BALTIC CLASSIFIEDS GROUP PLC

FULL YEAR RESULTS FOR THE YEAR ENDED 30 APRIL 2022

Baltic Classifieds Group PLC ("BCG" and the "Group"), the leading online classifieds group in the Baltics, announces full year results for the year ended 30 April 2022

Exceeding our IPO guidance and delivering commitments

- Revenue of €51.0 million grew 21% versus 2021, exceeding IPO guidance
- Adjusted EBITDA[1] of €39.3 million with adjusted EBITDA margin[2] of 77.1%
- Revenue growth for 2023 is expected to be in line with guidance despite higher starting point
- Year-end leverage reduced to 1.7x net debt[3] to adjusted EBITDA
- Implementing our capital policy, including returning excess cash to shareholders:
    - Voluntarily repaid €14 million of debt during the year
    - Proposed final dividend of 1.4 € cents per share
    - Gaining the necessary authorities for the Board to initiate a share buyback programme following the AGM
- Appointed an additional independent non-executive director
- Became carbon neutral across Scope 1 and 2

Strategic overview

- Record annual revenue in all four of our business units contributed to a 21% growth in group revenue, exceeding the expectations set at the time of the IPO. This has been achieved despite a small negative impact seen during the initial weeks of the war in Ukraine and some impact from COVID-19-related restrictions during the year.
- Compared to pre-COVID-19, each of our leading sites have increased their audience lead over their closest competitors, further demonstrating the importance of our sites to both consumers and listers.
- Improvements to our products and packages supported our annual pricing events which were implemented and rolled out from September 2021 through to January 2022 for B2C in our Autos and Real Estate business lines. In Jobs & Services business line pricing changes were implemented in September 2021 to be rolled out throughout the following 12 months.
- In April 2022 we implemented C2C pricing and packaging changes across all of our business units.
- On 1 July 2022 in a form of assets deal we acquired GetaPro for €1.6 million in cash - a services classifieds portal operating in Latvia and Estonia. It is a strategic add on into the highest growth vertical.

Financial highlights

- Revenue grew 21% to €51.0 million (2021: €42.3 million of which €0.4 million was from a divested business) driven by a solid performance in Autos (+9% reported growth), Real Estate (+17%) and Generalist (+6%) and almost doubling in Jobs & Services (+97%).
- €28.8 million of our net costs in 2022 related to the IPO or historical acquisitions:
    1) IPO related: €8.8 million fees, €5.4 million finance and tax costs arising from the refinancing arrangement, €(0.1) million tax impact on the fees
    2) Historical acquisitions related, which are non-cash: €16.1 million of amortisation and associated €(1.4) million tax impact
- Excluding the above costs our adjusted EBITDA was up 19% to €39.3 million (2021: €33.0 million) and our adjusted EBITDA margin was 77.1% (2021: 78.1%) despite additional public listed company costs and the higher inflation environment in the Baltics. We estimate that the impact of the war in Ukraine amounted to around 1% of EBITDA margin, however this was concentrated around the first 4 weeks of the invasion.
- Excluding the above costs our adjusted operating profit[4] grew 20% to €38.5 million (2021: €32.2 million) and our adjusted net income[5] grew 109% to €31.2 million (€14.9 million in 2021). Reported operating profit for the period was €13.6 million (2021: €15.7 million) and reported net income was €2.4 million (€(0.1) million in 2021).
- Accordingly, adjusted basic EPS[6] grew 86% to 6.40 € cents (2021: 3.43 € cents). Basic EPS for 2022 was 0.49 € cents (2021: (0.02) € cents).
- Cash conversion[7] remained very strong at 99% (H1 2021: 100%). Cash was up 22% to €40.5 million based on cash generated from operations prior to IPO fees payment (€6.3 million fees paid relate to 2022, €0.1 million relate to 2021, with €1.1 million related taxes yet to be paid). Reported cash generated from operations grew to €34.1 million (2021: €33.1 million).
- Net debt fell by €133.0 million to €66.4 million (2021: €199.4 million) and we ended the year with leverage[8] at 1.7x (2021: 6.0x).
- The Board has proposed a first dividend of 1.4 € cents per share.

Operational highlights

- Traffic to our sites averaged 65.1 million visits per month meaning the typical resident in the Baltics visited our sites 11 times every month.
- Our time on site leadership position[9] over the nearest competitor increased for all five of our largest sites compared to 2020 with Autoplius at 4.4x (vs 3.3x), Auto24 at 32.1x (vs 15.4x), Aruodas at 29.0x (vs 12.3x), Skelbiu at 19.7x (vs 15.1x) and CVBankas at 8.3x (vs 3.8x).
- We have more real estate brokers (+1%), more automotive dealers (+4%) and more employers (+47%) utilising our sites to advertise than ever before.
- During 2022 we have improved our products, including:
    - **Automotive:** in Autoplius.lt we introduced two tiers of packages to replace the existing one for B2C customers, providing a choice of basic or premium options. In Auto24.ee the already existing third B2C package was replaced with a new, enhanced offering at a higher price point.
    - **Real estate:** in Aruodas.lt we added a third B2C package, optimized for premium brokers, on top of the existing two. In KV.ee we expanded the offering from two to four B2C packages. The premium tier includes listing on two property platforms (KV.ee and City24.ee) at once.
    - **Jobs and Services:** in CVbankas.lt we developed a new VAS – a tool for employers which helps get more applicants.

- **Generalist:** in Skelbiu.lt we made improvements to our deliveries service, boosting the number of orders significantly. We also made important changes on the platform to increase the level of privacy and fraud prevention - sellers' contact details are now securely hidden behind the registration wall.

- The combination of increased prices of the goods and services being advertised on our sites, quicker speed of sale and changes to our packages and prices has led to increased yields[10] in Automotive (B2C +8%, C2C +40%), Real Estate (B2C +15%, C2C +22%), CVbankas (+29%) and Skelbiu (+8%).
- The Group has been operating in a higher inflation environment for many years and the rate of inflation hit double-digits this year. 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 marginally to 127 FTEs (2021: 124 FTEs), with the split of women to men 51:49.
- The total amount of our CO_2 market-based emissions, including Scope 1 and 2, was 190.3 tonnes of carbon dioxide equivalent[11]. We offset these emissions using an accredited scheme and were therefore carbon neutral across Scope 1 and 2.

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

"This year has been the busiest and most successful in BCG's history and a record year in terms of financial performance. I am incredibly proud of all of the employees who have helped to achieve the best performance ever despite living through a 3rd wave of the pandemic and geopolitical tensions. The period has also seen strong audience numbers on our sites, and record numbers of automotive dealers and job advertisers utilising our products and services.

We implemented successful pricing and package changes across all of our business units, in C2C at the beginning and the end of the period, and in B2C at the middle of the year. The excellent results achieved this year have provided ongoing momentum moving us into the next financial year.

We felt it was part of our duty to help Ukrainian refugees arriving in our region. We have therefore developed tools in our portals to help integrate refugees in local society faster and donated €233 thousand to non-profit organisations helping Ukrainians which also makes our employees proud."

Outlook

- The Board is comfortable guiding to 15% revenue growth in 2023, with Real Estate and Autos growing in line, Jobs & Services above and Generalists slightly below the overall average.
- 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.
- We expect the appropriate authorities to be in place following the AGM for us to begin buying back our shares. The Board will consider the allocation of excess cash towards reducing gross debt and to the share buyback programme at that time.

[1, 2, 3, 4, 5, 6, 8] See accounting policy in note 2 and reconciliation to the Profit / (loss) for the period in notes 5 and 12
[7] Cash conversion calculated as: (adjusted EBITDA – capex) / adjusted EBITDA.
[9] 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.
[10] Yield refers to the change in average monthly revenue per active (Auto or Real Estate) 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 & Services – per client).
[11] The total amount of CO_2 equivalent emissions includes Scope 1 and 2. Scope 1 emissions cover natural gas combustion within boilers and road fuel combustion within owned/leased vehicles across the Group. Scope 2 emissions cover purchased electricity, heat, and cooling for own use across all offices of the Group, as well as electricity from data centres falling under scope 2.

