BALTIC CLASSIFIEDS GROUP PLC

FULL YEAR RESULTS FOR THE YEAR ENDED 30 APRIL 2024

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 2024

Key highlights

- 2024 marked another year of delivering strong performance across all our businesses lines, underpinned by our significant leadership position[1] versus competitors, record high individual advertising volumes, and a growing customer base across key verticals.
- Revenue grew 19% to €72.1 million (2023: €60.8 million). Core classifieds revenue streams B2C and C2C, which together comprise 90% of total revenue, grew 22% and 18% respectively.
- EBITDA[2] grew 20% to €55.3 million (2023: €46.0 million). Our EBITDA margin[2] expanded by 1% pt to 77% (2023: 76%). Accounting operating profit grew 32% to €38.3 million (2023: €29.1 million).
- Adjusted basic EPS[2] grew 20% to 9.2 € cents (2023: 7.7 € cents) while basic EPS grew 40% to 6.5 € cents (2023: 4.7 € cents).
- Adjusted net income[2] grew 18% to €45.0 million (2023: €38.0 million) with adjustments to profitability being the amortisation of acquired intangibles, the corresponding tax impact and a one-off tax credit relating to 2021. Profit for the period grew 38% to €32.0 million (2023: €23.2 million).
- Cash generated from operating activities grew 23% to €59.0 million (2023: €48.0 million), with cash conversion[2] maintained at 99% (2023: 99%).
- Voluntary repayment of €20 million of debt, to end the year with a gross loan balance of €50.0 million (2023: €70.0 million). Net debt[2] reduced to €27.5 million (2023: €45.3 million), with a year-end Net debt / EBITDA of 0.5x (2023: 1.0x).
- Clear capital allocation framework, with €32.6 million returned to shareholders by way of share buybacks (€19.3 million) and dividends (€13.3 million) (2023: €16.7 million returned to shareholders).
- The Board has proposed a final dividend of 2.1 € cents per share (1.7 € cents per share in 2023). If approved, the total dividends for the year will be 3.1 € cents per share.

Financial highlights

€m (unless stated otherwise)	**2024**	**2023**	**Change**
Auto	27.5	22.2	24%
Real Estate	18.0	15.0	20%
Jobs & Services	13.8	11.8	17%
Generalist	12.6	11.7	8%
Group revenue	**72.1**	**60.8**	**19%**
Operating cost excluding depreciation and amortisation	(16.8)	(14.8)	14%
EBITDA[2]	**55.3**	**46.0**	**20%**
EBITDA margin[2]	**77%**	**76%**	**1% pt**

Depreciation and amortisation	(16.9)	(17.0)	(0%)
Operating profit	**38.3**	**29.1**	**32%**
Add back: amortisation of acquired intangibles	16.2	16.2	0%
Adjusted Operating profit[2]	**54.5**	**45.3**	**21%**
Profit for the period	**32.0**	**23.2**	**38%**
Adjusted net income[2]	**45.0**	**38.0**	**18%**
Basic EPS (€ cents)	**6.5**	**4.7**	**40%**
Adjusted basic EPS[2] **(€ cents)**	**9.2**	**7.7**	**20%**

Operational highlights

- We maintained our significant leadership position over our nearest competitor across all our largest sites: Autoplius.lt at 7x (6x in 2023), Auto24.ee at 36x (29x in 2023), Aruodas.lt at 17x (21x in 2023), KV.ee plus City24.ee in Estonia at 19x (16x in 2023), CVBankas.lt at 7x (9x in 2023) and Skelbiu.lt at 23x (19x in 2023).
- At the start of the financial year, we implemented C2C pricing and packaging changes across all business units, which combined with rising market prices of the goods and services advertised on our sites, have resulted in increased yields[3] in all business lines. It is worth noting that the yield per active ad is arithmetically diluted due to ads staying on the site for longer durations. Yields growth per active ad were: 0% in Auto[4] and Real Estate, 11% in Services. In Generalist[5] revenue per listing grew 3%.
- In September and October 2023, we implemented our annual B2C pricing actions in Auto and Real Estate, accompanied by enhancements in products and packaging. In Jobs[6] this commenced in September 2023 and is ongoing over the 12 months period.
- The changes to our B2C packages and prices led to increased ARPU[3] in all verticals: Auto by 26%, Real Estate by 22% and Jobs by 7%. Also, this year more business customers used our platforms across all verticals: Auto dealers increased by 4%, Real Estate brokers by 1%, and Jobs customers by 5%.
- Traffic to our sites averaged 56.0 million visits per month, meaning that on average, a resident in the Baltics visited one of our sites 10 times every month.
- During 2024, we introduced a number of improvements to our products and services, including:
  - **Auto:** On Autoplius, we launched a rating system for top-tier car dealers. This system allows them to ask for feedback from car buyers providing them an opportunity to build trust and competitive advantage. The ratings encourage dealers to improve the car buying experience and assist buyers in making better choices.
  - **Real estate:** In Estonia, we introduced a new product for the property rental market which allows landlords and tenants to execute rental contracts through our platform, benefiting both parties. Background checks are done on potential tenants helping landlords to make informed decisions. Tenants receive a balanced rental agreement, 24/7 emergency service, insurance for property damage, and rental payment protection in case of inability to pay.
  - **Jobs and Services:** On GetaPro, we improved content quality by encouraging service providers to add more information to their profiles and to collect more feedback, helping them achieve higher listing positions.
  - **Generalist:** On Osta, we launched a parcel self-service platform that aggregates the most popular parcel delivery providers. This tool is not limited to Osta users and can be used to send items sold on any marketplace.
- We also saw unprecented growth in the individual advertising volumes on our verticals as numbers of C2C active ads in Auto were up 26%, in Real Estate up 20% and in Services up 32%. Listings on our Generalist platform also grew 5%.

