BALTIC CLASSIFIEDS GROUP PLC

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2022

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 2022 (H1 2023)

Strategic overview

- Strong double digit revenue growth year-on-year in all four business units.
- Our biggest portal Autoplius.lt grew its leadership[1] versus closest competitor from 4.4 to 5.6 times. Each of our main sites are from 5 to 28 times bigger than the closest competitor.
- We successfully executed our annual C2C pricing event in Spring 2022, before the start of the period reported on, increasing the yield[2] from C2C ads across all four of our business units.
- Improvements to our products and packages supported our annual pricing events which were implemented during September and October 2022 and will be rolled out during the period to January 2023 for B2C in our Autos and Real Estate business lines and on a rolling basis through the year for our Jobs & Services business line. Therefore, the annual B2C pricing event will mainly contribute to revenue in the second half of the year.
- GetaPro business and strategy integration progressing well following the acquisition in July 2022 and now applying best practices from our existing services vertical in Lithuania, Paslaugos.lt.

Financial highlights

- Revenue grew 19% to €29.8 million (H1 2022: €25.0 million) driven by a solid performance in all four business lines: Autos (+19%), Real Estate (+18%), Jobs & Services (+27%) and Generalist (+13%).
- EBITDA[3] grew 16% to €22.8 million (H1 2022 adjusted EBITDA[4]: €19.6 million). Our EBITDA margin[3] was 77% (adjusted EBITDA margin[4] H1 2022: 78%) despite significantly higher inflation environment in the Baltics. There were no add-backs to EBITDA in H1 2023.
- €7.4 million of costs were non-cash and related to historical acquisitions. These were the only adjustments to this half year profitability: €8.1 million of amortisation and associated €(0.7) million tax impact.
- Reported operating profit for the period grew 5 times, comparing to H1 2022, during which company went public and had one-off IPO related transactional costs: from €2.4 million to €14.3 million. Excluding the above-mentioned amortisation from acquired intangibles, our adjusted operating profit[5] grew 16% to €22.4 million (from €19.2 million in H1 2022, which was adjusted with amortisation from acquired intangibles and costs relating to IPO).
- Accordingly, adjusted basic EPS[6] grew 31% to 3.8 € cents (H1 2022: 2.9 € cents). Basic EPS for H1 2023 was 2.3 € cents (H1 2022: (1.6) € cents).
- Cash conversion[7] includes GetaPro asset deal and was 92%. Excluding the GetaPro, cash conversion was maintained at 99% (H1 2022: 99%).
- Cash generated from operating activities grew 15% (from €20.9 million in H1 2022, if adjusted for IPO fees paid, to €24.0 million in H1 2023). Reported cash generated from operating activities grew 58% (from €15.2 million in H1 2022).

- Net debt fell by €9.0 million to €57.4 million (2022: €66.4 million) and we ended the half year with leverage[8] at 1.4x (2022: 1.7x).
- The Board declares an interim dividend of 0.8 € cents per share (nil in H1 2022).

Operational highlights

- Traffic to our sites averaged 63.0 million visits per month meaning the resident in the Baltics visited our sites 11 times every month.
- We maintained a significant leadership position[1] over the nearest competitor for all of our largest sites compared to 2022 with Autoplius at 5.6x (vs 4.4x), Auto24 at 28.3x (vs 32.1x), Aruodas at 26.7x (vs 29.0x), Skelbiu at 18.4x (vs 19.7x), KV plus City24 in Estonia at 16.7x (vs 11.9x) and CVBankas at 8.4x (vs 8.3x).
- We have more real estate brokers (+1%) and more automotive dealers (+3%) utilising our sites to advertise, slightly fewer customers in Jobs after record year last year (-4% but +57% comparing to 2 years ago). We also have more active ads in Automotive (+17%), Real Estate (+8%), Services (+6%) and more listings in Generalists (+3%).
- During H1 2023 we have improved our products, including:
    - **Automotive:** in Autoplius.lt we introduced 4 packages for dealers to replace the existing two, providing our customers more choice on the services and ad activation limits that suit their business. In Auto24.ee we introduced a new B2C package and limited re-listings to improve the content quality and buyer experience.
    - **Real estate:** in Aruodas.lt we updated existing B2C packages, introduced a new premium package and initiated authentication requirements for all agents. In KV.ee we introduced a new package for RE developers and B2C ad activation limits to improve the content quality and user experience.
    - **Jobs and Services:** in CVbankas.lt we introduced a salary estimation tool that allows exploring salary levels.
    - **Generalist:** in Skelbiu.lt value-based pricing was implemented in the automotive and real estate categories. We also upgraded the moderation tool to increase content quality and fraud prevention.
- The increased market prices of the goods and services being advertised on our sites, in particular driven by supply chain issues and high demand in Automotive and Real Estate, combined with changes to our packages and prices, more than offset slower speeds of sale leading to increased yields[2] in all business lines: Automotive (B2C +22%, C2C +15%), Real Estate (B2C +20%, C2C +20%), Jobs and Services (B2C +25%, C2C +113%) and Skelbiu (+15%).
- The Group has been operating in a high inflation environment for many years. This has not negatively affected our profitability, as the increase in our costs is balanced by the effect that rising real estate and car prices and increasing average salaries have on our revenue growth.
- The number of BCG employees grew to 132 FTEs (end of 2022: 127 FTEs) when 5 GetaPro employees joined BCG on the acquisition. At the end of the period the split of women to men was 53:47.

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

"During the 1st half of the year our business growth was strong. The financial performance was a record high and grew strongly across all four business units. I am incredibly proud of all BCG employees who have helped to achieve the best performance ever.

I was delighted to see that the number of both business and private customers grew in BCG's biggest business lines of automotive and real estate. C2C performance is of particular note as it grew the most – 26% year over year. The period has also seen strong audience numbers on all our sites.

We successfully implemented pricing and package changes across all our business units, C2C in Spring, and B2C in Autumn. The excellent results provide ongoing momentum for the remainder of this year and moving us into the next financial year.

In Summer, we completed the acquisition of a service vertical in Latvia and Estonia - GetaPro. BCG also owns a services vertical in Lithuania - Paslaugos.lt - which doubled during this half a year, so this acquisition marked a strategic expansion of the fastest growing segment into a new territory."

Outlook

- For the aggregate of the Auto's, Real Estate and Generalist business units, the Board is comfortable maintaining guidance of 15% revenue growth for the second half of the year. This builds on the out-performance of the first half of the year for these business units.
- For Jobs and Services, after the 27% growth during the H1 2023, the Board anticipates a slower second half as we are starting to see some companies take a more cautious approach to their hiring plans. We expect full year growth of around 15%.
- The Board expects the Company to maintain adjusted EBITDA margin for 2023 despite rising costs in a high inflation environment and further listed company costs.
- During the second half of the year the Board will continue allocating excess cash towards reducing gross debt and to the share buyback programme.

[1] Leadership position based on time on site except for Auto24. Auto24 has no significant vertical competitor; next relevant player is Generalist portal; therefore, relative market share is calculated based on time on site proportion relating to the number of active automotive listings as at the end of the reported period.
[2] Yield refers to the change in average monthly revenue per active (Auto, Real Estate or Services) or listed (Generalist) C2C listing or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per client).
[3] EBITDA is calculated by reference to the profit (loss) for the period and adjusting this to add back income tax expense, net finance costs, depreciation and amortisation. EBITDA margin is calculated by dividing EBITDA for the period by revenue for such period.
[4] Adjusted EBITDA in H1 2022 is calculated by reference to EBITDA for the period and adjusting this for the costs related to IPO and one-off costs that do not reflect the underlying operations of the business (but including ongoing operating costs of being a public company). Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for the period by revenue for such period.
[5] Adjusted Operating profit is calculated by reference to the profit (loss) for the period and adjusting this to add back income tax expense, net finance costs, IPO costs, IPO refinancing arrangement related finance and tax items in H1 2022 and acquired intangibles amortisation in both H1 2023 and H1 2022.
[6] Adjusted basic EPS is adjusted for the same items that are used to adjust the Adjusted Net Income. Adjusted Net Income is defined as the profit (loss) for the period adjusted for the post-tax impact of the IPO costs, IPO refinancing arrangement related finance and tax items, M&A costs and the post-tax impact of the amortisation of intangibles arising from acquisitions.
[7] Cash conversion calculated as: (adjusted EBITDA – capex) / adjusted EBITDA.
[8] Leverage is calculated as Net debt over the last twelve months (LTM) of Adjusted EBITDA. The Group's loan facility includes a Total Leverage Ratio covenant.