Analyst presentation dates/Conference call details

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

The live webcast will be available at: https://www.investis-live.com/balticclassifieds/62bd607259bc7414001a1626/bccc

Participants joining via telephone:

Lithuania (Local)	370 521 40 826
United Kingdom	0800 640 6441
United Kingdom (Local)	020 3936 2999
All other locations	+44 20 3936 2999

Access code: 403857

*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 **Thursday, July 14, 2022**
UK: 020 3936 3001
USA: 1 845 709 8569
All other locations: +44 20 3936 3001
Access Code: **440257**

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 twelve 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 year ended 30 April 2022, the Group's portals were visited in average 65.1 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/

Chair's statement

Overview

Baltic Classifieds Group is a highly profitable, high-growth business at an early stage of its monetisation journey. Its portfolio of classifieds businesses across Estonia, Latvia and Lithuania are the clear market leaders in their respective sectors and have proven themselves to be extraordinarily resilient in a time of significant macroeconomic uncertainty. The Group is led by a passionate and committed management team that has deep classifieds experience and has created an environment of rapid decision making, of trust and of fun.

I am delighted that we could bring such a high quality business, operating entirely in the Baltic region, to the London Stock Exchange. We entered the Premium Segment of the LSE in July 2021 and have subsequently been included in the FTSE 250 Index. The Group is making good progress in terms of compliance with the UK Corporate Governance Code 2018. For a more detailed understanding of this, see the Corporate Governance Report in our Annual Report and Accounts ("ARA"). However, I do ask the readers of this report to understand there are some differences that come with a business listed in the UK with operations purely in the Baltics region. For example, the business has been operating in a high inflation environment which drives differences in the remuneration approach (see Remuneration Committee report in the ARA), and the ethnic minority groups in the Baltics are significantly different which makes us think differently about diversity (see Nomination Committee report in the ARA).

The Group has delivered our strongest ever financial results with both revenue and profit exceeding our guidance set out at the IPO.

Employees

The past twelve months have thrown up some extraordinary challenges for our employees. On top of the health challenges, the pandemic has meant continued home working across our businesses for most of the year. Additionally, the history of and proximity to Russia for the Baltic countries combined with the deep connections, for all those who are affected by the war or have family members so affected, has caused worry and emotional turmoil that I can only imagine. Despite this, we have achieved everything we set out to do and more, bringing the Company to the public markets and exceeding expectations set out at that time. On behalf of the Board, I wanted to thank all our employees for their remarkable contribution and dedication this year, and for serving both our consumers and our B2C customers so well.

Board

Preparing for the IPO meant restructuring BCG's organisational structure, setting up a new top holding entity in the UK and establishing a new Board of Directors. I was delighted to have been asked to chair the Board and believe my previous experience as the CEO of Autotrader Group PLC ("Autotrader") throughout its transition from a private to a public company will contribute positively to the business. Ed Williams, the current Chair of Autotrader and the ex-CEO of Rightmove PLC has taken the Senior Independent Director role and is Chair for the Remuneration Committee. Kristel Volver, Group CFO of the largest media company in the Baltics joined our board as an Independent Non-Executive Director and Chair of the Audit Committee.

Funds advised by Apax Partners ("Apax") now account for 35.29% of issued share capital as at 30 April 2022. Until its shareholding falls below 10%, Apax have a right under a Relationship Agreement to nominate up to two Nominee Directors, of which Tom Hall is currently in place alongside a nominated Board Observer. Tom brings in a vast experience in internet and consumer business and knows BCG well since Apax's acquisition of the Group in 2019.

On 17 May 2022, Jurgita Kirvaitiene joined the Board as an Independent Non-Executive Director and will join all the Board Committees. Her 18 years of experience at PwC where she served on the Management Board in Lithuania and on other boards will bolster the finance and operational experience on the Board.

With this appointment we have brought all our Committees into full compliance with the UK Corporate Governance Code 2018.

Environmental, Social and Governance

I am pleased to report that the Company set up the Group's Environmental, Social and Governance ("ESG") working group that is the driver of ESG initiatives and a main tool for the Board to oversee progress in this area (refer to Sustainability Report in our ARA). Our Sustainability Report also includes reporting under the recommendations of the Taskforce for Climate-related Financial Disclosures.

We have also made a significant increase in our charitable giving programme this year, and aim to continue to do so in the coming year. The Board recognises we are only at the start of our ESG journey, and that this journey may have different directions than many companies given the Baltic operations - there is more to do.

Returns to Shareholders and dividends

The primary proceeds raised through the IPO were predominately used to reduce our net external debt to a level more appropriate for a publicly listed company. The opportunity was also taken to refinance and enter into a new term loan facility at a significantly lower rate of interest.

The Board is confident in our ability to deliver sustainable returns to Shareholders and aim to return all of the surplus cash we generate to Shareholders. In line with our intentions expressed in the Prospectus, we are recommending a final dividend of 1.4 € cents per share for 2022. The final dividend will be paid, subject to Shareholder approval, on 14 October 2022. Whilst we will prioritise further acquisitions as the primary use of excess cash, now that our debt is below 2X net leverage, we will be initiating a share buyback program that will facilitate the return of cash to Shareholders. More details on our capital policy can be found in Financial review.

Looking ahead

I have been enormously impressed yet not surprised by the progress of Baltic Classifieds Group over the past year, I am excited that we can soon kickstart our capital policy of returning all excess cash to our Shareholders and I am confident that the business will continue to develop and grow both quickly and profitably - in line with the guidance we set out at the IPO.

Trevor Mather
Chair
7 July 2022

CEO's statement

This year has been the busiest and most successful in BCG's history and a record year in terms of financial performance. I am incredibly proud of all of the employees who have helped to achieve the best performance ever despite living through a 3rd wave of the pandemic and geopolitical tensions. The period has also seen strong audience numbers on our sites, and record numbers of automotive dealers and job advertisers utilising our products and services.

We implemented successful pricing and package changes across all of our business units, in C2C at the beginning and the end of the period, and in B2C at the middle of the year. The excellent results achieved this year have provided ongoing momentum moving us into the next financial year.

- Traffic to our sites was 65.1 million visits per month which means that on average, a resident in the Baltics visits one of our sites 11 times every month.
- Our time on site leadership position over the nearest competitor increased for all five of our largest sites compared to the same period in 2020 with Autoplius at 4.4x (vs 3.3x), Auto24 at 32.1x (vs 15.4x), Aruodas at 29.0x (vs 12.3x), Skelbiu at 19.7x (vs 15.1x) and CVBankas at 8.3x (vs 3.8x).
- The number of real estate brokers grew 1% if compared to the same period in 2021, we have more automotive dealers (+4%) and more employers (+47%) utilising our sites to advertise than ever before.

- The combination of increased prices of the goods and services being advertised on our sites, quicker speed of sale and changes to our packages has led to increased yields in Automotive (B2C +8%, C2C +40%), Real Estate (B2C +15%, C2C +22%), CVbankas (+29%) and Skelbiu (+8%).

I am delighted that BCG has become a listed company on the London Stock Exchange. The IPO has allowed us to make all of our employees Shareholders of the Company. The team's motivation is higher than ever as we focus on continuing to deliver outstanding products and services to our customers.

We felt it was part of our duty to help Ukrainian refugees arriving in our region. We have therefore developed tools in our portals to help integrate refugees in local society faster and donated €233 thousand to non-profit organisations helping Ukrainians which also makes our employees proud.

Market context

The Baltic region was under various COVID-19 related restrictions for the period from October 2021 to April 2022. Despite this, Lithuania and Estonia, being our main markets, were among the first countries in the EU to reach their pre-COVID-19 GDP levels. Our Company, as well as the Baltics economy in general, showed huge resilience to increased geopolitical tension in the region. On 24 February, the onset of the Russian invasion of Ukraine, people were reading more news than ever. Accordingly, our traffic KPIs temporarily dropped 20-30%. However, this was short-lived, and by the 2-3rd week of the war, KPIs began to recover rapidly. By the 4-5th week, business results exceeded pre-war levels. The Baltics economy exports just below 1% of locally produced goods to Russia which, coupled with government actions such as building liquid gas terminals and infrastructure, helps to reduce public uncertainty and makes us fully independent from gas imports from Russia. The Baltic states become first in Europe to stop Russian gas imports. At the date of this statement the Baltic states have also stopped importing Russian oil and electricity.