- The Estonian Competition Authority ("ECA") terminated its investigations into our Real Estate and Auto platforms. During the supervision procedure, the ECA came to the conclusion that KV.ee, City24.ee and Auto24.ee "have not set unfairly high prices for the services they offer".
- The number of BCG employees during the 2024 grew to 140 FTEs (end of 2023: 134 FTEs). At the end of the period the split of women to men was 50:50.
- We have reduced our absolute Scope 1 and 2 emissions by 70% from a 2022 base year and achieved our goal of having at least 80% of used electricity derived from renewable energy sources by 2025 by increasing the portion of electricity derived from renewable sources from 63% in 2022 to 88%. We are working toward our net zero target and as part of our net zero journey we reported our Scope 3 carbon emissions for the first time.

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

"2024 marked another year of solid financial, operational and strategic execution for BCG, with strong momentum observed across each of our business segments. We are in the early stages of our monetisation journey, which underpins the resilience of our top line and EBITDA growth, and, we are particularly pleased that our operational leverage is once again flowing through to our EBITDA margin now that public listed company costs have been normalised.

Our platforms have established themselves as a key destination for those looking for transactions in automotive, real estate, jobs, services and general merchandise. The attractive business environment in which we operate - part of the EU, the euro area and NATO - enhances our prospects for further success and expansion. And the fact that we are based in Lithuania, a country which, based on the World Happiness Report, is renowned for having the happiest young people in the world reflects the joy we have in running this company.

I would like to thank all of my colleagues for their efforts over the last 12 months. The results of our recent employee engagement survey reaffirm our belief that the team's motivation is at an all-time high, with over 95% of employees expressing pride in being part of BCG and would recommend it as a great place to work."

Outlook

- The Board is guiding to 15% revenue growth in 2025, with Auto, Real Estate and Jobs & Services expected to grow marginally ahead of this number and Generalists below the overall Group average. The growth will be driven by B2C ARPU and C2C yield expansion, expecting inventory levels to remain similar to those we have seen this year.
- Going forward, the Board expects continued marginal EBITDA margin expansion including continued investment in product development.
- The Board remains committed to the existing capital allocation policy which remains focused on allocating excess cash towards reducing gross debt and the share buyback programme, particularly in the absence of M&A opportunities.

[1] Leadership position based on time on site except for Auto24. Auto24 has no significant vertical competitor; next relevant player is Generalist portal; therefore, relative market share is calculated based on time on site proportion relating to the number of active automotive listings as at the end of the reported period.
[2] Alternative performance measure, see note 3 for further details
[3] Yield refers to the average monthly revenue per active (Auto, Real Estate or Services) or listed (Generalist) C2C listing or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per client).
[4] Car listings only (excluding listings of vehicle parts, vehicles other than cars and other categories).
[5] Skelbiu.lt only.
[6] CVbankas.lt

Results presentation details

A presentation for analysts will be held in person at the offices of Bank of America and also via audio webcast and conference call at 9:30 am Wednesday, 3 July 2024. Details below:

Address: Bank of America, Financial Centre, 2 King Edward Street, 6th floor, London EC1A 1HQ

A simultaneous live webcast will be available at: https://www.investis-live.com/balticclassifieds/664c87fa708182130074979e/fgdg

Participants joining via telephone:

United Kingdom (Toll-free)	+44 800 358 1035
United Kingdom	+44 20 3936 2999
United States	+1 646 787 9445
United States (Toll-free)	+1 855 979 6654
Lithuania	+370 521 40 826
All other locations	+44 20 3936 2999
Global Dial-In Numbers	

Access code: 621122
*Press *1 to ask a question, *2 to withdraw your question, or *0 for operator assistance.*

Accessing the telephone replay
A recording will be available until **Wednesday, 10 July 2024 11:59 pm BST**
United Kingdom (Toll-free): +44 808 304 5227
United Kingdom: +44 20 3936 3001
Access Code: **536807**

For media inquiries:

Lina Mačienė
Chief Financial Officer
investorrelations@balticclassifieds.com

About Baltic Classifieds Group PLC

Baltic Classifieds Group PLC ("BCG") is the leading online classifieds group in the Baltics, which owns and operates fourteen leading vertical and generalist online classifieds portals in Lithuania, Estonia and Latvia. BCG's online classifieds portfolio comprises four business lines – Automotive, Real Estate, Jobs & Services and Generalist. In the year ended 30 April 2024, the Group's portals were visited on average 56 million times a month (Source: Google Analytics), making the Group one of the largest online companies in the region (Source: Google Analytics).

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

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

Chair’s Statement

Overview

The last twelve months have been ones of considerable success for Baltic Classifieds Group. Our relentless focus on the core business of each of our 14 portals across the Baltic regions continues to reap rewards as does both the quantum and consistency of our overall revenue and profit growth in the three years since becoming a public company.

We continue to have the most visited portals in Lithuania and Estonia, as well as maintaining our significant leadership position over the nearest competitor for all our largest sites compared to 2023, despite only a modest investment in marketing.

Our three verticals (Autos, Real Estate and Jobs & Services) continue to lead the high growth revenue charge across the business, and our fourth business unit (Generalist) continues to both provide solid growth and an extended competitive moat around all of our businesses allowing most of our advertisers to dual list on the two best known portals for their particular category.

Particularly pleasing this year was to see the operating leverage of the business beginning to flow through now that the ongoing costs of being a public company are fully baked into the financial performance.

The resilience of the growth despite a changed market backdrop in the Baltic regions (with a mild decline in GDP and lower inflation than recent years) means we will continue with our current strategy for the foreseeable future – focusing on the core of our business, consistently improving the consumer experience and constantly evolving the pricing and packaging of our products.

Board

We are fortunate that our Board and its committees enjoy great stability and consistency which is the cornerstone to our effectiveness as a Board.

As a Board, we are acutely aware of our obligations to ensure diversity and inclusion and are actively seeking to expand our Board in a very considered fashion with culture, fit, diversity and succession planning all part of our priorities. We have been scanning the market for potential diverse candidates to expand the Board, with a particular focus on candidates who have a high appreciation of the business environment in the Baltics, Scandinavia and/or Eastern Europe.