Analyst presentation dates/Conference call details

A presentation for analysts will be held via video webcast and conference call at 9:30 am, Wednesday 7 December 2022. Details below.

The live webcast will be available at:
https://www.investis-live.com/balticclassifieds/637e0f479de0710d00be95cc/osnta

Participants joining via telephone:

United Kingdom: 0800 640 6441
United Kingdom (Local): 020 3936 2999
United States: 1 855 9796 654
United States (Local): 1 646 664 1960
Lithuania: 370 521 40 826
All other locations: +44 20 3936 2999

Access code: 760434
*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 14, 2022**
UK: 020 3936 3001
USA: 1 845 709 8569
All other locations: +44 20 3936 3001

Access Code: 168083

For media inquiries:

Lina Mačienė
Chief Financial Officer
investorrelations@balticclassifieds.com

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 2022, the Group's portals were visited in average 63.0 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 now a member of the FTSE 250 Index.

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

Summary of operating performance in H1 2023

Market Context

- We observed a high consumer demand for both new and used cars which started normalising at the end of the period; however, the market continues to be affected by supply chain issues, leading to 18% fewer vehicle transactions than pre-COVID. Demand to change vehicles has remained higher than the supply, driving the average price per used car up by 22%* year over year. This has meant dealers have maintained or increased their profitability.
- Mainly due to postponed start of construction by some developers relating to supply-chain disruptions or increased prices for construction materials, the total number of transactions was minus 19% compared to very active H1 2022 and in line with two years ago. The average price of an apartment has increased by 17%**. The larger commission pool benefits our customers.
- Companies have faced a substantial labour shortage; therefore, the employment market has seen unprecedented growth in 2022. In H1 2023 we noticed the beginning of situation normalisation and consequently increasing job search activity. However, monthly unemployment level is in the record lows since the GFC – 4.7%*** in Lithuania.
- eCommerce activities have increased during the past couple of years. The numbers of online buyers and sellers grew with transactions moving online. This has helped the growth of our generalist platforms and ancillary products like deliveries.

* Company information
** Average real estate price change per square metre based on apartment prices in Vilnius, Riga and Tallinn during calendar half-year (1st January to 30th June) 2022 compared to same period in 2021. Source: Swedbank (prices per square metre); State Enterprise Centre of Registers Lithuania, Land Register Latvia, Land Board Estonia (number of transactions)
*** September 2022 data from the Department of Statistics of Lithuania

Revenue

Group's revenue grew 19% to €29.8 million (H1 2022: €25.0).

The main drivers of revenue growth were increases in the number of advertisers across our business sectors except Jobs, an increase in the number of advertisements/ C2C listings across all our business sectors, and an increase in the average spend per customer/advertisement across all our businesses.

In April 2022, shortly before the period currently reported on, we introduced C2C price changes for most of our portals, reflected in the reported revenue numbers. In September and October 2022, we introduced B2C price and package changes for the Real Estate, Auto and Jobs portals, reflecting improvements to our proposition. These made a limited contribution to H1 2023 revenue, with the full contribution from Real Estate and Auto to be seen in H2 2023 and from Jobs to be rolled out throughout the following 12 months.

Revenue grew healthily in all four of our business areas:

€m	**H1 2023**	**H1 2022**	**Growth, %**
Automotive	10.7	9.0	+19%
Real Estate	7.3	6.2	+18%
Generalist	5.8	5.1	+13%
Jobs & Services	6.0	4.7	+27%
Total Revenue	**29.8**	**25.0**	**+19%**

We are 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.

	H1 2023	**H1 2022**	**Change, %**
Auto B2C – No. of Dealers	3,577	3,486	+3%
Real Estate B2C – No. of Brokers	4,941	4,892	+1%
Jobs[1] B2C – No. of Customers	2,224	2,314	(4%)

Auto C2C – No. of Active Ads[2]	25,379	21,615	+17%
Real Estate C2C – No. of Active Ads	16,733	15,565	+8%
Services[3] C2C No. of Active Ads	5,876	5,551	+6%
Generalist[4] C2C No. of Listings	93,365	90,454	+3%
Auto B2C – ARPU[5] (€)	207	169	+22%
Real Estate B2C - ARPU (€)	136	113	+20%
Jobs[1] B2C Monthly - ARPU (€)	388	311	+25%
Auto C2C - Monthly Rev. per Ad (€)[2]	22	19	+15%
Real Estate C2C - Monthly Rev. per Ad (€)	23	19	+20%
Services[3] C2C - Monthly Rev. per Ad (€)	21	10	+113%
Generalist[4] C2C Revenue per Listing (€)	7	6	+15%

The number of B2C customers was stable:

- Automotive dealers grew by 3% (from 3,486 in H1 2022 to 3,577 in H1 2023) mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as if they were C2C customers.
- Real Estate brokers grew by 1% (from 4,892 in H1 2022 to 4,941 in H1 2023), led by progress in broker authentication.
- Jobs number of customers was 4% lower comparing to a year ago, but by 57% higher than 2 years ago (1,420 in H1 2021, 2,314 in H1 2022 and 2,224 in H1 2023).

In C2C, an increase in active ads and listings is primarily due the underlying market conditions, i.e. longer selling time (which means each advert is active for more time) in Real Estate, Automotive and Generalist. The increase in Services active ads was driven by recent acquisition of GetaPro.

The Auto business line revenue grew 19% (from €9.0 million in H1 2022 to €10.7 million in H1 2023). The Jobs & Services business line has also continued growing strongly - plus 27% in revenue (from €4.7 million in H1 2022 to €6.0 million in H1 2023). Real Estate has also contributed a solid growth to Group revenue – the business line grew 18% (from €6.2 million in H1 2022 to €7.3 million in H1 2023). Generalist revenues grew 13% (from €5.1 million in H1 2022 to €5.8 million in H1 2023).

In terms of ARPU in our B2C segment:

- Automotive ARPU was up 22% due to price and packaging changes implemented a year ago, in September and October 2021. We expect further upside from the price changes in the longer-term when inventory levels recover, and dealers increase their packages. This year annual pricing event was implemented during September and October 2022.
- Real Estate ARPU was up 20% due to subscription fee and packaging changes which took effect from September 2021 to January 2022 and were aimed at both growth in ARPU and incentivising customers to choose individual and more premium accounts for brokers. This year annual pricing event was implemented during September and October 2022 to be rolled out during the period to January 2023.
- Jobs ARPU was up 25% due to increased prices and a more intense use of our CV database. Revenue wise, our jobs portal CVbankas.lt is 20% bigger than it was a year ago and close to 170% bigger than it was 2 years ago. Being the market leading job board, CVbankas.lt was benefiting from favourable underlying market trends which were driving record job vacancy and employee search activity. Increased prices were implemented on new and renewing customers in September 2021 and were rolling out to the customers through the 12-month cycle. The new prices were introduced in September 2022 to be implemented on a rolling basis through the year.

In terms of ARPU in our C2C segment:

- Automotive average monthly revenue per active advertisement was up 15% due to price changes and rising average transaction values (the average car price on our portals grew 22%).