Similarly to other countries around the world, the Baltics economies face high inflation. This results in higher real estate and automotive prices, increasing the commission pool of our customers which in turn is supportive to our Company's growth, while being part of the Eurozone secures our Shareholders' investment.

- Despite the supply chain issues, the used car market has demonstrated a modest growth of 3% in the last 12 months. Demand to change vehicles has remained high, driving the average price per used car up (by 24% year-on-year ("YoY")) and increasing the speed of sale. This has meant dealers have maintained or increased their profitability. However, the number of days a vehicle is advertised has reduced by 14% putting downward pressure on the stock of vehicles on our sites.

- The real estate market has emerged strongly post lock-down. The number of transactions were 9% higher YoY and the average price of an apartment has increased by 10%. The larger commission pool benefits our customers.

- The employment market has seen unprecedented growth. Companies have faced a substantial labour shortage. The number of employers using Cvbankas.lt increased by 47% and average salaries have grown by 11%, leading to companies increasing their investment in employee search and selection.

- eCommerce activities have significantly increased because of lock-downs. The numbers of online buyers and sellers grew rapidly with many transactions moving online. This has helped the growth of our Generalist platforms and ancillary products like deliveries.

Justinas Šimkus
Chief Executive Officer
7 July 2022

Financial review

Revenue

Group's revenue grew 21% to €51.0 million (2021: €42.3 million of which €0.4 million from a business that was divested at the very end of 2021 and therefore not owned in 2022). Excluding the divested business revenue from the comparative figure, our revenue grew 22% this year.

Compared to 2020, which was largely before COVID-19, and excluding the impact of acquisitions and disposals within the comparative period, our revenue in 2022 increased by 35% (2020: €32.3 million). This growth rate reflects that we also grew in 2021 despite the fact we did not introduce major changes to our pricing in 2021, usually an annual event.

	2022 €m	**2021** €m	**2020** €m
A) Revenue less acquisitions & disposals	43.6	35.3	32.3
B) Revenue from businesses disposed in 2021	-	0.4	0.4
C) Revenue from businesses acquired in 2020	7.4	6.5	1.5
D) Revenue	**51.0**	**42.3**	**34.3**
Reported revenue growth in 2022 (D: 2022 vs 2021)	*21%*		
Revenue growth in 2022 excluding the disposed business (A+C: 2022 vs 2021)	*22%*		
2-year revenue growth excluding disposals and acquisitions during the period (A: 2022 vs 2020)	*35%*		

Focusing on 2022, most of the percentage increase represents underlying organic growth in revenue. A small part of the growth reflects some waiving of listing fees to Real Estate and Auto B2C customers in the H1 prior year, when the Baltic countries experienced the first wave of COVID-19.

Due to the Russian invasion of Ukraine and consequently the internet population reading the news rather than shopping online / searching for a property or a car, we estimate that we lost around 1% of growth this year, which dropped down to the bottom line as well. This was an immediate and short-term impact on revenue which bounced back in a few weeks to pre-war levels and our normal run-rate.

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

In May 2021, we introduced C2C price changes for most of our portals, reflected in the reported revenue numbers. In September and October 2021, we introduced B2C price and package changes for the Real Estate, Auto and Jobs portals, reflecting improvements to our proposition. In April 2022, we introduced C2C price changes in the main portals - these made a limited contribution to 2022 revenue, with the full contribution to be seen in 2023.

€m	2022	2021	Growth, %
Auto	18.3	16.8	+9%
Auto (excluding 0.4 million from business divested in 2021)	*18.3*	*16.4*	*+11%*
Real Estate	12.5	10.7	+17%
Generalist	10.4	9.8	+6%
Jobs & Services	9.8	5.0	+97%
Revenue	**51.0**	**42.3**	**+21%**
Revenue excluding business divested in 2021	**51.0**	**41.9**	**+22%**

Revenue grew healthily in all four of our business areas. However, we saw a much wider range of organic growth (Jobs & Services up 97% down to Generalist up 6%) than we have seen historically. We believe that this, in large part, reflects the indirect consequences of COVID-19 (e.g. pent up demand in the employment market, recovering foot traffic to physical stores versus major shift to e-commerce last year) as seen in many countries.

	2022	2021	Change, %
Auto B2C – No. of Dealers	3,489	3,356	+4%
Real Estate B2C – No. of Brokers	4,855	4,809	+1%
Jobs[1] B2C – No. of Customers	2,243	1,521	+47%
Auto C2C – No. of Active Ads[2]	21,579	26,366	(18%)
Real Estate C2C – No. of Active Ads	14,548	14,307	+2%
Generalist[3] No. of Listings	91,045	88,726	+3%
Auto B2C - ARPU[4] (€)	178	165	+8%
Real Estate B2C - ARPU (€)	121	105	+15%
Jobs[1] B2C Monthly - ARPU (€)	328	254	+29%
Auto C2C - Monthly Rev. per Ad (€)[2]	19	13	+40%
Real Estate C2C - Monthly Rev. per Ad (€)	20	16	+22%
Generalist[3] Revenue per Listing (€)	6	5	+8%

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.

In all three business units, the number of B2C customers has increased:

- Automotive dealers by 4% (from 3,356 in 2021 to 3,489 in 2022) mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as if they were C2C customers.
- Real Estate brokers by 1% (from 4,809 in 2021 to 4,855 in 2022).
- Jobs customers by 47% due to significantly increased demand by companies for employees in the market (from 1,521 in 2021 to 2,243 in 2022).

In C2C, a gradual increase in listings is primarily due to growing activity in the underlying market in Real Estate and Generalist. In Automotive, the average monthly number of active advertisements is down 18% primarily due to shortened selling time (which means each advert is active for less time) and fewer market transactions than pre-COVID-19, influenced by global car shortages.

The majority of our C2C price changes were implemented in Spring 2021, and our B2C price changes throughout Autumn 2021.

Organically, excluding the disposed Autoleht revenue (sold at the end of 2021 and amounting to €0.4 million in 2021), the Auto business line grew 11%. The reported Auto business line revenue has grown 9% during 2022 (from €16.8 million in 2021 to €18.3 million in 2022). The Jobs & Services business line revenue almost doubled - growing 97% (from €5.0 million in 2021 to €9.8 million in 2022). Real Estate has also contributed a solid growth to Group revenue – the business line grew 17% (from €10.7 million in 2021 to €12.5 million in 2022). Generalist revenues grew 6% (from €9.8 million in 2021 to €10.4 million in 2022).

In terms of ARPU in our B2C segment:

- Automotive ARPU was up 8% due to price and packaging changes in September and October 2021. ARPU growth was somewhat depressed by dealers reducing package sizes in the context of low inventory levels and an increased number of smaller dealers. We expect further upside from the price changes in the longer-term when inventory levels recover, and dealers increase their packages.
- Real Estate ARPU was up 15% partially due to the discounts in the comparative period, but also customers benefiting from an increased number of transactions and 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 with brokers. Aruodas.lt took actions to increase the quality of the content by reducing the number of duplicate advertisements which reduced the number of listings per broker from 15 to 10 in basic and from 25 to 15 in mid-range packages as well as introducing a new, top package tier.
- Jobs and Services ARPU was up 29% due to increased prices, a higher number of advertisements per company and intensified usage of value-added services. Consequently, our jobs portal CVbankas.lt is almost twice as big revenue-wise than it was a year ago and, as the market leading job board, is benefiting from favourable underlying market trends which are driving record job vacancy and employee search activity. Increased prices were implemented on new and renewing customers in September 2021 and are rolling out to the customers through the 12 month cycle.

In terms of ARPU in our C2C segment:

- Automotive average revenue per active advertisement was up 40% due to price changes and rising average transaction values (the average car price on our portals grew 24%).
- Real Estate average revenue per active advertisement was up 22% due to price changes and rising average transaction values (apartment prices per square metre in Baltic capitals have increased by 10%).
- Generalist average revenue per listing was up 8% due to price changes, rising average transaction values and the introduction of a "two in one" package allowing listing in both Generalist Skelbiu.lt and Vertical Autoplius.lt sites in new categories.

Operating costs

Our reported operating costs for 2022 included costs relating to our IPO in July, namely the direct costs of fees paid to advisors and the costs of a free share award to our employees, listed in the Profitability and Alternative Performance Measures section below.