On 11 June 2024, Rūta Armonė joined the Board as an Independent Non-Executive Director and will join all of the Board Committees. Rūta is based in Vilnius and has worked at Ellex Valiūnas, one of the most prestigious legal firms in the Baltic region for 13 years. As an M&A partner at Ellex Valiūnas, her breadth of skills and experience will bolster the regulatory, governance and M&A experience on the Board.

As part of our succession planning, we will continue to look out for other outstanding candidates to further expand the Board in the years to come to ensure we minimise the chances of needing to replace large segments of the Board at any one time in the future.

Employees

Our people are critical to our success and it’s reassuring to see the results of our engagement survey reflect back to us that our employees love working with us too! This is particularly apparent in the average employee tenure of 8 years, which in a business with such a high percentage of technologists is nothing short of remarkable.

The Group is led by a deeply knowledgeable management team, both at the Group level and the individual Portal level, who are passionate, dedicated and committed to building a long-lasting culture of rapid decision making, lean operations, trust and fun. We recognise that culture is a huge part of our success story.

We are proud of our employees and know the strength they bring to our organisation.

Environment, Social and Governance

There are some important differences that come with a business listed in the UK with operations purely in the Baltics region, so we do sometimes have to look at matters such as diversity or remuneration through a different lens. However, we are committed to being a responsible business. Our priority is to protect and support our people, customers and all of our stakeholders and the environment around us.

We have reduced our absolute Scope 1 and 2 emissions by 70% from a 2022 base year and achieved our goal of having at least 80% of used electricity derived from renewable energy sources by 2025 by increasing the portion of electricity derived from renewable sources from 63% in 2022 to 88%. We are working toward our net zero target and as part of our net zero journey we reported our Scope 3 carbon emissions for the first time.

We ranked within the top 10 best performers within FTSE 250 in the FTSE Women leaders review 2023 and maintained our average employee tenure at 8 years.

I am proud to sponsor the Group's ESG working group and am actively involved with ESG activities.

Returns to Shareholders and dividends

The Board is confident in our ability to continue our capital policy of returning all of our surplus cash to shareholders, through a combination of paying dividends and share buybacks. The total amount of cash returned to shareholders since IPO through dividends and the share buyback programme is c. €49 million and the leverage has reduced from 2.75x at IPO in July 2021 to 0.50x at the end of this reporting period.

We initiated a share buyback program during the prior year with the purpose of returning cash to shareholders. We are still actively engaged in this programme.

We are recommending a final dividend of 2.1 € cents per share for 2024. The final dividend will be paid, subject to shareholder approval, on 18 October 2024.

- For more details on our capital policy see the Financial review on page 13.

Looking ahead

I continue to be excited about the future for BCG and the growth potential and opportunities to create value not only for our shareholders but for all of our stakeholders.

Our strategy remains consistent, relevant and achievable and I look forward to reporting more demonstrable progress against that strategy in the year ahead.

I have personally enjoyed reaching out and meeting with some of our investor base in person and I hope to be able to build upon that in the coming year.

On behalf of the Board, I want to thank all of our employees for their remarkable contribution and dedication this year, and for serving all of our stakeholders so well.

Trevor Mather

Chair

3 July 2024

CEO's Statement

2024 marked another year of solid financial, operational and strategic execution for BCG, with strong momentum observed across each of our business segments. We are in the early stages of our monetisation journey, which underpins the resilience of our top line and EBITDA growth, and, we are particularly pleased that our operational leverage is once again flowing through to our EBITDA margin now that public listed company costs have been normalised.

Our platforms have established themselves as a key destination for those looking for transactions in automotive, real estate, jobs, services and general merchandise. The attractive business environment in which we operate - part of the EU, the euro area and NATO enhances our prospects for further success and expansion. And the fact that we are based in Lithuania, a country which, based on the World Happiness Report, is renowned for having the happiest young people in the world reflects the joy we have in running this company.

This year, I am pleased to report that the strongest growth came from our core classified revenue streams, B2C and C2C, which together account for 90% of BCG's revenue. Notably, B2C performance saw the highest growth at 22% year-on-year, driven by both an increase in customers and ARPU growth across all our business units. Additionally, we observed a steady recovery in C2C volumes due to a normalised selling time and exceptional growth in Services. C2C growth was also remarkable, achieving an 18% increase year-on-year, propelled by a 23% rise in Auto, a 21% increase in Real Estate, and an impressive 45% growth in Services. The remaining 10% of the Group's revenue comprise ancillary and banner advertising revenue, which combined grew by 6%.

Throughout the year, we successfully implemented pricing and packaging changes across all our business units in both B2C and C2C. The outstanding results we achieved this year have provided strong momentum as we move into the next financial year.

I am happy to report that the Estonian Competition Authority ("ECA") terminated its investigations into our Real Estate and Auto platforms. During the supervision procedure, the ECA came to the conclusion that KV.ee, City24.ee and Auto24.ee "have not set unfairly high prices for the services they offer".

Strong consumers numbers:

- On average, a resident in the Baltics visits one of our sites 10 times per month.
- Our site leadership positions[1] are as strong as ever for all of our largest websites: Autoplius at 7x (6x in 2023), Auto24 at 36x (29x in 2023), Aruodas at 17x (21x in 2023), , KV plus City24 in Estonia at 19x (16x in 2023), CVBankas at 7x (9x in 2023) and Skelbiu at 23x (19x in 2023).

Growth in both B2C and C2C number of customers:

- The number of business customers grew across all business areas: automotive dealers +4%; real estate brokers +1%; customers in Jobs +5%.
- All business areas saw an increase in active C2C ads: in Auto +26%; Real Estate +20%; Services +32% and Generalist listings grew +5%.

The combination of increased prices of goods and services being advertised on our sites, normalised speed of sale and changes to our packages, has led to increased yields across all business areas and in both the B2C and C2C segments.

