as at 1 May	**6,252**	**3,600**	**3,418**	**2,100**	**3,418**	**2,100**
Purchase of shares for performance share plan	-	-	2,834	1,500	2,834	1,500
Exercise of share options	(398)	(244)	-	-	-	-
Balance as at end of period	**5,854**	**3,356**	**6,252**	**3,600**	**6,252**	**3,600**

14. Dividends

Dividends paid by the Company were as follows:

	6 months ended 31 October 2023 (€ thousands)	6 months ended 31 October 2022 (€ thousands)	Year ended 30 April 2023 (€ thousands)
2022 final dividend	-	6,955	6,955
2023 interim dividend	-	-	3,963
2023 final dividend	8,359	-	-
Total	**8,359**	**6,955**	**10,918**

Total dividends per share for the periods to which they relate were as follows:

	6 months ended 31 October 2023	6 months ended 31 October 2022	Year ended 30 April 2023
	€ cents per share	€ cents per share	€ cents per share
2023 interim dividend	-	0.8	0.8
2023 final dividend	-	-	1.7
2024 interim dividend	1.0	-	-
Total	**1.0**	**0.8**	**2.5**

The 2024 interim dividend will be paid on 24 January 2024 to shareholders on the register at the close of business on 15 December 2023 and the payment will comprise approximately €4,900 thousand of cash. Dividends are declared and paid in euros. Shareholders can elect to have dividends paid in British Pound Sterling. Currency election deadline for 2024 interim dividend is 3 January 2024.

15. Loans and borrowings

Non-current liabilities	**31 October 2023** (€ thousands)	**31 October 2022** (€ thousands)	**30 April 2023** (€ thousands)
Bank loan gross of capitalised borrowing costs	55,000	77,000	70,000
Capitalised borrowing costs	(1,081)	(1,486)	(1,284)
Lease liabilities	494	101	515
	54,413	**75,615**	**69,231**

Current liabilities	**31 October 2023** (€ thousands)	**31 October 2022** (€ thousands)	**30 April 2023** (€ thousands)
Interest payable	137	140	180
Lease liabilities	258	161	282
	395	**301**	**462**

Bank loan:

Period	**Maturity**	**Loan currency**	**Effective annual interest rate**	**Amount at the end of the period** (€ thousands)
Six months ended 31 October 2022	2026 July	€	2.06%	75,654
Year ended 30 April 2023	2026 July	€	2.91%	68,896
Six months ended 31 October 2023	**2026 July**	**€**	**5.39%**	**54,056**

As at 31 October 2023 the undrawn revolving credit facility amounted to €10,000 thousand (€10,000 thousand at 30 April 2023 and €10,000 thousand at 31 October 2022).

The loan agreement prescribes a Total Leverage Ratio covenant. Total Leverage Ratio is calculated as Net Debt over last twelve months (LTM) of Adjusted EBITDA and shall not exceed 5.50:1. As at 31 October 2023, 30 April 2023 and 31 October 2023, the Group complied with the covenant prescribed in the loan agreement.

As per the same agreement, the interest margin for each facility is tied to the Total Leverage Ratio at each interest calculation date on a semi-annual basis. The interest rate margin is 1.75% when the leverage ratio is equal or below 2.5, and gradually increase when leverage ratio increase.

16. Trade and other payables

	31 October 2023 (€ thousands)	31 October 2022 (€ thousands)	30 April 2023 (€ thousands)
Trade payables	388	380	299
Accrued expenses	552	387	391
Payroll related liabilities	994	916	1,021
Other tax	1,590	1,297	1,326
Customer credit balances	2,310	2,647	2,363
Other payables	177	237	130
	6,011	**5,864**	**5,530**

17. Related party transactions

During the six months ended 31 October 2023, year ended 30 April 2023 and six months ended 31 October 2022, there were no transactions with related parties outside the consolidated Group, except for remuneration of key management personnel (see note 18), including share option awards under PSP scheme (see note 19).

18. Remuneration of key management personnel and other payments

Key management personnel comprise 3 Executive directors (CEO, CFO, COO), 5 Non-Executive Directors, Development Director and Directors of Group companies. Remuneration of key management personnel, including social security and related accruals, amounted to €782 thousand for the six months ended 31 October 2023, €1,257 thousand for the year ended 30 April 2023 and €627 thousand for the six months ended 31 October 2022. Share-based payments amounted to €734 thousand for the six months ended 31 October 2023, €1,031 thousand for the year ended 30 April 2023 and €443 thousand for the six months ended 31 October 2022.

During the six months ended 31 October 2023, the year ended 30 April 2023 and the six months ended 31 October 2022, the Executive directors of the Group were granted a set number of share options under the PSP scheme. See note 19 for further detail.

During the six months ended 31 October 2023, the year ended 30 April 2023 and the six months ended 31 October 2022, key management personnel of the Group did not receive any loans, guarantees, no other payments or property transfers occurred, and no pension or retirement benefits were paid.

19. Share-based payments

Performance Share Plan

The Group currently operates a Performance Share Plan (PSP) for Executive Directors and certain key employees with awards subject to a service and a non-market performance condition. The estimate of the fair value of the PSP awards is measured using Black-Scholes pricing model.