- Real Estate average monthly revenue per active advertisement was up 20% due to price changes and rising average transaction values (apartment prices per square metre in Baltic capitals have increased by 17%).
- Services average monthly revenue per active advertisement was up 113% mainly due to price changes and an increased usage of our value-added services.
- Generalist average revenue per listing was up 15% due to price changes, rising average transaction values and the introduction of a value-based pricing in the automotive and real estate categories.

Operating costs

The Group has operated in a higher inflation environment for several years and recently inflation reached nearly 20%. However, our costs represent a relatively small proportion of our revenue and, due to continued cost management, this did not significantly affect our profitability. On the contrary, rising real estate, car prices and average salary are supportive to our revenue growth in all business units.

The majority of our operating costs are people costs. Our team grew from 127 FTEs in April 2022 to 132 FTEs in October 2022, including 5 GetaPro employees who joined BCG with the GetaPro acquisition. Excluding one-off costs from the comparative period, investment into our people increased by 27% to €4.4 million (H1 2022: €3.5 million). We appreciate and invest in talent, therefore the majority 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 €0.7 million (H1 2022: €0.2 million). The cost of the PSP should continue increasing gradually during the first three-year period after the IPO based on the assumption that the PSP will award a list of employees yearly with three-year nominal value options. Thereafter, the cost should be relatively constant.

Other Group costs comprise marketing, IT and general administrative expenses. We have supported several NGOs assisting Ukraine and Ukrainians fleeing the war in their country by donating €0.1 million (none in H1 2022). This has not been treated as an adjusting item.

Net finance expense

Our finance costs comprise mainly of interest costs (2% margin plus Euribor until the annual results release on the 7th of July 2022, reducing the margin to 1.75% since then) in the amount of €1.0 million and the commitment fees relating to the €10 million unsecured Revolving Credit Facility ("RCF"). Due to the IPO related one off debt refinancing costs in the comparative period, there is a significant decrease in reported net finance costs (from €10.0 million in H1 2022 to €1.1 million in H1 2023).

Net debt and leverage

During the H1 2023 €7.0 million of the existing debt has been voluntarily repaid. Compared to the end of 2022, net debt[6] was reduced by €9.0 million to €57.4 million (as at 30 April 2022: €66.4 million) with leverage[7] at 1.4x (as at 30 April 2022: 1.7x).

€m	**31-Oct-22**	**30-Apr-22**
Bank Loan principal amount	77.0	84.0
Customer credit balances	2.6	2.3
Total debt	79.6	86.3
Cash	22.2	19.9
Net debt	**57.4**	**66.4**
Adjusted EBITDA LTM	42.5	39.3
Leverage	**1.4x**	**1.7x**

Tax

The Group tax charge of €1.7 million (H1 2022: €(0.0) million) represented an effective tax rate of 13% (0% in H1 2022).

The Group tax charge is a net of:

- current tax expense of €2.5 million (H1 2022: €2.2 million); and
- change in deferred tax which is positive €0.8 million (H1 2022: €2.2 million and included a one-off €1.3 million deferred tax amount relating to refinancing arrangement).

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.

	IFRS Measures H1 2023	Adjusted Measures H1 2023	IFRS Measures H1 2022	Adjusted Measures H1 2022	IFRS Measures change	Adjusted Measures change
	€m	€m	€m	€m		
Amortisation of intangibles arising from acquisitions		(8.1)		(8.1)		
Deferred tax effect of amortisation of intangibles arising from acquisitions		0.7		0.7		
IPO related costs (net of tax impact)[8]				(14.1)		
Total Adjusting Items		**(7.4)**		**(21.5)**		
Revenue	**29.8**		**25.0**		19%	
Weighted average number of shares, million	*497.5*		*477.2*			
EPS, € cents	***2.3***	***3.8***	***(1.6)***	***2.9***	*n.m.*	*31%*
Taxation	(1.7)	(2.4)	0.0	(2.0)	n.m.	n.m.
Net finance costs	(1.1)	(1.1)	(10.0)	(3.3)	(89)%	(67)%
Operating profit	**14.3**	**22.4**	**2.4**	**19.2**	505%	16%
Depreciation and amortisation	(8.5)	(0.4)	(8.4)	(0.4)	1%	11%
EBITDA	**22.8**	**22.8**	**10.8**	**19.6**	111%	16%
EBITDA margin	**77%**	**77%**	**43%**	**78%**	33% pts	(2% pts)

Adjusted operating profit[9] grew 16% to €22.4 million (€19.2 million in H1 2022) and reported operating profit grew more than 5 times (from €2.4 million reflecting IPO related fees in H1 2022 to €14.3 million in H1 2023).

EBITDA[10] this period was not adjusted and grew 16% to €22.8 million when compared to adjusted EBITDA[11] of €19.6 million in H1 2022.

EBITDA margin[10] was 77% despite additional public listed company related costs and our support to NGOs (H1 2022: adjusted EBITDA margin[11] was 78%).

Earnings per Share ("EPS")

Basic EPS was 2.3 € cents based on the weighted average number of shares during H1 2023 of 497,524,476. ((1.6) € cents for H1 2022 based on weighted average number of shares of 477,159,409).

Adjusted basic EPS for H1 2023 was 3.8 € cents (2.9 € cents for H1 2022).

There is no dilution effect from the employee share arrangements this half year.

Cash flow

Cash generated from operating activities grew 15% (from €20.9 million in H1 2022, if adjusted for IPO fees paid, to €24.0 million in H1 2023). Reported cash generated from operating activities grew 58% from €15.2 million in H1 2022.

Capital allocation

The generated cash was also used to the below:

- In July 2022 we acquired a service vertical GetaPro for €1.6 million.
- The first final dividend for the year ended 30 April 2022 of 1.4 € cents per share was paid on 14 October 2022, totalling €7.0 million.
- We reduced the loan liability by partially paying down the debt in the amount of €7.0 million (H1 2022: €7.0 million of the existing loan facility).
- We bought 1.5 million of Company shares (paying €2.8 million) to Employee Benefit Trust ("EBT") for future employee awards.
- Post-AGM we have started buying back Company shares and by the end of the reporting period we had bought 0.4 million of Company shares for cancellation (paying €0.7 million for it).

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. For H1 2023, the Board has declared an interim dividend of 0.8 € cents per share. The interim dividend will be paid on 25 January 2023 to members on the register on 16 December 2022.
- We will continue considering value-creating M&A opportunities. All options for financing attractive acquisition opportunities remain open, including using cash, increasing our debt and even seeking additional equity capital. However, using 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 2022 the Group had drawn none of the €10 million unsecured Revolving Credit Facility ("RCF") and had cash balances of €22.2 million. The €10 million RCF is committed until July 2026.

[1] CVbankas.lt only.
[2] the Group presents the average monthly revenue per active C2C auto listing on the basis of the C2C revenue generated by auto listings only, excluding any C2C revenue generated from vehicle parts, vehicles other than autos and other C2C listings.
[3] Services include Paslaugos.lt and GetaPro.lv.
[4] Skelbiu.lt only.
[5] ARPU - monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per client).
[6] Net Debt which is calculated as total debt (bank loans and Osta.ee customer credit balances) less cash.
[7] Leverage is calculated as Net debt over the last twelve months (LTM) of Adjusted EBITDA. The Group's loan facility includes a Total Leverage Ratio covenant (see note 14).
[8] IPO related costs (net of tax impact) in H1 2022 comprise of:

- IPO related fees of €(7.4) million,
- Free share awards of €(1.4) million,
- IPO refinancing: Senior Facility Agreement (SFA) related early repayment condition of €(1.6) million,
- IPO refinancing: SFA related upfront fee write off of €(5.1) million,
- IPO refinancing: SFA capitalised upfront fee related deferred tax liability write off of €1.3 million,
- Tax effect on IPO related fees of €0.7 million.