Market context:

- Similar to trends in other countries, inflation has rapidly declined in Baltic economies, reaching more normal levels. Prices in the underlying markets of real estate and automotive have risen reflecting rising salaries.
- The number of used car market transactions over the last 12 months has grown by 6%. The average price per used car increased by 5% year-on-year, while the speed of sale has normalised. This has led to a 28%

increase in the number of days a vehicle is advertised, providing a tailwind for the stock of vehicles on our sites.

- The number of real estate transactions declined 11% year-on-year, primarily due to higher construction costs since 2023 (and consequent lower supply of new build homes) and increase in the interest rates. However, estate prices grew 6% and most of our customers operate in the secondary market, therefore the commission pool remained healthy. In the environment of a lengthening selling time, BCG was able to double revenue from developers as a result of improvements to our sites in terms of the presentation of new homes and the associated changes in our pricing.
- The employment market has been very active this year, with companies continuing to face a significant labour shortage. The number of employers using Cvbankas.lt increased by 5%. Average salary grew by over 12%, prompting companies to increase their investment in employee search and selection.
- More people are seeking to find service providers online, leading to rapid growth in our Services verticals. We now have 32% more service provider advertisements on our platforms, and the yield has grown by 11%.
- The continuous growth of eCommerce activities has resulted in more transactions moving online. This has supported the growth of our Generalist platforms and ancillary products such as deliveries.

I would like to thank all of my colleagues for their efforts over the last 12 months. The results of our recent employee engagement survey reaffirm our belief that the team's motivation is at an all-time high, with over 95% of employees expressing pride in being part of BCG and would recommend it as a great place to work.

Furthermore, we expect our successes this year to continue, with healthy growth in B2C and C2C both in terms of volumes and ARPU, as well as sustained strong growth in Services. With an engaged and highly experienced team, we remain focused on consistently delivering outstanding products and services to our customers.

Justinas Šimkus

Chief Executive Officer

3 July 2024

[1] Leadership position based on time on site except for Auto24. Auto24 has no significant vertical competitor; the 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.

Financial Review

Revenue

In 2024 Group's revenue grew 19% to €72.1 million (2023: €60.8 million) as a consequence of a growth in all four business lines, underpinned by strength in the core business:

- The Auto business line grew by 24%. B2C grew 31% and C2C grew 23%.
- The Real Estate business line grew by 20%. B2C grew 24% and C2C grew 21%.
- The Jobs & Services business line grew by 17%. B2C (Jobs) grew 12% and C2C (mainly Services) grew 45%.
- Generalist business line, which is largely C2C, grew 8%.

Over the past 3 years since the IPO, revenue quality has improved as core classifieds revenue streams, B2C and C2C, as a percentage of revenue, have increased from 83% to 90%. B2C revenue, representing 50% of Group revenue, grew 22% and C2C, representing 39% of Group revenue, grew 18%. Ancillary revenue, accounting for 5% of total Group revenue, grew by 13%, while advertising revenue, the most vulnerable revenue stream and also accounting for 5% of Group revenue, declined by 1%.

The main drivers of revenue growth continue to be the increase in the number of advertisements and active C2C listings, the rise in the number of advertisers across all business sectors, and the higher average spend per customer and advertisement across our business.

In May 2023, at the beginning of the period currently reported on, we introduced C2C pricing and packaging changes across most of our portals, impacting the entire financial year. In September and October 2023, we introduced B2C price and package changes for the Auto, Real Estate and Jobs portals, reflecting improvements to our proposition. These contributed to the second half of the year in both Real Estate and Auto business lines and in Jobs, since the majority of our contracts are year-long, it is rolling out throughout 12 months.

	2024	**2023**	**Change**
Auto B2C - monthly number of dealers	3,732	3,586	4%
Real Estate B2C - monthly number of brokers	4,926	4,877	1%
Jobs[1] B2C – monthly number of companies	2,271	2,162	5%
Auto[2] C2C - monthly number of active ads	33,695	26,824	26%
Real Estate C2C – monthly number of active ads	20,016	16,628	20%
Services[1] C2C - monthly number of active ads	8,560	6,461	32%
Generalist[3] - monthly number of listings	99,271	94,388	5%
Auto B2C - monthly ARPU[4] (€)	289	230	26%
Real Estate B2C - monthly ARPU (€)	181	148	22%
Jobs[1] B2C - monthly ARPU (€)	412	384	7%
Auto[2] C2C - monthly revenue per active ad (€)	20	20	0%
Real Estate C2C - monthly revenue per active ad (€)	23	23	0%
Services[1] C2C - monthly revenue per active ad (€)	24	22	11%
Generalist[3] - revenue per listing (€)	7	6	3%

[1] In Jobs & Services business line B2C revenue comes from Jobs only; C2C revenue principally comes from Services portals, therefore only Services platforms' information is presented.
[2] Car listings only (excluding listings of vehicle parts, vehicles other than cars and other categories).
[3] Skelbiu.lt only, which is our main Generalist portal.
[4] ARPU - average revenue per user.

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

The number of B2C customers grew across all business lines:

- Automotive dealers grew by 4% (from 3,586 in 2023 to 3,732 in 2024) mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as C2C customers.
- Real Estate brokers grew 1% from 4,877 in 2023 to 4,926 in 2024.
- Jobs' number of customers grew 5% from 2,162 in 2023 to 2,271 in 2024.