The total charge in the period relating to the PSP scheme was €959 thousand (€1,567 thousand during the financial year ended 30 April 2023 and €662 thousand during the six months ended 31 October 2022).

On 5 July 2023, the Group awarded 1,138,024 share options under the PSP scheme. These awards have a 3-year service condition and performance condition which is measured by reference to the Group's earnings per share in the year ended 30 April 2026.

The fair value of the 2023 award was determined to be €2.14 per option using a Black-Scholes pricing model. The resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date.

The number of options outstanding and exercisable as at 31 October 2023 was as follow:

	6 months ended 31 October 2023 (number)	6 months ended 31 October 2022 (number)	Year ended 30 April 2023 (number)
Outstanding at beginning of period[1]	**2,484,217**	**1,041,745**	**1,041,745**
Options granted in the period	1,138,024	1,465,911	1,465,911
Options exercised in the period	(244,318)	-	-
Options forfeited in the period	(24,436)	-	(23,439)
Outstanding at end of period[1]	**3,353,487**	**2,507,656**	**2,484,217**

[1]Figure for year ended 30 April 2023 was amended to correct a typographical error.

20. Enquiries by the Competition Authorities

As at 31 October 2023, the Group had three open enquiries from Competition Authorities, however the Directors' view is that the likelihood of any material outflow of resources in respect of these enquiries is remote, and therefore no provision or contingent liability has been recognised in the financial statements in respect of these matters (no provision or liability at 30 April 2023 and 31 October 2022).

On March 2019 the Estonian Competition Authority ("ECA") initiated supervisory proceedings against the AllePal OÜ and Kinnisvaraportaal OÜ, the operators of two real estate online classified portals, based on the complaint filed by various real estate companies and portals ("Claimants"). The Claimants alleged that the Group had abused its position by unfairly limiting the conditions for XML data exchange and applying excessively high prices. On 12 November 2021 the ECA terminated the supervisory proceedings with regard to the part that concerned the conditions of XML data exchange. The Group is co-operating with the ECA and although the Group expects that the supervisory proceedings will be terminated without any material effect to the financial position or operations of the Group, the Group cannot make any assurances that the ECA will not find any infringements. As the ECA or any other Estonian authorities have not initiated any misdemeanour (or criminal) proceedings against any Group company, the ongoing supervisory proceedings cannot lead to any imposition of fines to any Group company, however, if the ECA concludes that AllePal OÜ and Kinnisvaraportaal OÜ abused their position, the ECA could issue a precept ordering these Group companies to end any ongoing infringements.

On 4 February 2022 the ECA initiated supervisory proceedings against AllePal OÜ, the operator of real estate online classified portal, based on the complaint filed by Reales OÜ. Reales OÜ had entered into service agreement with AllePal OÜ for the insertion of real estate ads on both of real estate online classified portals, and according to the complaint, AllePal OÜ unfairly refused to provide the service to Reales OÜ by terminating the agreement. According to AllePal OÜ, service agreement was terminated because the claimant used the services to provide real estate ads brokerage or aggregation services and did not engage in real estate brokerage, for which the real estate online classifieds portals are intended. AllePal OÜ actively co-operates with the ECA and provides all necessary information and holds negotiations with Reales OÜ in order to develop a suitable contract and the pricing for the service needed by the claimant. On 15 March 2022, Reales OÜ submitted an additional complaint to initiate additional supervisory proceedings against the AllePal OÜ, which alleges that the pricing difference between the prices offered to the business and private customers indicates the abuse of a dominant position. On 1 April 2022 the ECA decided not to initiate additional proceedings and investigate the raised question within the ongoing supervisory proceedings. As the ECA or any other Estonian authorities have not initiated any misdemeanour (or criminal) proceedings against any Group company, the ongoing supervisory proceedings cannot lead to any imposition of fines to any Group company, however, if the ECA concludes that AllePal OÜ and Kinnisvaraportaal OÜ abused their position, the ECA could issue a precept ordering these Group companies to end any ongoing infringements.

On 7 November 2022, the ECA initiated supervisory proceedings against the AllePal OÜ, the operator of online classifieds portal for automotive Auto24.ee ("Auto24"), based on the signals from the market that Auto24 increased the prices to both business and private customers to levels which may be excessive from the competition law perspective. The Group is co-operating with the ECA and although the Group expects that the supervisory proceedings will be terminated without any material effect to the financial position or operations of the Group, the Group cannot make any assurances that the ECA will not find any infringements. As the ECA or any other Estonian authorities have not initiated any misdemeanour (or criminal) proceedings against the Auto24, the ongoing supervisory proceedings cannot lead to imposition of fines to AllePal OÜ, however, if the ECA concludes that AllePal OÜ abused their position, the ECA could issue a precept ordering these Group companies to end any ongoing infringements.

21. Business combinations

Current period

There were no business acquisitions in the six months ended 31 October 2023.

Prior periods

On 1 July 2022, the Group's subsidiary City24 SIA acquired a 100% control of GetaPro business. Details of the business combination were disclosed in note 27 of the Group's annual financial statements for the year ended 30 April 2023.