The Group operates in a higher inflation environment for quite a few years and recently, inflation was double-digit. However, our costs represent a relatively small part of the revenue. 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 Real Estate, Auto and Jobs & Services.

The majority of our operating costs are people costs. Our team grew from 124 FTEs in April 2021 to 127 FTEs in April 2022. The total labour costs were €8.9 million and included €1.4 million free share awards to employees as a one-off: in line with the intention stated in the Prospectus, after the Admission the Group gifted, on an unrestricted basis, to all employees in good standing, free shares (with the number per employee based on length of service with the business and ranging between €3 and €15 thousand in value). Executive Directors and the rest of Senior Management team did not receive free shares under this arrangement. Excluding one-off free share awards, investment into our people increased by 25% to €7.5 million (2021: €6.0 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 €0.6 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. At the end of February 2022, we supported several NGOs assisting Ukraine and Ukrainians fleeing the war in their country by donating €0.2 million. This has not been treated as an adjusting item.

Net finance expense

BCG started its life as a public company with 2.75x leverage[5] (as at 30 April 2021 the leverage was 6.04x) and a significantly lower effective interest rate on the external debt compared to previous financing arrangements. Instead of a 6% interest rate prior to the IPO, the Group was paying a 2% interest rate from the lower gross debt amount borrowed at IPO. However, the full effect of the reduced finance cost was not yet visible this year as net finance costs of €11.2 million in 2022 included:

- €5.1 million upfront fee that was written off upon the repayment of the debt under the Senior Facility Agreement ("SFA") in July 2021 (as it is related to our IPO refinancing arrangement, we consider it being a one-off cost item);
- €1.6 million SFA fee relating to an early repayment condition (as it is also related to our IPO refinancing arrangement, we consider it being a one-off cost item); and
- 2-month interest costs relating to our pre-IPO debt facility.

Tax

The Group tax charge of €0.05 million (2021: €1.9 million) represented an effective tax rate of 1.9% in 2022 (2021: 105.2%).

Tax Group tax charge is a net of:

- current tax expense of €3.1 million (2021: €3.5 million); and
- change in deferred tax which is positive €3.1 million (2021: €1.6 million) and includes €1.3 million deferred tax relating to the upfront fee write-off in the event of the early debt repayment under the pre-IPO SFA in July 2021 (as it is related to our IPO refinancing arrangement, we consider it being a one-off item).

Companies under common control in Lithuania intend to form a tax group to offset the taxable losses to taxable profits in accordance with prevailing tax regulations, therefore the current tax expense amount has decreased this financial year.

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 2022 €m	Adjusted Measures 2022 €m	IFRS Measures 2021 €m	Adjusted Measures 2021 €m	IFRS Measures change €m	Adjusted Measures change €m
IPO related fees		(7.4)		(0.3)		
Free share awards		(1.4)		-		
Acquisition related costs		-		(0.1)		
Amortisation of intangibles arising from acquisitions (PPA)		(16.1)		(16.1)		
IPO refinancing: Senior Facility Agreement (SFA) related early repayment condition		(1.6)		-		
IPO refinancing: SFA related upfront fee write off		(5.1)		-		
IPO refinancing: SFA capitalised upfront fee related deferred tax liability write off		1.3		-		
Tax effect on IPO related fees		0.1		-		
Deferred tax effect of amortisation of intangibles arising from acquisitions		1.4		1.4		
Total Adjusting Items		**(28.8)**		**(15.1)**		
Revenue	**51.0**	**51.0**	**42.3**	**42.3**	21%	21%
Net income (profit / (loss) for the period)	**2.4**	**31.2**	**(0.1)**	**14.9**	n.m.	109%
WANS, million	*488.5*	*488.5*	*435.3*	*435.3*		
EPS, € cents	***0.49***	***6.40***	***(0.02)***	***3.43***	*n.m.*	*86%*
Taxation	(0.0)	(2.8)	(1.9)	(3.3)	(98%)	(15%)
Net finance costs	(11.2)	(4.5)	(13.9)	(13.9)	(20%)	(68%)
Operating profit	**13.6**	**38.5**	**15.7**	**32.2**	(13%)	20%
Depreciation and amortisation	(16.9)	(0.7)	(17.0)	(0.8)	(0%)	(9%)
EBITDA	**30.5**	**39.3**	**32.7**	**33.0**	(7%)	19%
EBITDA margin	**59.9%**	**77.1%**	**77.3%**	**78.1%**	(17.4% pts)	(1.0% pts)

Costs arising in connection with the IPO both in 2022 and 2021 have been isolated in recognition of the nature, infrequency, and materiality of this capital markets transaction. These comprise IPO related legal and advisory fees, free share awards to employees and refinancing related amounts.

For clarity, since the IPO, where share-based payment charges arise because of the operation of the Group's post-IPO Remuneration Policy, such as the PSP plan, these are not treated as adjusting items and the cost is deducted from the APMs defined below. Other adjusting items in 2021 are associated with M&A transactions. They are material, non-recurring and outside the ordinary course of business.

As detailed at the IPO, BCG intends to return one third of adjusted net income[6] (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) 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 109% and reached €31.2 million (€14.9 million in 2021). Despite IPO related costs, reported net income grew to €2.4

million (€(0.1) million in 2021) mainly due arranged refinancing at IPO and therefore significantly lower effective interest rate on the external debt compared to previous financing arrangements.

Adjusted operating profit grew 20% to €38.5 million (€32.2 million in 2021) and reported operating profit decreased 13% to €13.6 million reflecting IPO related fees in the year 2022 (€15.7 million in 2021). Operating profit and adjusted operating profit is used to review business performance. 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, M&A costs and acquired intangibles amortisation.

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. Reported EBITDA includes all IPO related fees, free share awards and refinancing costs.

Adjusted EBITDA[7] grew 19% to €39.3 million (€33.0 million in 2021) and is calculated by reference to EBITDA for the period and adjusting this for the costs related to IPO, acquisitions and disposals in the period and one-off costs that do not reflect the underlying operations of the business (but including ongoing operating costs of being a public company). Management uses this measure to monitor the compliance with the Group's financial covenant and the leverage as per the loan agreement, which is described in the note 18.

Adjusted EBITDA margin, which is calculated by dividing adjusted EBITDA for the period by revenue for the period, was 77% despite additional public listed company related costs and our support to NGOs. We estimate that we lost around 1% of EBITDA margin due to the invasion. Adjusted EBITDA margin in 2021 was 78%.

Earnings per Share ("EPS")

Basic EPS for 2022 was 0.49 € cents based on the WANS during 2022 of 488,467,552. ((0.02) € cents for 2021 based on WANS of 435,265,078).

Adjusted basic EPS is adjusted for the same items that are used to adjust the Adjusted Net Income. Adjusted basic EPS for the year 2022 was 6.40 € cents (3.43 € cents for 2021).

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

Cash flow and cash conversion

Reported cash generated from operating activities grew from €33.1 million in 2021 to €34.1 million in 2022, calculated after consideration of €6.4 million of IPO fees paid during the year. If adjusted for, cash generated from operating activities grew 22% to €40.5 million, prior to deducting IPO fees payments.

Generated cash was used to reduce the loan liability by partially paying down the debt. We also bought 2.1 million of Company shares (paying €3.4 million) to Employee Benefit Trust ("EBT") for future employee awards (the number of options granted in our first year was 1.0 million shares).

During 2022, in addition to ongoing capital expenditure requirements, we have set up a new infrastructure to accommodate a disaster recovery site for our Estonian and Latvian sites. Our Cash conversion (calculated as adjusted EBITDA minus Capex[8] (of €0,4 million) divided by adjusted EBITDA) was at 98.9% (99.8% in 2021).

Net debt and leverage

External refinancing was arranged on IPO, reducing the Group's external loan from €214.3 million to €98 million. Since then, €14 million of the existing debt has been voluntarily repaid. Compared to the end of 2021, net debt[9] was reduced by €133.0 million to €66.4 million (as at 30 April 2021: €199.4 million) with leverage at 1.7x (as at 30 April 2021: 6.0x).