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

In terms of average revenue per user (ARPU) in our B2C segment:

- Auto ARPU was up 26% due to pricing and packaging changes implemented mid-2023 (in September and October 2022) and most recent price and packaging changes done in mid-2024 (in September and October 2023). We also saw an upside from recovering inventory levels as dealers were increasing their packages.
- Real Estate ARPU was up 22% due to subscription fee and packaging changes which took place mid-2023 and mid-2024. The changes implemented from September 2022 to January 2023 were aimed at both growth in ARPU and incentivising customers to choose individual and more expensive premium packages for brokers. This year's annual pricing actions were implemented during September and October 2023.
- Jobs ARPU was up 7% due to reduced volume discounts. CVbankas, being the market leader, is well-positioned to take advantage of a vibrant employment market with low unemployment rates, ensuring continued revenue growth. Price changes were implemented on new and renewing customers in September 2022 and were rolling out to the customers through the 12-month cycle until autumn this year. This year the new prices were introduced in September 2023, and like last year, are rolling out to the customers through the 12-month cycle.

In terms of yield[1] in our C2C segment:

- We implemented price changes and observed an uptick in average transaction values which have a positive impact on our revenues due to value-based pricing. However, arithmetically the monthly revenue per active advertisement in Auto and Real Estate remained unchanged, as a consequence of customers opting for longer duration packages, leading to extended durations of advertisements on our sites.
- Services average monthly revenue per active advertisement was up 11% mainly due to price changes and an increased usage of our value-added services.
- Generalist average revenue per listing was up 3% due to price changes and rising average transaction values in the automotive and real estate categories, partly offset by change in mix of advertisement categories.

Operating costs

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

	2024, €m	2023, €m	Change
Labour costs	11.3	9.6	18%
Advertising and marketing services	1.0	1.0	7%
IT expenses	0.8	0.7	15%
Other	3.6	3.5	5%
Operating cost excluding depreciation and amortisation	**16.8**	**14.8**	**14%**
Depreciation and amortisation	16.9	17.0	0%
Operating cost	**33.8**	**31.8**	**6%**

Most of our operating costs are people costs. It is close to 16% of Group revenue. During the year, the BCG team expanded to 140 FTEs. The average number of FTEs during the year has grown by 4% from 131 in 2023 to 136 in 2024. Investment in our people increased by 18% to €11.3 million, up from €9.6 million in 2023. Most of the increase in people costs was driven by more people in the team, annual salary reviews and the buildup cost of a performance share plan ("PSP") amounting to €2.2 million, compared to €1.6 million in 2023.

Our marketing costs amount to 1.4% of revenue. As a portfolio of brands, we minimise spending on external service providers by advertising on our own sites at no cost. Other Group costs include IT, which are 1.2% of revenue, and general administrative expenses, which are 5.0% of revenue. We have supported several non-governmental organisations (NGOs) assisting Ukraine during the war, a local teachers' development organisation 'Choosing to Teach' and other organisations with donations totalling €0.2 million (2023: €0.1 million).

Net finance expense

Our finance expenses primarily consist of interest expenses, calculated at a 1.75% margin plus Euribor, totalling €3.5 million, compared to €2.6 million in 2023. Additionally our finance costs include commitment fees related to a €10.0 million unsecured and undrawn Revolving Credit Facility ("RCF"). Finance expenses are partly offset with finance income from cash balances held in banks, resulting in a net finance expense of €3.4 million, compared to €2.7 million in 2023.

Net debt and leverage

In 2024, we voluntarily repaid €20.0 million of the existing debt.

Compared to the end of 2023, net debt[2] decreased by €17.8 million to €27.5 million (from €45.3 million in 2023). We ended the year with leverage[2] ratio of 0.5x, down from 1.0x in 2023.

€m	**30-Apr-24**	**30-Apr-23**
Bank loan principal amount	50.0	70.0
Customer credit balances[3]	2.4	2.4
Total debt	52.4	72.4
Cash	(24.9)	(27.1)
Net debt	**27.5**	**45.3**
EBITDA[2] LTM	55.3	46.0
Leverage	**0.5x**	**1.0x**

Tax

The Group tax charge for the year was €2.9 million (compared to €3.2 million in 2023), representing an effective tax rate of 8% (down from 12% in 2023). This tax charge comprises:

- Current tax expense of €4.1 million (2023: €4.9 million). The decrease in current tax expense in 2024 is due to a one-off tax credit of €1.8 million. This credit, an adjusting item to our profitability measures, relates to 2021 and resulted from a new interpretation of the Corporate Income Tax law by the Tax Authority in Lithuania, following a court ruling.
- Unwind of deferred tax of €1.2 million, mainly from deferred tax on acquired intangibles (2023: €1.8 million, including €1.4 million deferred tax from acquired intangibles).

Profitability and Alternative Performance Measures

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

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

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

	2024	2023	Change
EBITDA[2]	**55.3**	**46.0**	**20%**
EBITDA margin[2]	**77%**	**76%**	**1% pt**
D&A	(16.9)	(17.0)	(0%)
Operating profit	**38.3**	**29.1**	**32%**
Add back: amortisation of acquired intangibles	16.2	16.2	0%
Adjusted operating profit[2]	**54.5**	**45.3**	**21%**
Net finance costs	(3.4)	(2.7)	27%
Profit before tax	**34.9**	**26.4**	**32%**
Income tax expense	(2.9)	(3.2)	(9%)
Profit for the period	**32.0**	**23.2**	**38%**
Add back: corporate income tax credit from 2021	(1.8)	-	n/m
Add back: deferred tax impact on acquired intangibles amortisation	(1.4)	(1.4)	-
Adjusted net income[2]	**45.0**	**38.0**	**18%**
Basic EPS (€ cents)	**6.5**	**4.7**	**40%**
Adjusted basic EPS[2] **(€ cents)**	**9.2**	**7.7**	**20%**

There were no add-backs to our EBITDA in the periods reported. Our EBITDA grew 20% to €55.3 million (2023: €46.0 million). The EBITDA margin expanded by 1% point to 77% (2023: 76%).

Adjusted operating profit increased by 21% to €54.5 million (2023: €45.3 million), while reported operating profit grew by 32% to €38.3 million (2023: €29.1 million).

BCG intends to return one third of adjusted net income each year via dividend. For this purpose, we show amortisation of acquired intangibles and the associated tax effect along with the adjusting items in the table above. Adjusted net income grew 18% to €45.0 million (2023: €38.0 million). Profit for the period increased to €32.0 million (2023: €23.2 million).