[9] Adjusted Operating profit is calculated by reference to the profit (loss) for the period and adjusting this to add back income tax expense, net finance costs, IPO costs, IPO refinancing arrangement related finance and tax items in H1 2022 and acquired intangibles amortisation in both H1 2023 and H1 2022.
[10] EBITDA is calculated by reference to the profit (loss) for the period and adjusting this to add back income tax expense, net finance costs, depreciation and amortisation. EBITDA margin is calculated by dividing EBITDA for the period by revenue for such period.
[11] Adjusted EBITDA in H1 2022 is calculated by reference to EBITDA for the period and adjusting this for the costs related to IPO and one-off costs that do not reflect the underlying operations of the business (but including ongoing operating costs of being a public company). Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for the period by revenue for such period.

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 2023.

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 such as a prolonged recovery from the pandemic or any other similar events 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 areas 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.

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.

Emerging risks

Emerging risks are defined by the Group as potential but not actual future risks that are often difficult to quantify but may materially affect the Group.

Acquisition risk. Risk that we make an acquisition which subsequently fails to deliver the expected benefits through poor integration, overpayment, business failure, competition authority review, or other negative factors. There is also a risk that attractive opportunities are not available, affecting investor perception of the Group's outlook.

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 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 2022 that could do so.

Justinas Šimkus	**Lina Mačienė**
Chief Executive Officer	**Chief Financial Officer**
7 December 2022	**7 December 2022**

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

	Notes	6 months ended 31 October 2022 (€ thousands)	6 months ended 31 October 2021 (€ thousands)	Year ended 30 April 2022 (€ thousands)
Revenue	4	29,778	25,004	50,959
Other income		2	4	6
Expenses	5	(15,497)	(22,646)	(37,349)
Operating profit		**14,283**	**2,362**	**13,616**
Finance income	6	1	119	138
Finance expenses	6	(1,095)	(10,113)	(11,309)
Net finance costs		**(1,094)**	**(9,994)**	**(11,171)**
Profit / (loss) before tax		**13,189**	**(7,632)**	**2,445**
Income tax expense	7	(1,669)	6	(46)
Profit / (loss) for the period		**11,520**	**(7,626)**	**2,399**
Other comprehensive income/(loss)		-	-	-
Total comprehensive income/(loss) for the year		**11,520**	**(7,626)**	**2,399**
Attributable to:				
Owners of the Company		**11,520**	**(7,626)**	**2,399**
Earnings / (loss) per share (€ cents)				
Basic	8	2.32	(1.60)	0.49

Condensed Consolidated Interim Statement of Financial Position

	Notes	31 October 2022 (€ thousands)	31 October 2021 (€ thousands)	30 April 2022 (€ thousands)
Assets				
Property, plant and equipment		518	314	474
Intangible assets and goodwill	9	393,857	408,715	400,489
Right-of-use assets		317	567	457
Other non-current receivables		35	-	-
Non-current assets		**394,727**	**409,596**	**401,420**
Trade and other receivables	10	3,162	3,197	2,970
Prepayments		318	274	189
Cash and cash equivalents		22,220	15,627	19,914
Current assets		**25,700**	**19,098**	**23,073**
Total Assets		**420,427**	**428,694**	**424,493**
Equity				
Share capital	11	5,817	5,822	5,822
Own shares held	12	(6,252)	-	(3,418)
Capital reorganisation reserve	11	(286,904)	(286,904)	(286,904)
Capital redemption reserve	11	5	-	-
Retained earnings		616,410	601,430	611,877
Total equity		**329,076**	**320,348**	**327,377**
Loans and borrowings	14	75,615	89,750	82,478
Deferred tax liabilities		4,999	6,700	5,844
Non-current liabilities		**80,614**	**96,450**	**88,322**
Current tax liabilities		892	1,200	4
Loans and borrowings	14	301	439	323
Payroll related liabilities		916	796	866
Trade and other payables	15	4,948	6,865	4,458
Contract liabilities		3,680	2,596	3,143
Current liabilities		**10,737**	**11,896**	**8,794**
Total liabilities		**91,351**	**108,346**	**97,116**
Total equity and liabilities		**420,427**	**428,694**	**424,493**

Condensed Consolidated Interim Statement of Changes in Equity

	Note	Share Capital (€ thousands)	Share premium (€ thousands)	Own shares held (€ thousands)	Capital reorganisation reserve (€ thousands)	Capital redemption reserve (€ thousands)	Other reserves (€ thousands)	Retained earnings (€ thousands)	Total Equity (€ thousands)
Balance at 1 May 2021		**506,509**	**-**	**-**	**(287,033)**	**-**	**27**	**(11,229)**	**208,274**
Loss for the period		**-**	**-**	**-**	**-**	**-**	**-**	**(7,626)**	**(7,626)**
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**(7,626)**	**(7,626)**
Transactions with owners:									
Group restructure and IPO	11	75,265	43,143	-	129	-	(27)	-	**118,510**
Transfer arising from capital reduction	11	(575,956)	(43,143)	-	-	-	-	619,099	**-**
Share issue post IPO	11	4	-	-	-	-	-	(4)	**-**
Share-based payments		-	-	-	-	-	-	1,190	**1,190**
Balance at 31 October 2021		**5,822**	**-**	**-**	**(286,904)**	**-**	**-**	**601,430**	**320,348**
Balance at 1 May 2021		**506,509**	**-**	**-**	**(287,033)**	**-**	**27**	**(11,229)**	**208,274**
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	2,399	**2,399**
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**2,399**	**2,399**
Transactions with owners:					-	-			
Group restructure and IPO	11	75,265	43,143	-	129	-	(27)	-	**118,510**
Transfer arising from capital reduction	11	(575,956)	(43,143)	-	-	-	-	619,099	**-**
Share issue post IPO	11	4	-	-	-	-	-	(4)	**-**
Share-based payments		-	-	-	-	-	-	1,612	**1,612**
Purchase of shares for performance share plan	12	-	-	(3,418)	-	-	-	-	**(3,418)**
Balance at 30 April 2022		**5,822**	**-**	**(3,418)**	**(286,904)**	**-**	**-**	**611,877**	**327,377**
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	18	-	-	-	-	-	-	662	**662**
Purchase of shares for performance share plan	12	-	-	(2,834)	-	-	-	-	**(2,834)**
Purchase of shares for cancellation	11	(5)	-	-	-	5	-	(694)	**(694)**
Dividends paid	13	-	-	-	-	-	-	(6,955)	**(6,955)**
Balance at 31 October 2022		**5,817**	**-**	**(6,252)**	**(286,904)**	**5**	**-**	**616,410**	**329,076**

Condensed Consolidated Interim Statement of Cash Flows

	Notes	6 months ended 31 October 2022 (€ thousands)	6 months ended 31 October 2021 (€ thousands)	Year ended 30 April 2022 (€ thousands)
Cash flows from operating activities				
Profit (loss) for the period		11,520	(7,626)	2,399
Adjustments for:				
Depreciation and amortisation	5	8,498	8,440	16,894
Amortisation of up-front fee and borrowing costs	6	203	5,377	5,580
Impairment loss on trade receivables	10	57	14	59
(Profit) / Loss on property, plant and equipment disposals		-	41	-
Taxation	7	1,669	(6)	46
Net finance costs[1]	6	891	4,655	5,606
Share-based payments	18	662	1,190	1,612
Other non-cash items		(2)	88	93
Working capital adjustments:				
Decrease / (Increase) in trade and other receivables		(248)	(705)	(521)
Decrease / (Increase) in prepayments		(163)	(225)	(128)
(Decrease) / Increase in trade and other payables		414	3,011	966
(Decrease) / Increase in contract liabilities		537	948	1,495
Cash generated from operating activities		24,038	15,202	34,101
Corporate income tax paid		(1,626)	(2,288)	(4,403)
Interest and commitment fees paid		(846)	(7,451)	(8,870)
Net cash inflow from operating activities		**21,566**	**5,463**	**20,828**
Cash flows from investing activities				
Acquisition of property, plant and equipment		(154)	(171)	(433)
Acquisition of intangible assets		(1,599)	(25)	-
Net cash used in investing activities		**(1,753)**	**(196)**	**(433)**
Cash flows from financing activities				
Proceeds from issuance of share capital	11	-	121,339	121,339
Proceeds from loans and borrowings	14	-	96,650	96,650
Repayment of loans and borrowings	14	(7,000)	(221,295)	(228,295)
Capitalised borrowing costs[1]		-	(677)	(677)
Payment of lease liabilities	14	(123)	(153)	(305)
Share issue related expenses	11	-	(2,582)	(2,874)
Purchase of own shares for cancellation	11	(580)	-	-
Purchase of own shares for performance share plan	12	(2,834)	-	(3,418)
Dividends paid	13	(6,955)	-	-
Net cash used in financing activities		**(17,492)**	**(6,718)**	**(17,580)**
Net cash inflow / (outflow) from operating, investing and financing activities		**2,321**	**(1,451)**	**2,815**
Differences on exchange		(15)	(37)	(16)
Net increase / (decrease) in cash and cash equivalents		**2,306**	**(1,488)**	**2,799**
Cash and cash equivalents at the beginning of the period		19,914	17,115	17,115
Cash and cash equivalents at the end of the period		**22,220**	**15,627**	**19,914**