€m	30 April 2022	30 April 2021
Bank Loan principal amount	84.0	214.3
Customer credit balances	2.3	2.2
Total debt	86.3	216.5
Cash	19.9	17.1
Net debt	**66.4**	**199.4**
Adjusted EBITDA LTM	39.3	33.0
Leverage	**1.7x**	**6.0x**

Capital allocation

We intend to use all the cash we generate in a year, within that same year or shortly thereafter for the below:

- As detailed at the IPO, after the first year as a public company, 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 Board proposed a final dividend, with such dividend expected to be paid on 14 October 2022 subject to final shareholder approval at the AGM.
- 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.
- Because our leverage is already below 2.0x and we do not have any particular target level of debt, 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 at 30 April 2022 the Group had drawn none of the €10 million unsecured Revolving Credit Facility (“RCF”) and had cash balances of €19.9 million. The €10 million RCF is committed until July 2026.

Lina Mačienė
Chief Financial Officer
7 July 2022

[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] Skelbiu.lt only
[4] ARPU - monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs & Services – per client)
[5] 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 13).
[6] See note 12
[7] See note 5
[8] Capex refers to acquisition of intangible assets and property, plant and equipment line information in the Consolidated statement of cash flows
[9] Net debt is calculated as total debt (bank loans and Osta.ee customer credit balances) less cash.

Principal risks and uncertainties

A description of the principal risks and uncertainties faced by the Group in the year ended 30 April 2022, together with the potential impact and monitoring and mitigating activities is set out in the table below.

Geopolitical risk			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**
Further escalation or prolonged war in Ukraine could result in the unrest and instability in the Baltic countries. 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.	Monitoring the situation in the region and changes in consumer behaviour Maintaining a flexible cost base that can respond to changing conditions	Russian aggression towards Ukraine resulted in a temporary 20-30% drop in the Group's traffic KPIs. However, they recovered quickly and 4-5 weeks after the invasion the Group's results were already exceeding pre-invasion levels. This shows that our Company as well as Baltic economies in general show resilience to the increased geopolitical tension is the region.	Increasing
Disruption to our customer and / or supplier operations			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**
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.	Remaining market leaders in respective verticals while offering value-adding products and packages Continual improvements to our platforms Developing our product proposition to continue meeting our customers' needs and evolving business models Maintaining a healthy liquidity headroom with the yet unused revolving credit facility of €10 million as at 30 April 2022, together with a significant forecast headroom versus its covenant	The Baltic region was under various COVID-19 related restrictions for the period from October 2021 to April 2022. Despite this, Lithuania and Estonia, being our main markets, were among the first countries in the EU to reach their pre-COVID-19 GDP levels.	Stable

Competition			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**
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.	Constant monitoring of major competitors in adjacent business areas Continuous investment into buying experience optimisation in order to ensure we are reaching a broad demographic Continuous development of cross-linkages between Group's horizontals and verticals Continuous development of C2C offering to provide value-for-money and differentiated service to private listers	During the last two years all our leading sites have increased their audience lead over the closest competitor; a number of customers also showed positive trends: the number of automotive dealers has grown by 4% versus the same period in 2021, we have more employers (+47%) utilising our sites to advertise than ever before and we maintained a roughly the same number of real estate brokers.	Stable

Laws & regulations			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**

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.	A dedicated internal expertise within the business who are responsible for identifying, assessing and responding to upcoming changes in laws and regulations, and we utilise external specialists where necessary	In 2022 the Group had successfully defended its position in the investigation by the Lithuanian Competition Council which was closed in June 2021. The supervisory proceedings initiated by the Estonian Competition Authority are still ongoing. The proceedings cannot lead to imposition of fines to any Group company, however, a precept ordering the Group companies to end any ongoing infringements could be imposed or the Estonian Competition Authority could potentially initiate misdemeanour proceedings that would entitle the imposition of fine of up to €400 thousand. See note 18 for further detail.	Stable
Technology			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**
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.	Ongoing investment in security systems to ensure our systems remain robust Ongoing monitoring of external threats Regular testing of the security of the IT systems and platforms including penetration testing Disaster recovery and business continuity plan in place and reviewed and tested regularly Internal audit programme which is outsourced to Deloitte, and includes a	Ahead of the IPO, the Group performed a review of its technology systems, data protection environment and disaster recovery plans. Following this review, the Group significantly improved its cybersecurity by implementing DDOS protection and bot management systems, migrated all services to a revised infrastructure and set up a new infrastructure to accommodate a disaster recovery site.	Increasing

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.	review of cyber security is to be launched in 2023		

Climate change			
Description & impact	**Mitigation**	**Developments in 2022**	**Risk trend**
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.	The Group is committed to contributing to the climate change cause by being environmentally responsible, reducing carbon emissions, shifting to renewable energy and offsetting carbon emissions We are already taking actions to adapt to the increasing customer climate change awareness and are ready to adjust if new environmental regulations arise: adopt the platforms for eco-friendly products, introduce necessary filters, educate visitors, enrich ad data with environmental impact related information	In 2022, the Group set a goal to become net zero by 2050 and be carbon neutral from 2022 onwards. Currently 1/3 of electricity used by the Group is derived from renewable sources. In coming years we will continue to improve our sustainability goals and environmental reporting	Increasing

Forward-looking statement

Certain Statements made in this results announcement are Forward-looking Statements. Such Statements are based on current expectations, forecasts and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these Forward-looking Statements. They appear in a number of places throughout this results announcement and include Statements regarding the intentions, beliefs or current expectations of the Directors concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, objectives, strategies and the business. Nothing in this results announcement should be construed as a profit forecast. All Forward-looking Statements in this results announcement are made by the Directors in good faith based on the information and knowledge available to them as at the time of their approval of this results announcement. Persons receiving this report should not place undue reliance on Forward-looking Statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group does not undertake any obligation to update or revise publicly any Forward-looking Statements, whether as a result of new information, future events, future developments or otherwise.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 April 2022

	Notes	2022 (€ thousands)	2021 (€ thousands)
Revenue	4	50,959	42,268
Other income		6	7
Expenses	5	(37,349)	(26,565)
Operating profit		**13,616**	**15,710**
Finance income	6	138	2
Finance expenses	6	(11,309)	(13,935)
Net finance costs		**(11,171)**	**(13,933)**
Profit before tax		**2,445**	**1,777**
Income tax expense	7	(46)	(1,870)
Profit / (loss) for the period		**2,399**	**(93)**
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the year		**2,399**	**(93)**
Attributable to:			
Owners of the Company		**2,399**	**(93)**
Earnings / (loss) per share (€ cents)			
Basic and diluted	8	0.49	(0.02)

Consolidated Statement of Financial Position

At 30 April 2022

	Notes	2022 (€ thousands)	2021 (€ thousands)
Assets			
Property, plant and equipment		474	211
Intangible assets and goodwill	9	400,489	416,909
Right-of-use assets		457	761
Non-current assets		**401,420**	**417,881**
Trade and other receivables	10	2,970	2,571
Prepayments		189	46
Cash and cash equivalents		19,914	17,115
Current assets		**23,073**	**19,732**
Total Assets		**424,493**	**437,613**
Equity			
Share capital	11	5,822	506,509
Own shares held		(3,418)	-
Capital reorganisation reserve	11	(286,904)	(287,033)
Other reserves		-	27
Retained earnings		611,877	(11,229)
Total equity		**327,377**	**208,274**
Loans and borrowings	13	82,487	210,413
Deferred tax liabilities		5,844	8,901
Non-current liabilities		**88,322**	**219,314**
Current tax liabilities		4	1,293
Loans and borrowings	13	323	2,713
Payroll related liabilities		866	770
Trade and other payables	14	4,458	3,601
Contract liabilities		3,143	1,648
Current liabilities		**8,794**	**10,025**
Total liabilities		**97,116**	**229,339**
Total equity and liabilities		**424,493**	**437,613**

Consolidated Statement of Changes in Equity
For the year ended 30 April 2022

	Note	Share Capital (€ thousands)	Share premium (€ thousands)	Own shares held (€ thousands)	Capital reorganisation reserve (€ thousands)	Other reserves (€ thousands)	Retained earnings (€ thousands)	Total Equity (€ thousands)
Balance at 1 May 2020	11	**506,452**	**-**	**-**	**(287,033)**	**-**	**(11,109)**	**208,310**
Loss for the period		-	-	-	-	-	(93)	**(93)**
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**(93)**	**(93)**
Issuance of preference shares	11	57	-	-	-	-	-	**57**
Transfer to reserves		**-**	**-**	**-**	-	27	(27)	**-**
Balance at 30 April 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	17	-	-	-	-	-	1,612	**1,612**
Purchase of shares for performance share plan		-	-	(3,418)	-	-	-	**(3,418)**
Balance at 30 April 2022		**5,822**	**-**	**(3,418)**	**(286,904)**	**-**	**611,877**	**327,377**