Earnings per share ("EPS")

Basic EPS grew 40% and was 6.5 € cents based on the weighted average number of shares of 489,975,882 (2023: 4.7 € cents based on weighted average number of shares of 496,082,891). Diluted EPS also round to 6.5 € cents (2023: there was no dilution effect on EPS from the employee share arrangements).

Adjusted basic EPS grew 20% to 9.2 € cents (2023: 7.7 € cents).

Cash flow and cash conversion

Cash generated from operating activities grew 23% to €59.0 million (2023: €48.0 million). Cash conversion[2] continues to be maintained at 99% (2023: 99%). Net cash inflow from operating activities grew 20% to €51.2 million (2023: €42.7 million).

Capital allocation

Net cash generated from operating activities was used for:

- Paying the final dividend for the year 2023 of 1.7 € cents per share in October 2023, totalling €8.4 million.
- Paying the interim dividend for the year 2024 of 1.0 € cents per share in January 2024, totalling €4.9 million.
- Buying back Company shares for cancellation for €19.3 million (2023: €5.7 million).
- Reducing the loan liability by paying down debt by €20.0 million (2023: €14.0 million).

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

- Return one third of adjusted net income each year via an interim and final dividend, split approximately one third and two thirds, respectively. If approved at the AGM, the final dividend for the year 2024 will be paid on 18 October 2024 to members on the register on 13 September 2024. Dividends are declared and paid in euro. Shareholders can elect to have dividends paid in British Pound Sterling. Currency election deadline for 2024 final dividend is 27 September 2024.
- Continue considering value-creating M&A opportunities. All options for financing attractive acquisition opportunities remain open, including using our cash, increasing our debt and even seeking additional equity capital. However, using own cash is the most likely and would most likely not affect dividends but might reduce capacity for share buy-backs.
- Use a combination of share buy-backs and debt repayment for the balance of cash.

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

Going concern

The Group generated significant cash from operations during the period. As of 30 April 2024, the Group had not drawn any of the €10.0 million unsecured Revolving Credit Facility ("RCF") and had cash balances of €24.9 million. The €10.0 million RCF is committed until July 2026.

Lina Mačienė

Chief Financial Officer

3 July 2024

[1]Yield refers to the average monthly revenue per active C2C ad (in Auto, Real Estate, Services), per C2C listing (in our Generalist) or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per company).
[2]Alternative performance measure, see note 3 for further details.
[3]Customer credit balances relate to amounts held by customers in e-wallets and are included within trade and other payables as well as cash and cash equivalents.

Principal risks and uncertainties

A description of the principal risks and uncertainties faced by the Group in the year ended 30 April 2024, together with the potential impact and monitoring and mitigating activities is set out in the table below.

Geopolitical risk			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
Further escalation of the war in Ukraine could result in the unrest and instability in the Baltic countries, potentially impacting consumer behaviour (e.g. reducing spending or investing), seller activity (e.g. disrupting retail), and investor perception of the business.	• Maintaining a flexible cost base that can respond to changing conditions • Maintaining a flexible capital allocation policy, with limited debt	Despite concerns over increased geopolitical tensions, the Group's portals experienced sustained growth throughout the year. This resilience underscores both the strength of our Company and the Baltic economies amidst heightened geopolitical uncertainties in the region.	Increasing
Political and macroeconomic situation			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
Economic conditions (whether due to economic cycle or supply chain disruption) could lead to a retraction in the underlying markets, a reduction in stock, consumer wallets and a reduction in advertisers budgets or appetite to spend, which all have the potential to reduce revenue. Economic conditions can also impact the cost pressures (such as wage growth, price inflation, interest rates, etc.).	• Maintaining a flexible cost base that can respond to changing conditions • Maintaining a flexible capital allocation policy, with limited debt	After a year of high inflation in 2023, consumer prices have stabilised during the year. The speed of sale in the underlying markets has slowed down, which has a positive impact on the Group's performance due to an increase of active advertisements on our portals.	Stable
Disruption to our customer and / or supplier operations			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
Disruptions to the operations of the Group's customers and suppliers in their day-to-day business may affect the Group's ability to achieve desired results.	• Maintaining market leadership in our main verticals while offering value-added products and packages • Continuous improvements to our platforms • Enhancing our product offerings to continue	The Group continued to strengthen its offering during the year, including an upgrade and expansion of car history reports and the launch of property rental services, which further diversified our customer base.	Stable

	meeting our customers' needs and adapting to evolving business models ● Maintaining a healthy liquidity headroom with an unused revolving credit facility of €10 million as at 30 April 2024, along with significant headroom against debt covenant ● Maintaining diversified revenue streams ● Working with well established and reliable third parties ● Having incident management process		
Competition			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
The Group may face new competition in existing markets or in new areas of activity. Additionally, changes in technology or consumer behaviour can influence how people search for cars, real estate, jobs or general products, potentially leading to a loss of consumer audience. There is also a risk of new entrants with innovative business models, such as offering services for free, impacting the Group's audience, content and revenue. Furthermore, as the Group diversifies into new and adjacent markets, the competitive landscape widens.	● Investment into customer experience ● Development of cross-linkages between Group's horizontal and vertical platforms ● Development of our offering to provide value-for-money and differentiated services to advertisers	During 2024, the Group's leading portals maintained very strong leadership positions. The number of advertisers increased year on year across all business areas.	Stable
Laws & regulations			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
The Group is subject to competition and antitrust laws, which may limit the market power, pricing or other actions of any firm within the Group.	Having a dedicated internal expertise within the business, responsible for identifying, assessing and responding to upcoming changes in laws and regulations, and the use of	In April 2024, Estonian Competition Authority terminated excessive pricing investigations against the Group's Real	Decreasing