[1]Comparative figures for the six months ended 31 October 2021 were amended to present capitalised borrowing costs within financing activities as opposed to operating activities.

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 2022 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 IAS34 Interim Financial Reporting as adopted for us in the UK.

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 2022, except for the following changes, which arose due to new transactions in the period:

- Share capital. Where the Group purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Group's shareholders. Where such shares are subsequently cancelled, the nominal value of the shares repurchased is deducted from share capital and transferred to a capital redemption reserve.
- Capital redemption reserve. The capital redemption reserve arises from the purchase and subsequent cancellation of the Group's own equity share capital.

The information for the year ended 30 April 2022 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 2022.

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.

Estimates

The below accounting estimate is considered to be critical to the reporting of results of operations and financial position:

- Carrying values of goodwill. An impairment review is performed of goodwill balances by the Group on a 'value in use' basis. This requires judgment in estimating the future cash flows, the time period over which they occur, and in arriving at an appropriate discount rate to apply to the cashflows as well as an appropriate long term growth rate. Each of these judgments has an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash generating units.

Other important estimates:

- Useful lives of intangible assets. A useful life is assigned to an acquired intangible asset based on the estimated period of time an asset is likely to remain in service. This judgement has an impact on the amortisation expense for any given period.
- Share-based payments. Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled

share-based payment transactions. The fair value of services received in return for share options is calculated with reference to the fair value of the award on the date of grant. Black-Scholes model has been used to calculate the fair value and the Directors have therefore made estimates with regard to the inputs to that model and the period over which the share award is expected to vest.

Judgements

The below judgment is also considered to be important to the reporting of results of operations and financial position:

- Deferred tax asset. An unrecognised deferred tax asset has not been recognised in relation to tax losses incurred by the Company's indirect subsidiary UAB Antler Group. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the probability of future taxable profit of the indirect subsidiary being available.

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 €10m and is available until July 2026. As at 31 October 2022 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 €7m of the loan during the six months ended 31 October 2022, the outstanding balance at the period end amounts to €77m. The Group initiated its share buy-back programme in October 2022, buying back shares to the value of €0.7m by 31 October 2022, and paid a €7.0m dividend in October 2022. The Group had cash balances of €22.2m at the period end.

When assessing the going concern of the group, the directors have reviewed the year-to-date financial actuals. During the 6 months ended 31 October 2022 the Group has earned a profit of €11.5m and generated €21.6m 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 forecasts have been stress tested taking into consideration the impact of major business risks materialising, however they also reflect the actual trading experience of the last 6 months including the effects on business of the continuous war in Ukraine and rising inflation and interest rates.

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. 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 4.

4. 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 2022** (€ thousands)	**6 months ended 31 October 2021** (€ thousands)	**Year ended 30 April 2022** (€ thousands)
Lithuania	20,815	17,129	35,236
Estonia	8,366	7,294	14,620
Latvia	597	581	1,103
Total	**29,778**	**25,004**	**50,959**

Key revenue streams	**6 months ended 31 October 2022** (€ thousands)	**6 months ended 31 October 2021** (€ thousands)	**Year ended 30 April 2022** (€ thousands)
Advertising revenue	1,874	1,927	3,731
Listings revenue	26,254	21,313	43,725
- Listings revenue: B2C	*14,198*	*11,774*	*24,590*
- Listings revenue: C2C	*12,056*	*9,539*	*19,135*
Ancillary revenue[1]	1,650	1,764	3,503
Total	**29,778**	**25,004**	**50,959**

Revenue by business lines	**6 months ended 31 October 2022** (€ thousands)	**6 months ended 31 October 2021** (€ thousands)	**Year ended 30 April 2022** (€ thousands)
Automotive	**10,707**	**9,016**	**18,293**
- Advertising revenue	562	560	1,122
- Listings revenue: B2C	4,435	3,535	7,432
- Listings revenue: C2C	4,197	3,291	6,507
- Ancillary revenue	1,513	1,630	3,232
Real Estate	**7,323**	**6,181**	**12,451**
- Advertising revenue	924	1,009	1,903
- Listings revenue: B2C	4,027	3,326	7,052
- Listings revenue: C2C	2,336	1,817	3,439
- Ancillary revenue	36	29	57
Generalist	**5,779**	**5,110**	**10,397**
- Advertising revenue	382	354	701

- Listings revenue: B2C	562	590	1,282
- Listings revenue: C2C	4,734	4,062	8,200
- Ancillary revenue	101	104	214
Jobs & Services	**5,969**	**4,697**	**9,818**
- Advertising revenue	6	4	7
- Listings revenue: B2C	5,174	4,322	8,822
- Listings revenue: C2C	789	370	988
- Ancillary revenue	-	1	1
Total	**29,778**	**25,004**	**50,959**

[1]Ancillary revenue includes revenue from financial intermediation, subscription services, and other. Financial intermediation revenue accounts for 93% of the total ancillary revenue for the 6 months ending 31 October 2022, 94% of the total ancillary revenue for the 6 months ending 31 October 2021 and 94% of the total ancillary revenue for the year ending 30 April 2022.

5. Operating profit

	6 months ended 31 October 2022 (€ thousands)	**6 months ended 31 October 2021** (€ thousands)	**Year ended 30 April 2022** (€ thousands)
Operating profit is after charging the following:			
Labour costs[1]	(4,420)	(4,863)	(8,886)
Depreciation and amortisation	(8,498)	(8,440)	(16,894)
Advertising and marketing services	(427)	(370)	(841)
IT expenses	(337)	(365)	(692)
Impairment (loss) / reversal on trade receivables and contract assets	(57)	(14)	(59)
Other[2]	(1,758)	(8,594)	(9,977)
	(15,497)	**(22,646)**	**(37,349)**

[1]For the 6 months ended 31 October 2021 and year ended 30 April 2022 labour costs include €1,378 thousand free share awards related expenses and €36 thousand of Auto24 acquisition related expenses.
[2]For the 6 months ended 31 October 2021 and year ended 30 April 2022 other expenses include fees and costs incurred in relation to the Initial Public Offering (IPO).

Operating profit reconciliation with the Adjusted EBITDA

	6 months ended 31 October 2022 (€ thousands)	**6 months ended 31 October 2021** (€ thousands)	**Year ended 30 April 2022** (€ thousands)
Operating profit	**14,283**	**2,362**	**13,616**
Depreciation and amortisation	8,498	8,440	16,894
EBITDA	**22,781**	**10,802**	**30,510**
IPO related costs[1]	-	7,393	7,393
Free share awards[2]	-	1,378	1,378
Adjusted EBITDA	**22,781**	**19,573**	**39,281**
Adjusted EBITDA margin	**77%**	**78%**	**77%**

[1]Fees and costs incurred in relation to the Initial Public Offering (IPO).
[2]Costs related to Free Share Awards to employees of the Group.