Consolidated Statement of Cash Flows
For the year ended 30 April 2022

	Notes	2022 (€ thousands)	2021 (€ thousands)
Cash flows from operating activities			
Profit / (loss) for the period		2,399	(93)
Adjustments for:			
Depreciation and amortisation	5	16,894	16,966
Amortisation of up-front fee and borrowing costs	6	5,580	938
Impairment loss on trade receivables	10	59	23
(Profit) / Loss on property, plant and equipment disposals		-	20
Taxation	7	46	1,870
Net finance costs	6	5,606	12,997
Share-based payments	17	1,612	-
Other non-cash items		93	-
Working capital adjustments:			
(Increase) in trade and other receivables		(521)	(452)
(Increase) / Decrease in prepayments		(128)	158
Increase in trade and other payables		966	252
Increase in contract liabilities		1,495	387
Cash generated from operating activities		34,101	33,066
Corporate income tax paid		(4,403)	(3,420)
Interest and commitment fees paid		(8,870)	(12,950)
Net cash inflow from operating activities		**20,828**	**16,696**
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		(433)	(78)
Proceeds from sale of property, plant and equipment		-	75
Acquisition of subsidiaries, net of cash acquired		-	(25,000)
Other investments		-	(11)
Net cash used in investing activities		**(433)**	**(25,014)**
Cash flows from financing activities			
Proceeds from issuance of share capital	11	121,339	57
Proceeds from loans and borrowings	13	96,650	15,000
Repayment of loans and borrowings	13	(228,295)	(10,000)
Capitalised borrowing costs		(677)	-
Payment of lease liabilities		(305)	(339)
Share issue related expenses	11	(2,874)	-
Purchase of own shares for performance share plan		(3,418)	-
Net cash from financing activities		**(17,580)**	**4,718**
Net cash inflow from operating, investing and financing activities		**2,815**	**(3,600)**
Differences on exchange		(16)	-
Net Increase / (Decrease) in cash and cash equivalents		**2,799**	**(3,600)**
Cash and cash equivalents at the beginning of the year		17,115	20,715
Cash and cash equivalents at the end of the year		**19,914**	**17,115**

1. General information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 April 2022 but is derived from those accounts. Statutory accounts for 2022 are the first set of consolidated financial statements and will be delivered in due course.

The auditor has reported on those accounts; their reports were (i) 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.

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 consolidated financial statements as at and for the year ended 30 April 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. Basis of preparation

The consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with UK-adopted international accounting standards ("UK-adopted IFRS").

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Group financial statements have been prepared and approved by the directors in accordance with UK-adopted IFRS.

Baltic Classifieds Group PLC was incorporated on 26 April 2021 and on 5 July 2021 was admitted to trading on the London Stock Exchange. At the same time as the admission, the Company acquired 88.42 per cent of the share capital of ANTLER TopCo S.à r.l and 100% of ANTLER Management S.A. that owned the residual 11.58% of the share capital of ANTLER TopCo S.à r.l in a share for share exchange, thereby inserting Baltic Classifieds Group PLC as the Parent Company of the Group that includes ANTLER MidCo S.à r.l.

By applying the principles of common control accounting, this group reorganisation has been accounted for as a business combination outside of the scope of a business combination as defined under IFRS 3. Book value accounting has been adopted, meaning that the carrying values of assets and liabilities of the parties to the combination were not adjusted to fair value on consolidation, and the results and cashflows of ANTLER TopCo S.à r.l. and Baltic Classifieds Group PLC were brought into the consolidated financial statements of Baltic Classifieds Group PLC as if Baltic Classifieds Group PLC had always owned ANTLER TopCo S.à r.l.

The comparative financial information for the year ended 30 April 2021 are the consolidated results of ANTLER TopCo S.à r.l. (see below). They constitute the financial statements of ANTLER TopCo S.a.r.l, ANTLER PIKCo S.a r.l and the consolidated financial statements of ANTLER MidCo S.à r.l.. The consolidated financial statements of ANTLER MidCo S.à r.l were presented as part of the Prospectus submitted as part of the Admission. As the comparative information presented in the consolidated financial statements also includes ANTLER TopCo S.a.r.l and ANTLER PIKCo S.a r.l there are immaterial differences between this financial information and that previously presented as part of the Prospectus. The application of UK-adopted IFRS (rather than IFRSs as adopted for use in the EU) did not require any adjustment to the financial information related to ANTLER MidCo S.à r.l.

Baltic Classifieds Group PLC has adopted the financial reporting framework of the group below it, which has previously presented financial statements under EU adopted International Financial Reporting Standards and given there are no differences between the UK and EU adopted International Financial Reporting Standards, the Group does not consider itself to be a first time adopter of UK-adopted IFRS.

The audited consolidated financial statements of ANTLER MidCo S.a.r.l for financial year ended 30 April 2021 are available on request from the Company's registered office. Historic Financial Information in respect of

ANTLER MidCo S.a.r.l is also available in Part B of the Prospectus submitted as part of Admission which can be found on the Company's website.

The comparative figures for the financial year ended 30 April 2021 are not the statutory accounts of Baltic Classifieds Group PLC for that financial year as the statutory accounts for 2022 are the first set of financial statements.

Use of estimates and judgments

The preparation of the consolidated 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 (see note 17).

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 of €3.9m (30 April 2021: €4.0m) 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 this report 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 30 April 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 €14m of the loan during the FY 2022, the outstanding balance at the year ends amounts to €84m. The Group had cash balances of €19.9m at the year end.

During the financial year ended 30 April 2022 the Group has generated a profit of €2.4m, however it was highly affected by the one-off IPO and Free Share Awards related expenses (note 5). The Directors also prepared detailed cash flow forecasts for the period ending 12 months from the date of this report. The assumptions used in the cash flow forecasts are based on the Group's historical performance and the Directors' experience of the industry and takes into account both internal and external factors.

Stress case scenarios have been modelled to make the assessment of going concern to take into account severe but plausible potential impacts of a major data breach, adverse changes to the competitive environment and a continuing geopolitical tensions in the neighbouring countries. The stress testing indicates that the Group would be able to withstand the impact, remain cash generative and be able to continue to comply with debt covenants 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 this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Changes in accounting policies

The accounting policies applied in the consolidated financial statements are the same as those applied in ANTLER MidCo S.à r.l consolidated financial statements as at and for the year ended 30 April 2021 except for the newly adopted accounting policies provided below.

Share-based payments. Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the income statement spread over the vesting period. Fair value of the awards are measured using Black-Scholes pricing model. The credit side of the entry is recorded in equity. Cash-settled awards are revalued at each reporting date with the fair value of the award charged to the profit and loss account over the vesting period and the credit side of the entry recognised as a liability.

Acquisitions from entities under common control. A "business combination involving entities or businesses under common control" is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Business combinations under common control are excluded from the scope of IFRS 3 Business Combinations. For business combinations among entities under common control, the Group elects to apply the common control exclusion in IFRS 3 and where this is the case applies an accounting policy reflecting the "predecessor value method" or "book value accounting method". Under this method, rather than acquisition accounting in accordance with IFRS 3, the acquired assets and liabilities of the acquired business are recorded at their existing carrying "book" values, as such no goodwill is recorded. A business combination involving entities under common control was completed in the current period and is described in note 11.

Capital reorganisation reserve. The capital reorganisation reserve arose on consolidation as a result of the share for share exchange transactions that took place on 5 July 2021 (note 11). It represents the difference between the nominal value of shares issued by Baltic Classifieds Group PLC in this transaction and the share capital and other capital reserves of ANTLER TopCo S.a.r.l.

Own shares held. The Employee Benefit Trust ('EBT') provides for the issue of shares to Group employees principally under Performance Share Plan scheme. The Group has control of the EBT and therefore consolidates the EBT in the Group financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from equity.