Companies can be subject to legal action, investigations and proceedings by national and supranational competition and antitrust authorities, as well as claims from clients and business partners for alleged infringements of competition and antitrust laws. These actions could result in fines, other forms of liability or damage to the companies' reputation. Additionally, such laws and regulations could limit or prohibit the ability to grow in certain markets. Future acquisitions by the Group could be affected by applicable antitrust laws and may be unsuccessful if the required approvals from competition authorities are not obtained.	external specialists where necessary	Estate and Automotive portals in Estonia. The Group has one remaining supervisory proceeding ongoing at Estonian Competition Authority regarding the failure to supply. Since 2022 autumn there are no updates nor actions in this proceeding. The proceeding 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 a fine of up to €400 thousand per case. See note 20 for further detail. In February 2024 the Estonian Parliament initiated the legislative process to adopt the new draft law of the Law on Competition implementing the ECN+ Directive ((EU) 2019/1). The draft law is subject to further discussions in the Parliament, but it is strongly likely that the current law will be amended, and it might be relevant for the proceedings against the Group company. If proceedings against Allepal are still ongoing on the date of the act taking force, the Competition Authority could have the power to impose a fine of 10% of the whole Group's turnover under the new law.	

Technology			
Description & impact	**Mitigation**	**Developments in 2024**	**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 impact revenue. *Major data breach.* A cyber-attack or internal failure, resulting in disabling of platforms or systems, or a major data breach, could adversely impact the Group's reputation, erode trust and lead to a loss of revenue and / or profits. Data breaches, a common form of cyber-attack, can have a significant negative business impact and often arise from insufficiently protected data. *Disruption to availability of services.* The availability and reliability of services for the Group's customers are of paramount importance. Any downtime or disruption to consumer or advertiser services can adversely impact the business through customer complaints, credits, decreased consumer usage, and potential reputational damage. Therefore, the availability of third-party services, such as internet provision and mobile communication, which are essential for using the Group's services, is also crucial.	● Ongoing investment in security systems to ensure our systems remain robust ● Continuous monitoring of external threats ● Regular testing of the security of IT systems and platforms, including penetration testing ● Disaster recovery plan is in place and is reviewed and tested regularly ● Internal audit reviews	Having in mind the Geopolitical risk, the risk trend of cyber-attacks is considered to be increasing. During the year, an internal audit has reviewed the Group's disaster recovery plan. The Group continued to strengthen its systems and processes following a cyber security assessment performed by the Group's outsourced internal audit last year, along with increasing awareness of both cyber security and data protection across the Group.	Increasing
Acquisition risk			
Description & impact	**Mitigation**	**Developments in 2024**	**Risk trend**
The Group might make an unsuccessful acquisition or face challenges in integrating an acquisition, which could lead to reduced profits and impairment charge.	● Acquisitions are focused on businesses, operating in sectors where the Group has or can develop a	The Services business acquired in 2022 has reached break-even this year.	Stable

	competitive advantage and that offer good growth opportunities ● Conducting detailed pre-acquisition due diligence by in-house personnel and external advisers ● Retaining and motivating key personnel	Whilst there have been no acquisitions made recently, the Board regularly considers potential opportunities.	
Climate change			
Description & impact	**Mitigation**	**Developments in 2024**	**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 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 taking actions to adapt to the increasing climate change awareness and are ready to adapt 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 2024, we completed our Scope 3 carbon emissions assessment, reduced our total Scope 1 and 2 carbon emissions by 46% and achieved our goal to have at least 80% of used electricity derived from renewable energy sources ahead of the target date of 2025 by increasing the portion of electricity derived from renewable sources from 73% to 88%.	Stable

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 2024

	Note	2024 (€ thousands)	2023 (€ thousands)
Revenue	5	72,067	60,814
Other income		25	9
Expenses	6	(33,755)	(31,767)
Operating profit		**38,337**	**29,056**
Finance income	7	238	7
Finance expenses	7	(3,649)	(2,698)
Net finance costs		**(3,411)**	**(2,691)**
Profit before tax		**34,926**	**26,365**
Income tax expense	8	(2,878)	(3,150)
Profit for the year		**32,048**	**23,215**
Other comprehensive income		-	-
Total comprehensive income for the year		**32,048**	**23,215**
Attributable to:			
Owners of the Company		**32,048**	**23,215**
Earnings per share (€ cents)			
Basic	9	**6.54**	**4.68**
Diluted	9	**6.53**	**4.68**

Consolidated Statement of Financial Position

At 30 April 2024

	Note	2024 (€ thousands)	2023 (€ thousands)
Assets			
Property, plant and equipment		546	502
Intangible assets and goodwill	10	369,299	385,633
Right-of-use assets		1,153	884
Deferred tax assets		-	153
Non-current assets		**370,998**	**387,172**
Trade and other receivables	11	4,472	3,522
Cash and cash equivalents		24,857	27,070
Current assets		**29,329**	**30,592**
Total Assets		**400,327**	**417,764**
Equity			
Share capital	12	5,690	5,783
Own shares held	13	(5,854)	(6,252)
Capital reorganisation reserve		(286,904)	(286,904)
Capital redemption reserve		132	39
Retained earnings		621,090	619,986
Total equity		**334,154**	**332,652**
Loans and borrowings	15	49,941	69,231
Deferred tax liabilities		2,874	4,223
Non-current liabilities		**52,815**	**73,454**
Current tax liabilities		1,909	1,784
Loans and borrowings	15	356	462
Trade and other payables	16	6,260	5,530
Contract liabilities	5	4,833	3,882
Current liabilities		**13,358**	**11,658**
Total liabilities		**66,173**	**85,112**
Total equity and liabilities		**400,327**	**417,764**