6. Net finance costs

	6 months ended 31 October 2022 (€ thousands)	6 months ended 31 October 2021 (€ thousands)	Year ended 30 April 2022 (€ thousands)
Other financial income	1	119	138
Total finance income	**1**	**119**	**138**
Interest expenses[1]	(1,032)	(8,322)	(9,426)
Commitment and agency fees	(41)	(74)	(132)
Other financial expenses[2]	(16)	(1,707)	(1,734)
Interest unwind on lease liabilities	(6)	(10)	(17)
Total finance expenses	**(1,095)**	**(10,113)**	**(11,309)**
Net finance costs recognised in profit or loss	**(1,094)**	**(9,994)**	**(11,171)**

[1]Interest expense for the 6 months ended 31 October 2021 and the year ended 30 April 2022 contains €5,075 thousand of upfront fee that was written off upon the repayment of Senior Facility Agreement in July 2021.

[2]Other financial expenses for the 6 months ended 31 October 2021 and the year ended 30 April 2022 contain €1,618 thousand of Senior Facility Agreement related early repayment penalty.

7. Income taxes

	6 months ended 31 October 2022 (€ thousands)	6 months ended 31 October 2021 (€ thousands)	Year ended 30 April 2022 (€ thousands)
Current tax expense			
Current year	(2,514)	(2,195)	(3,102)
Deferred tax expense			
Change in deferred tax[1]	845	2,201	3,056
Tax expense	**(1,669)**	**6**	**(46)**

[1]Change in deferred tax for the 6 months ended 31 October 2021 and the year ended 30 April 2022 contains €1,266 thousand of deferred tax liability related to the upfront fee that was written off upon the repayment of Senior Facility Agreement in July 2021.

8. Earnings per share

		6 months ended 31 October 2022	6 months ended 31 October 2021	Year ended 30 April 2022
Weighted average number of shares outstanding	number	497,524,476	477,159,409	488,467,552
Profit (loss) attributable to owners of the Company	€ thousands	11,520	(7,626)	2,399
Basic earnings per share	**€ cents**	**2.32**	**(1.60)**	**0.49**

Basic earnings per share (EPS) amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares for the comparative periods has been stated as if the Group share for share exchange (note 11) has occurred at the beginning of the comparative periods.

In calculating diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive shares. The Group's potentially dilutive instruments are in respect of share-based incentives granted to employees. Options under the Performance Share Plan are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions are satisfied.

Although the Group started operating a Performance Share Plan (note 18), the potential ordinary shares are not treated as dilutive as the PSP performance condition was not satisfied for the 6 months ended 31 October 2022.

9. Intangible assets and goodwill

	Goodwill (€ thousands)	Trademarks and domains (€ thousands)	Relationship with clients (€ thousands)	Other intangible assets (€ thousands)	Total (€ thousands)
Cost					
Balance at 1 May 2021	**328,732**	**63,220**	**50,710**	**1,347**	**444,009**
Additions	-	-	-	14	**14**
Balance at 31 October 2021	**328,732**	**63,220**	**50,710**	**1,361**	**444,023**
Balance at 1 May 2021	**328,732**	**63,220**	**50,710**	**1,347**	**444,009**
Disposals	-	-	-	(23)	**(23)**
Balance at 30 April 2022	**328,732**	**63,220**	**50,710**	**1,324**	**443,986**
Balance at 1 May 2022	**328,732**	**63,220**	**50,710**	**1,324**	**443,986**
Additions	1,229	120	250	-	**1,599**
Balance at 31 October 2022	**329,961**	**63,340**	**50,960**	**1,324**	**445,585**
Accumulated amortisation and impairment losses					
Balance at 1 May 2021	**-**	**10,693**	**16,132**	**275**	**27,100**
Amortisation	-	3,163	4,912	133	**8,208**
Balance at 31 October 2021	**-**	**13,856**	**21,044**	**408**	**35,308**
Balance at 1 May 2021	**-**	**10,693**	**16,132**	**275**	**27,100**
Amortisation	-	6,323	9,824	273	**16,420**
Disposals				(23)	**(23)**
Balance at 30 April 2022	**-**	**17,016**	**25,956**	**525**	**43,497**
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**
Carrying amounts					
Balance at 1 May 2021	**328,732**	**52,527**	**34,578**	**1,072**	**416,909**
Balance at 31 October 2021	**328,732**	**49,364**	**29,666**	**953**	**408,715**
Balance at 30 April 2022	**328,732**	**46,204**	**24,754**	**799**	**400,489**
Balance at 31 October 2022	**329,961**	**43,159**	**20,075**	**662**	**393,857**

10. Trade and other receivables

	31 October 2022 (€ thousands)	31 October 2021 (€ thousands)	30 April 2022 (€ thousands)
Trade receivables	3,126	3,070	3,002
Expected credit loss (-) on trade receivables	(58)	(93)	(71)
Other short-term receivables	94	220	39
Total	**3,162**	**3,197**	**2,970**

Trade and other receivables (except for loan receivables) are non-interest bearing. The Group has recognised impairment losses in the amount of €58 thousand as at 31 October 2022 (€93 thousand as at 31 October 2021 and €71 thousand as at 30 April 2022). Change in impairment losses for trade receivables amounted to €57 thousand as at 31 October 2022, €14 thousand as at 31 October 2021 and €59 thousand as at 30 April 2022.

11. Equity

	Number of ordinary shares	Share capital amount (€ thousands)	Share premium amount (€ thousands)	Capital redemption reserve (€ thousands)
Balance as at 1 May 2021	**435,265,079**	**506,509**	**-**	**-**
Group restructure:				
- Redeemable preference share redeemed	-	(57)	-	-
- Share issue for IPO	64,734,921	75,322	48,959	-
- Share issue related transaction costs	-	-	(5,816)	-
Nominal value of ordinary shares reduced and share premium cancelled to create distributable reserves	-	(575,956)	(43,143)	-
Shares issued to satisfy Free share awards	392,405	4	-	-
Balance as at 31 October 2021	**500,392,405**	**5,822**	**-**	**-**
Balance as at 1 May 2021	**435,265,079**	**506,509**	**-**	**-**
Group restructure:				
-Redeemable preference share redeemed	-	(57)	-	-
-Share issue for IPO	64,734,921	75,322	48,959	-
-Share issue related transaction costs	-	-	(5,816)	-
Nominal value of ordinary shares reduced and share premium cancelled to create distributable reserves	-	(575,956)	(43,143)	-
Shares issued to satisfy Free share awards	392,405	4	-	-
Balance as at 30 April 2022	**500,392,405**	**5,822**	**-**	**-**

Balance as at 1 May 2022	**500,392,405**	**5,822**	**-**	**-**
Purchase and cancellation of own shares	(426,608)	(5)	-	5
Balance as at 31 October 2022	**499,965,797**	**5,817**	**-**	**5**

BCG was incorporated on 26 April 2021 with 1 ordinary share with a value of £1 (€1.15) per share allotted. On 27 April 2021 the company issued 1 redeemable preference share with a value of £49,999 (€57,487) per share.

On 5 July 2021 BCG was inserted into the Group's holding structure via a share for share exchange with the shareholders of a previous top holding entity, ANTLER TopCo S.a.r.l:

1) BCG issued 38,740,076 ordinary shares at £1 (€1.16) each in the share for share exchange to acquire ANTLER Management S.A. that was a minority shareholder of ANTLER TopCo S.a.r.l.

2) BCG issued 396,525,002 ordinary shares at £1 (€1.16) each in the share for share exchange to acquire the rest of ANTLER TopCo S.a.r.l.

3) 1 redeemable preference share with a value of £49,999 (€57,487) per share was redeemed.

On 5 July 2021 BCG issued 64,734,921 ordinary shares with a value of £1 (€1.16) each that were listed at £1.65 (€1.92) on the London Stock Exchange.