Alternative performance measures. 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. The key alternative performance measures presented by the Group are:

• Adjusted Operating profit which 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, M&A costs and acquired intangibles amortisation.
• EBITDA which 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.
• Adjusted EBITDA which is calculated by reference to EBITDA for the period and adjusting this for the costs related to IPO, acquisitions and disposals in the period 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 which is calculated by dividing Adjusted EBITDA for the period by revenue for such period.
• Adjusted Net Income which 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.
• Adjusted basic EPS is adjusted for the same items that are used to adjust the Adjusted Net Income.
• Net Debt which is calculated as total debt (bank loans and Osta.ee customer credit balances) less cash.
• Leverage which is calculated as Net Debt over last twelve months (LTM) of Adjusted EBITDA. The Group's loan facility includes a Total Leverage Ratio covenant (see note 13).

The Directors believe that these alternative performance measures provide a helpful measure of the Group's business performance and year-on-year trends, as IPO related expenses or one-off Free Share Awards are significant but do not reflect operational activity.

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.

	2022 (€ thousands)	2021 (€ thousands)
Lithuania	35,236	27,915
Estonia	14,620	13,332
Latvia	1,103	1,021
Total	**50,959**	**42,268**

Key revenue streams

	2022 (€ thousands)	2021 (€ thousands)
Advertising revenue	3,731	3,661
Listings revenue	43,725	35,091
- Listings revenue: B2C	*24,590*	*18,187*
- Listings revenue: C2C	*19,135*	*16,904*
Ancillary revenue[1]	3,503	3,516
Total	**50,959**	**42,268**

Revenue by business lines

	2022 (€ thousands)	2021 (€ thousands)
Automotive	**18,293**	**16,822**
- Advertising revenue	1,122	1,111
- Listings revenue: B2C	7,432	6,629
- Listings revenue: C2C	6,507	5,847
- Ancillary revenue	3,232	3,235
Real Estate	**12,451**	**10,655**
- Advertising revenue	1,903	1,782
- Listings revenue: B2C	7,052	6,051
- Listings revenue: C2C	3,439	2,778
- Ancillary revenue	57	44
Generalist	**10,397**	**9,798**
- Advertising revenue	701	763
- Listings revenue: B2C	1,282	1,218
- Listings revenue: C2C	8,200	7,587
- Ancillary revenue	214	230
Jobs & Services	**9,818**	**4,993**
- Advertising revenue	7	5
- Listings revenue: B2C	8,822	4,289
- Listings revenue: C2C	988	692
- Ancillary revenue	1	7
Total	**50,959**	**42,268**

[1] Ancillary revenue includes revenue from financial intermediation, subscription services, and other. Financial intermediation revenue accounts for 94% of the total ancillary revenue for the year ending 30 April 2022 and 85% of the total ancillary revenue for the year ending 30 April 2021.

5. Operating profit

	2022 (€ thousands)	2021 (€ thousands)
Operating profit is after charging the following:		
Labour costs[1]	(8,886)	(6,047)
Depreciation and amortisation	(16,894)	(16,966)
Advertising and marketing services	(841)	(756)
IT expenses	(692)	(546)
Impairment (loss) / reversal on trade receivables and contract assets	(59)	(23)
Other[2]	(9,977)	(2,227)
	(37,349)	**(26,565)**

[1] For the year ended 30 April 2022 labour costs include €1,378 thousand free share awards related expenses (note 17). For the year ended 30 April 2021 labour costs include €36 thousand of Auto24 acquisition related expenses.
[2] Other expenses include 2 and 3 from the table below.

Operating profit reconciliation with Adjusted EBITDA

	2022 (€ thousands)	2021 (€ thousands)
Operating profit	**13,616**	**15,710**
Depreciation and amortisation	16,894	16,966
EBITDA	**30,510**	**32,676**
Acquisition related costs[1]	-	75
IPO related fees[2]	7,393	256
Free share awards[3]	1,378	-
Adjusted EBITDA	**39,281**	**33,007**
Adjusted EBITDA margin	**77.1%**	**78.1%**

[1] Fees and costs incurred in relation to the acquisition of eight legal entities including Auto24.ee.
[2] Fees and costs incurred in relation to the Initial Public Offering (IPO).
[3] Costs related to Free Share Awards to employees of the Group (note 17).

6. Net finance costs

	2022 (€ thousands)	2021 (€ thousands)
Other financial income	138	2
Total finance income	**138**	**2**
Interest expenses[1]	(9,426)	(13,396)
Commitment and agency fees	(132)	(497)
Other financial expenses[2]	(1,734)	(16)
Interest unwind on lease liabilities	(17)	(26)
Total finance expenses	**(11,309)**	**(13,935)**
Net finance costs recognised in profit or loss	**(11,171)**	**(13,933)**

[1] Interest expense for 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 year ended 30 April 2022 contain €1,618 thousand of Senior Facility Agreement related early repayment condition.

7. Income taxes

	2022 (€ thousands)	2021 (€ thousands)
Current tax expense		
Current year	(3,102)	(3,519)
Deferred tax expense		
Change in deferred tax[1]	3,056	1,649
Tax expense	**(46)**	**(1,870)**

[1] Change in deferred tax for 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

		2022	2021
Weighted average number of shares outstanding	number	488,467,552	435,265,078
Profit (loss) attributable to owners of the Company	€ thousands	2,399	(93)
Basic earnings per share	**€ cents**	**0.49**	**(0.02)**

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 current and 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 17), the potential ordinary shares are not treated as dilutive as the PSP performance condition was not satisfied for the year ended 30 April 2022.

9. Intangible assets and goodwill

	Goodwill	Trademarks and domains	Relationship with clients	Other intangible assets	Total
	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)
Cost					
Balance at 1 May 2020	**328,732**	**63,317**	**50,710**	**1,535**	**444,294**
Disposals	-	(97)	-	(188)	**(285)**
Balance at 30 April 2021	**328,732**	**63,220**	**50,710**	**1,347**	**444,009**
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**
Accumulated amortisation and impairment losses					
Balance at 1 May 2020	**-**	**4,375**	**6,308**	**94**	**10,777**
Amortisation	-	6,331	9,824	340	**16,495**
Disposals	-	(13)	-	(159)	**(172)**
Balance at 30 April 2021	**-**	**10,693**	**16,132**	**275**	**27,100**
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**
Carrying amounts					
Balance at 1 May 2020	**328,732**	**58,942**	**44,402**	**1,441**	**433,517**
Balance at 30 April 2021	**328,732**	**52,527**	**34,578**	**1,072**	**416,909**
Balance at 30 April 2022	**328,732**	**46,204**	**24,754**	**799**	**400,489**

10. Trade and other receivables

	2022 (€ thousands)	**2021** (€ thousands)
Trade receivables	3,002	2,524
Expected credit loss on trade receivables	(71)	(84)
Other short term receivables	39	131
Total	**2,970**	**2,571**

Trade and other receivables (except for loan receivables) are non-interest bearing. The Group has recognised impairment losses in the amount of €71 thousand as at 30 April 2022 (€84 thousand as at 30 April 2021). Change in impairment losses for trade receivables, netted with recoveries, for financial period amounted to €59 thousand as at 30 April 2022 and €23 thousand as at 30 April 2021.

11. Equity

	Number of shares	**Share capital amount** (€ thousands)	**Share premium amount** (€ thousands)
Balance as at 1 May 2020	**435,265,079**	**506,452**	**-**
Redeemable preference share issued	**-**	57	**-**
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 (note 17)	392,405	4	-
Balance as at 30 April 2022	**500,392,405**	**5,822**	**-**

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 €619,100 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.

Included within shares in issue at 30 April 2022 are 2,100,000 (nil in previous period) shares held by the Employee Benefit Trust ("EBT").

12. Dividends

No interim dividend was declared for the year ended 30 April 2022 and therefore no dividends have been paid out in the period.

The proposed final dividend for the year ended 30 April 2022 of 1.4 € cents per share, totalling €6,976 thousands, is subject to approval by shareholders at the Annual General Meeting ("AGM") and hence has not been included as a liability in the financial statements. Dividends will be paid in euros however shareholders will have an opportunity to opt for a payment in British pounds.

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 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.