Share issue related expenses amounting to €5,816 thousand were set against the share premium that arose during the listing, out of which €2,942 thousand relate to the underwriting fee that reduced the cash received from the IPO proceeds.

On 23 September 2021 BCG undertook a Court approved capital reduction to create distributable reserves. The entire amount standing to the credit of BCG share premium account was cancelled and the nominal value of each ordinary share in issue in the capital of BCG was reduced from £1 (€1.15) to £0.01 (€0.01). This created a total of €619,099 thousand in distributable reserves.

On 19 October 2021 BCG issued 392 405 shares with a value of £0.01 (€0.01) each to be gifted, on an unrestricted basis, to all employees other than the Executive Directors and the rest of the Senior Management team.

Share capital and share premium in the comparative periods have been stated as if the Group share for share exchange has occurred at the beginning of the comparative periods. For this reason, a capital reorganisation reserve has been created which comprises a difference between the recalculated share capital amount and the total of share capital and share premium of ANTLER TopCo S.a.r.l.

In October 2022 the Company initiated its share buyback programme. During the 6 months ended 31 October 2022 the Company purchased 426,608 shares for cancellation. For this reason a capital redemption reserve was formed.

Included within shares in issue at 31 October 2022 are 3,600,000 (2,100,000 as at 30 April 2022, nil as at 31 October 2021) shares held by the Employee Benefit Trust ("EBT") (note 12).

12. Own shares held

	Shares held by EBT	
	Amount (€ thousands)	**Number**
Balance as at 1 May 2021	**-**	**-**
Purchase of shares for performance share plan	-	-
Balance as at 31 October 2021	-	-

Balance as at 1 May 2021	**-**	**-**
Purchase of shares for performance share plan[1]	(3,418)	2,100,000
Balance as at 30 April 2022	**(3,418)**	**2,100,000**
Balance as at 1 May 2022	**(3,418)**	**2,100,000**
Purchase of shares for performance share plan[2]	(2,834)	1,500,000
Balance as at 31 October 2022	**(6,252)**	**3,600,000**

[1] Shares were purchased on 25 March 2022 at a price of £1.35 (€1.62) per share. Stamp duty reserve tax amounting to €16 thousand were capitalised to the cost.

[2] Shares were purchased on 29 July 2022 and 2 August 2022 at a price of £1.54 (€1.84) and £1.62 (€1.93) per share respectively. Stamp duty reserve tax amounting to €20 thousand were capitalised to the cost.

13. Dividends

	6 months ended 31 October 2022		**6 months ended 31 October 2021**		**Year ended 30 April 2022**	
	€ cents per share	€ thousands	€ cents per share	€ thousands	€ cents per share	€ thousands
2022 final dividend paid	1.4	6,955	-	-	-	-

The 2022 final dividend of €6,955 thousand (1.4 € cents per qualifying share) was paid on 14 October 2022.

The terms of the EBT provide that dividends payable on the ordinary shares held by the EBT are waived.

After the period end the Board approved an interim dividend of €0.8 cents per share (31 October 2021: nil), totalling €3,964 thousand (31 October 2021: nil). The interim dividend is payable on 25 January 2023 to shareholders on the register at the close of business on 16 December 2022.

The Directors intend to return one third of Adjusted Net Income (as defined below) each year via an interim and final dividend, split one third and two thirds, respectively.

The Net Adjusted Income is defined as the profit / (loss) for the period adjusted for the post-tax impact of the disclosed items affecting Adjusted EBITDA (note 5) and the post-tax impact of the amortisation of intangibles arising from acquisitions (which comprised amortisation of trademarks and domains and amortisation of relationship with clients).

14. Loans and borrowings

Non-current liabilities	**31 October 2022** (€ thousands)	**31 October 2021** (€ thousands)	**30 April 2022** (€ thousands)
Bank loan	75,514	89,514	82,311
Lease liabilities	101	236	167
	75,615	**89,750**	**82,478**

Current liabilities	**31 October 2022** (€ thousands)	**31 October 2021** (€ thousands)	**30 April 2022** (€ thousands)
Bank loan	140	197	121
Lease liabilities	161	242	202
	301	**439**	**323**

Bank loan:

	Period end	**Maturity**	**Loan currency**	**Effective interest rate**	**Amount** (€ thousands)
Bank Loan	31 October 2021	2026 July	€	4.34%[1]	89,711
Bank Loan	30 April 2022	2026 July	€	4.04%[1]	82,432
Bank Loan	31 October 2022	2026 July	€	2.06%	75,654

[1]Effective interest rate for 6 months ended 31 October 2021 and year ended 30 April 2022 includes 2 months of since repaid loan.

In July 2021 the Group drew down a loan consisting of Facility B (€98,000 thousand) and agreed on a revolving credit facility of €10,000 thousand. The previous loan was fully repaid in July 2021. Due to early repayment the Group paid an early repayment penalty that amounted to €1,618 thousand (included within other financial expenses for the 6 months ended 31 October 2021 and year ended 30 April 2022). The Group also wrote off a capitalised upfront fee that amounted to €5,075 thousand (included within interest expenses for the 6 months ended 31 October 2021 and year ended 30 April 2022) and a related deferred tax liability that amounted to €1,266 thousand (included within deferred tax expenses for the 6 months ended 31 October 2021 and year ended 30 April 2022).

As at 31 October 2021 the loan comprised of Facility B (outstanding balance: €91,000 thousand as €7,000 thousand were repaid in October 2021), the undrawn revolving credit facility amounted to €10,000 thousand.

As at 30 April 2022 the loan comprised of Facility B (outstanding balance: €84,000 thousand as total of €14,000 thousand were repaid during the financial year), the undrawn revolving credit facility amounted to €10,000 thousand.

As at 31 October 2022 the loan comprised of Facility B (outstanding balance: €77,000 thousand as €7,000 thousand were repaid in October 2022), the undrawn revolving credit facility amounted to €10,000 thousand.

Capitalised debt issue costs amounted to €1,486 thousand as at 31 October 2022, €1,689 thousand as at 30 April 2022 and €1,892 thousand as at 31 October 2021. Interest payable amounted to €140 thousand as at 31 October 2022, €121 thousand as at 30 April 2022 and €602 thousand as at 31 October 2021.

The loan agreement prescribes a Total Leverage Ratio covenant. Total Leverage Ratio means the ratio of Consolidated Net Indebtedness to Consolidated EBITDA (as defined in the loan agreement) and shall not exceed 5.50:1. As at 31 October 2022 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:

Total Leverage Ratio	Facility B Margin (% p.a.)	Revolving Facility Margin (% p.a.)
Greater than 4.50:1	3.50	3.50
Equal to or less than 4.50:1 but greater than 4.00:1	3.00	3.00
Equal to or less than 4.00:1 but greater than 3.50:1	2.75	2.75
Equal to or less than 3.50:1 but greater than 3.00:1	2.50	2.50
Equal to or less than 3.00:1 but greater than 2.75:1	2.25	2.25
Equal to or less than 2.75:1 but greater than 2.50:1	2.00	2.00
Equal to or less than 2.50:1	1.75	1.75

Reconciliation of movements of liabilities to cashflows arising from financing activities

	Borrowings (€ thousands)	**Lease liabilities** (€ thousands)	**Total** (€ thousands)
Balance as at 1 May 2021	**212,463**	**663**	**213,126**
Changes from financing cash flows			
- Proceeds from loans and borrowings	96,650	-	**96,650**
- Repayment of borrowings	(221,295)	-	**(221,295)**
- Payment of lease liabilities	-	(153)	**(153)**
Total changes from financing cash flows	**(124,645)**	**(153)**	**(124,798)**
Other liability related changes			
- New leases	-	25	**25**
- Lease disposal	-	(57)	**(57)**
- Capitalised borrowing costs	(676)	-	**(676)**
- Capitalised borrowing costs write off	5,075	-	**5,075**
- Interest expenses	3,247	10	**3,257**
- Interest paid	(5,754)	(10)	**(5,764)**
Total other liability related changes	1,892	(32)	**1,860**
Balance as at 31 October 2021	**89,711**	**478**	**90,189**