The Adjusted Net Income for the year ended 30 April 2022 as well as for the year ended 30 April 2021 is as follows:

	2022 (€ thousands)	**2021** (€ thousands)
Profit / (loss) for the period	**2,399**	**(93)**
Acquisition related costs[1]	-	75
Tax effect of Acquisition related costs	-	-
IPO related fees[2]	7,393	256
Tax effect of IPO related fees	*(70)*	-
Free share awards[3]	1,378	-
IPO refinancing: Senior Facility Agreement related early repayment condition[4]	1,618	-
IPO refinancing: Senior Facility Agreement related upfront fee write off[5]	5,075	-
IPO refinancing: Senior Facility Agreement capitalised upfront fee related deferred tax liability write off[6]	(1,266)	-
Amortisation of intangibles arising from acquisitions (PPA)[7]	16,147	16,142
Deferred tax effect of amortisation of intangibles arising from acquisitions	*(1,434)*	*(1,434)*
Adjusted Net Income	**31,240**	**14,946**

[1] Fees and costs incurred in relation to the acquisition of eight legal entities including Auto24.ee.
[2] Fees and costs incurred in relation to the Initial Public Offering (IPO).
[3] Costs related to Free Share Awards to employees of the Group (note 17).
[4] Previous Senior Facility Agreement related early repayment fine.
[5] Previous Senior Facility Agreement related capitalised upfront fee write off.
[6] Previous Senior Facility Agreement capitalised upfront fee related deferred tax liability write off.
[7] Amortisation of trademarks and domains and amortisation of relationship with clients (note 9).

13. Loans and borrowings

Non-current liabilities	**2022** (€ thousands)	**2021** (€ thousands)
Bank loan	82,311	210,051
Lease liabilities	167	362
	82,478	**210,413**

Current liabilities	**2022** (€ thousands)	**2021** (€ thousands)
Bank loan	121	2,412
Lease liabilities	202	301
	323	**2,713**

Bank loan:

	Period end	**Maturity**	**Loan currency**	**Effective interest rate**	**Amount** (€ thousands)
Bank Loan	30 April 2022	2026 July	€	4.04%[1]	82,432
Bank Loan	30 April 2021	2026 July	€	6.08%	212,463

[1]Effective interest rate for the year ended 30 April 2022 includes 2 months of since repaid loan.

In July 2021 the Group drew down a new loan consisting of Facility B (€98,000 thousand) and agreed on a new 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 condition that amounted to €1,618 thousand (included within other financial expenses for the 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 year ended 30 April 2022) and a related deferred tax liability that amounted to €1,266 thousand (included within deferred tax expenses for the year ended 30 April 2022).

As at 30 April 2022 the loan comprised of Facility B (outstanding balance: €84,000 thousand as €14,000 thousand were repaid during the financial year), the undrawn revolving credit facility amounted to €10,000 thousand. As at 30 April 2021 the loan comprised of Facility A1 (outstanding balance: €35,000 thousand), Facility A2 (€17,500 thousand), Facility B1 (€115,000 thousand) and Facility B2 (€31,410 thousand).

Capitalised debt issue costs amounted to €1,689 thousand and €5,243 thousand for the year ended 30 April 2022 and 30 April 2021 respectively. Interest payable amounted to €121 thousand and €3,411 thousand for the year ended 30 April 2022 and 30 April 2021 respectively.

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 30 April 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 2020	**206,481**	**818**	**207,299**
Changes from financing cash flows			
- Proceeds from loans and borrowings	15,000	-	**15,000**
- Repayment of borrowings	(10,000)	-	**(10,000)**
- Payment of lease liabilities	-	(339)	**(339)**
Total changes from financing cash flows	**5,000**	**(339)**	**4,661**
Other liability related changes			
- New leases	-	184	**184**
- Interest expenses	13,396	26	**13,422**
- Interest paid	(12,414)	(26)	**(12,440)**
Total other liability related changes	982	184	**1,166**
Balance as at 30 April 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**

14. Trade and other payables

	2022 (€ thousands)	2021 (€ thousands)
Trade payables	235	322
Accrued expenses	344	203
Other tax	1,578	849
Customer credit balances	2,289	2,210
Other payables	12	17
	4,458	**3,601**

15. Related party transactions

During the period ended 30 April 2022 the transactions with related parties outside the consolidated Group included:

• remuneration of key management personnel (note 16), including share option awards under the PSP scheme (note 17);

• before the IPO a part of ANTLER Management S.A. shares were acquired by the three Executive Directors together with other key employees as part of management incentive program that existed since BCG acquisition by funds advised by Apax Partners ("Apax") in FY 2020; shares were purchased at a value equal to the price paid by Apax in FY 2020;

• at the IPO three Non-Executive Directors purchased shares of ANTLER TopCo Sàrl outside the Offer at the IPO price;

• share for share exchange transaction during the reorganisation for the IPO (note 11) where three Executive Directors, three Non-Executive Directors and Directors of Group Companies exchanged the shares they held in ANTLER Management S.A. and ANTLER TopCo Sàrl for the like-for-like amount of shares in Baltic Classifieds Group PLC.

During the year ended 30 April 2021 there were no transactions with related parties outside the consolidated Group except for the remuneration of key management personnel (note 16).

16. Remuneration of key management personnel and other payments

Key management personnel comprise three Executive Directors (CEO, CFO, COO), four Non-Executive Directors (since July 2021 only) and Directors of Group companies. Remuneration of key management personnel in the reporting period, including social security and related accruals, amounted to €969 thousand for the period ended 30 April 2022 and €560 thousand for the period ended 30 April 2021. Remuneration of Directors of the Board (three Executive and four Non-Executive Directors) in the reporting period, including social security and related accruals, amounted to €748 thousand. As the Board was formed in the reporting period only, the closest comparative to the remuneration of the Directors of the Board would be the remuneration of three Executive Directors which, including social security and related accruals, amounted to €345 thousand for the year ended 30 April 2021.

During the period ended 30 April 2022 the Executive Directors of the Group were granted a set number of share options under the PSP scheme. Share-based payment expenses amounted to €509 thousands for the period ended 30 April 2022 (nil in previous period). None of the options vested during the reporting period. See note 17 for further detail.

During the year ended 30 April 2022 and 30 April 2021, 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.

17. 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 €644 thousand (nil in previous periods).

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 27 July 2021, the Group awarded 1,041,745 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 FY2024. See Directors' Remuneration report in the ARA for further detail.

The fair value of the 2021 award was determined to be €2.56 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.

Free Share Awards

In addition to the PSP scheme, as it was intended and noted in the Prospectus (section 11.2 (Company-wide remuneration) of Part XVII (Additional Information)) 392,405 of free shares were awarded to all employees of the Group with the number per employee based on length of service with the business and ranging between €3,000 and €15,000 in value. The total value of the shares awarded amounted to €968 thousand. Fringe benefit tax was paid by the Group, it amounted to €410 thousand.

Executive Directors and the rest of Senior Management team did not receive free shares under this arrangement.

18. Enquiries by the Competition Authorities

As at 30 April 2022 as well as at 30 April 2021, there was no on-going litigation, which could materially affect the consolidated financial position of the Group.

As disclosed in the Prospectus, Diginet LTU UAB, a Group company, was subject to an investigation by the Lithuanian Competition Council ("LCC") following a complaint by UAB Ober Haus (the "Claimant"), a real estate broker, who alleged that the Group's Lithuanian real estate portal had abused its position in the real estate online classifieds markets by applying unfair high listing prices. In December 2020, the LCC concluded after an in-depth analysis that the prices to B2C listers and C2C listers were not unfair or restrictive to competition and closed the investigation. In January 2021, Claimant appealed the LCC's decision with the court of first instance, asking the court to annul the LCC's decision and to return the case back to the LCC for further investigation arguing that the LCC erred in applying the necessary legal standards for evaluation of unfair prices. On 17 June 2021, the court of first instance declined to annul the LCC's decision and dismissed the Claimant's appeal. The Group had successfully defended its position as the Claimant refused to use its right to appeal the decision to the Lithuanian Supreme Administrative Court and the case is closed.

In 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 March 15, 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.

19. Subsequent events

On 1 July 2022, the Company's indirect subsidiary City24 SIA acquired GetaPro business in exchange for €1.6 million in cash. It was an assets acquisition. GetaPro is a services classifieds portal operating in Latvia and Estonia. We believe this acquisition will allow us to increase our presence in the services classifieds market in the Baltics.