	Borrowings (€ thousands)	**Lease liabilities** (€ thousands)	**Total** (€ thousands)
Balance as at 1 May 2021	**212,463**	**663**	**213,126**
Changes from financing cash flows			
- Proceeds from loans and borrowings	96,650	-	**96,650**
- Repayment of borrowings	(228,295)	-	**(228,295)**
- Payment of lease liabilities	-	(305)	**(305)**
Total changes from financing cash flows	**(131,645)**	**(305)**	**(131,950)**
Other liability related changes			
- New leases	-	67	**67**
- Lease disposal	-	(56)	**(56)**
- Capitalised borrowing costs	(676)	-	**(676)**
- Capitalised borrowing costs write off	5,075	-	**5,075**
- Interest expenses	4,351	17	**4,368**
- Interest paid	(7,136)	(17)	**(7,153)**
Total other liability related changes	1,614	11	**1,625**
Balance as at 30 April 2022	**82,432**	**369**	**82,801**

	Borrowings (€ thousands)	Lease liabilities (€ thousands)	Total (€ thousands)
Balance as at 1 May 2022	**82,432**	**369**	**82,801**
Changes from financing cash flows			
- Repayment of borrowings	(7,000)	-	(7,000)
- Payment of lease liabilities	-	(123)	(123)
Total changes from financing cash flows	**(7,000)**	**(123)**	**(7,123)**
Other liability related changes			
- New leases	-	63	63
- Lease disposal	-	(47)	(47)
- Interest expenses	1,032	6	1,038
- Interest paid	(810)	(6)	(816)
Total other liability related changes	222	16	238
Balance as at 31 October 2022	**75,654**	**262**	**75,916**

15. Trade and other payables

	31 October 2022 (€ thousands)	31 October 2021 (€ thousands)	30 April 2022 (€ thousands)
Trade payables	380	1,486	235
Accrued expenses	387	740	344
Other tax	1,297	2,208	1,578
Customer credit balances	2,647	2,418	2,289
Other payables	237	13	12
	4,948	**6,865**	**4,458**

16. Related party transactions

During the 6 months ended 31 October 2022 there were no transactions with related parties outside the consolidated Group except for the remuneration of key management personnel (note 17), including share option awards under the PSP scheme (note 18).

During the 6 months ended 31 October 2021 and the year ended 30 April 2022 the transactions with related parties outside the consolidated Group included:

- remuneration of key management personnel (note 17), including share option awards under the PSP scheme (note 18);
- before the IPO a part of ANTLER Management S.A. shares were acquired by a few key management personnel;
- share for share exchange transaction during the reorganisation for the IPO (note 11) where a few key management personnel exchanged the shares they held in ANTLER Management S.A. for the like-for-like amount of shares in Baltic Classifieds Group PLC.

17. Remuneration of key management personnel and other payments

Key management personnel comprises 3 Executive directors (CEO, CFO, COO), 5 Non-Executive Directors and Directors of Group companies. Remuneration of key management personnel in the reporting period, including social security and related accruals, amounted to €627 thousand for the 6 months ended 31 October 2022, €438 thousand for the 6 months ended 31 October 2021 and €969 thousand for the year ended 30 April 2022. Share-based payments to the key management personnel amounted to €443 thousand for the 6 months ended 31 October 2022, €176 thousand for the 6 months ended 31 October 2021 and €509 thousand for the year ended 30 April 2022.

During the 6 months ended 31 October 2022 as well as during the 6 months ended 31 October 2021 the Executive directors of the Group were granted a set number of share options under the PSP scheme. See note 18 for further detail.

During the 6 months ended 31 October 2022, 6 months ended 31 October 2021 and the year ended 30 April 2022, key management personnel of the Group did not receive any loans, guarantees, and no other payments or property transfers occurred.

18. Share-based payments

Performance Share Plan

The Group currently operates a Performance Share Plan (PSP) that is subject to a service and a non-market performance condition. The estimate of the fair value of the PSP is measured using Black-Scholes pricing model.

The total charge in the period relating to the PSP scheme was €662 thousand (€222 thousand during the 6 months ended 31 October 2021 and €644 thousand during the financial year ended 30 April 2022).

The PSP plan consists of share options for Executive Directors and certain key employees with a vesting period of 3 years.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless under exceptional circumstances.

On 12 July 2022, the Group awarded 1,221,592 share options under the PSP scheme. For these awards, the Group's performance is measured by reference to the Group's Earnings per Share in FY2025. On 12 July 2022 the Group also granted a retention award in a form of 244,318 share options to two GetaPro employees. These awards have a service condition and vest in 1 year.

The fair value of the 2022 award was determined to be €1.40 (€1.46 for GetaPro employees) 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.

	31 October 2022 (number)	**31 October 2021** (number)	**30 April 2022** (number)
Outstanding at beginning of period	1,041,745	-	-
Options granted in the period[1]	1,465,911	1,041,745	1,041,745
Options exercised in the period	-	-	-
Options forfeited in the period	-	-	-
Outstanding at period ending	**2,507,656**	**1,041,745**	**1,041,745**

[1]Figure in comparative periods was amended to correct a typographical error.

19. Enquiries by the Competition Authorities

As at 31 October 2022, there was no on-going litigation, which could materially affect the consolidated financial position of the Group.

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 the 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 also 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.

20. Business combinations

On 1 July 2022, the Group's subsidiary City24 SIA acquired a 100% control of GetaPro business. The business combination included an acquisition of SIA GetaPro assets consisting of getapro.lv and getapro.ee portals. No liabilities were acquired. The acquired assets meet the definition of a business as per IFRS 3 therefore an acquisition accounting exercise was performed.

Getapro.lv and getapro.ee are services portals operating in Latvia and Estonia. The acquisition provided the Group with increased share of Latvian and Estonian classifieds markets.

For the four months ended 31 October 2022, GetaPro portals contributed revenue of €41 thousand and loss of €216 thousand to Group's result. If the acquisition had occurred on 1 May 2022, management estimates that consolidated revenue would have been higher by €20 thousand, and consolidated profit for the financial year would have been lower by approximately €8 thousand.

Consideration	€ thousands
Cash	1,600
Total consideration transferred	1,600

Acquisition related costs	€ thousands
Acquisition-related costs (legal fees, due diligence costs and other) are included in other expenses for the 6 months ended 31 October 2022	40

Recognised amounts of identifiable assets acquired:

	€ thousands
Property, plant and equipment	1
Intangible assets	370
Total identifiable net assets	**371**

Recognised amounts of identifiable intangible assets acquired and their useful economic lives:

	UEL	€ thousands
Internet domains	10 years	120
Contracts and relationships	5 years	250
Total identifiable intangible assets		**370**

The relief-from-royalty method and multi-period excess earnings method were used for determination of the fair value of the intangible assets. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the internet domains being owned. Fair value of the internet domains amounts to €120 thousand. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer contracts and relationships, by excluding any cash flows related to contributory assets. Fair value of the customer contracts and relationships amounts to €250 thousand.

Goodwill arising from the acquisition has been recognised as follows:

	€ thousands
Consideration transferred	1,600
Fair value of identifiable net assets	(371)
Goodwill	**1,229**

The goodwill recognised on acquisition relates to the fair value of the going concern element of the acquired entity existing business, including plans to generate cash flows from the new clients and new business opportunities, probability of prolonging customer contracts even further than considered in the valuation, assembled workforce and other items, which are not possible to recognise as separate intangible assets.

Net cash flow on acquisition:

	€ thousands
Consideration in cash	1,600
Less cash and cash equivalents of the acquiree	-
Net cash flow on acquisition	**1,600**