Consolidated Statement of Changes in Equity

For the year ended 30 April 2024

	Note	**Share Capital** (€ thousands)	**Own shares held** (€ thousands)	**Capital reorganisation reserve** (€ thousands)	**Other reserves** (€ thousands)	**Retained earnings** (€ thousands)	**Total Equity** (€ thousands)
Balance at 30 April 2022		**5,822**	**(3,418)**	**(286,904)**	-	**611,877**	**327,377**
Profit for the year		-	-	-	-	23,215	23,215
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	**23,215**	**23,215**
Transactions with owners:							
Share-based payments	19	-	-	-	-	1,567	1,567
Tax impact of share-based payments		-	-	-	-	20	20
Purchase of shares for performance share plan		-	(2,834)	-	-	-	(2,834)
Purchase of shares for cancellation	12	(39)	-	-	39	(5,775)	(5,775)
Dividends	14	-	-	-	-	(10,918)	(10,918)
Balance at 30 April 2023		**5,783**	**(6,252)**	**(286,904)**	**39**	**619,986**	**332,652**
Profit for the year		-	-	-	-	32,048	**32,048**
Other comprehensive income		-	-	-		-	-
Total comprehensive income		-		-	-	**32,048**	**32,048**
Transactions with owners:							
Share-based payments	19	-	-	-	-	2,165	**2,165**
Tax impact of share-based payments		-	-	-	-	(20)	**(20)**
Exercise of employee share schemes		-	398	-	-	(395)	**3**
Purchase of shares for cancellation	12	(93)	-	-	93	(19,442)	**(19,442)**
Dividends	14	-	-	-	-	(13,252)	**(13,252)**
Balance at 30 April 2024		**5,690**	**(5,854)**	**(286,904)**	**132**	**621,090**	**334,154**

Consolidated Statement of Cash Flows

For the year ended 30 April 2024

	Note	**2024** (€ thousands)	**2023** (€ thousands)
Cash flows from operating activities			
Profit for the year		32,048	23,215
Adjustments for:			
Depreciation and amortisation	6	16,918	16,989
Profit on property, plant and equipment disposals		-	(4)
Taxation	8	2,878	3,150
Net finance costs	7	3,411	2,691
Share-based payments	19	2,165	1,567
Other non-cash items		-	1
Working capital adjustments:			
Increase in trade and other receivables		(958)	(448)
Increase in trade and other payables		1,554	91
Increase in contract liabilities		951	739
Cash generated from operating activities		**58,967**	**47,991**
Corporate income tax paid		(4,714)	(3,122)
Interest received		237	-
Interest and commitment fees paid		(3,292)	(2,208)
Net cash inflow from operating activities		**51,198**	**42,661**
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		(306)	(251)
Proceeds from sale of property, plant and equipment		3	4
Acquisition of business		-	(1,600)
Net cash used in investing activities		**(303)**	**(1,847)**
Cash flows from financing activities			
Repayment of loans and borrowings	15	(20,000)	(14,000)
Payment of lease liabilities		(305)	(247)
Purchase of own shares for cancellation		(19,540)	(5,663)
Purchase of own shares for performance share plan		-	(2,834)
Proceeds from exercice of share options		3	-
Dividends paid	14	(13,252)	(10,918)
Net cash from financing activities		**(53,094)**	**(33,662)**
Net cash inflow from operating, investing and financing activities		**(2,199)**	**7,152**
Differences on exchange		(14)	4
Net Increase / (Decrease) in cash and cash equivalents		**(2,213)**	**7,156**
Cash and cash equivalents at the beginning of the year		27,070	19,914
Cash and cash equivalents at the end of the year		**24,857**	**27,070**

1. General information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 April 2024 or 30 April 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting.

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 2024 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 auto, real estate, jobs and services, and general merchandise in the Baltics.

2. Principles of preparation

The consolidated financial statements for the year ended 30 April 2024 have been approved by the Board of Directors of Baltic Classifieds Group PLC. They are prepared in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and the applicable legal requirements of the Companies Act 2006.

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

Use of estimates and judgements

The preparation of the consolidated financial statements, in accordance with UK-adopted IFRS, requires management to make judgements, 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

As at 30 April 2024, there were no significant estimates that would have a significant risk of material adjustment to the carrying amounts of assets within the next financial year.

Other estimates:

- Carrying values of goodwill. An impairment review is performed of goodwill balances by the Group on a 'value in use' basis. This requires making assumptions and estimates in calculating 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 assumptions and estimates 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.
- 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 estimate has an impact on the amortisation expense for any given period.

Judgements

As at 30 April 2024, there were no significant judgements that would have a significant risk of material adjustment to the carrying amounts of assets within the next financial year.

Other judgements:

- Deferred tax asset. An unrecognised deferred tax asset of €2,652 thousand (30 April 2023: €3,934 thousand) has not been recognised in relation to tax losses incurred by the Company's indirect subsidiary UAB Antler Group and direct subsidiary BCG HoldCo Limited. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the probability of future taxable profit of the indirect subsidiary being available.

Going concern

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

The Group meets its day-to-day working capital requirements from cash balances, if needed the Group also has access to a revolving credit facility that amounts to €10,000 thousand and is available until July 2026. As at 30 April 2024 no amounts of the revolving credit facility were drawn down.

The Group has a bank loan which 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 €20,000 thousand of the loan during 2024, the outstanding balance at the year ends amounts to €50,000 thousand. The Group had cash balances of €24,857 thousand at the year end. After 30 April 2024, the Group has made a further voluntary repayment of debt of €5,000 thousand.

During the financial year ended 30 April 2024 the Group has generated a profit of €32,047 thousand. The Directors also prepared detailed cash flow forecasts for the period ending 12 months from the date of approval of these consolidated financial statements. The future growth assumptions used in the cash flow forecasts are based on the Group's historical performance and the Directors' experience of the industry, and take 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 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 approval of these consolidated financial statements and therefore have prepared these consolidated financial statements on a going concern basis.

3. Alternative performance measures (APMs)

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

- Adjusted operating profit which is Operating profit after adding back acquired intangibles amortisation. This measure helps to provide an indication of the Group's ongoing business performance.
- EBITDA which is Operating profit after adding back depreciation and amortisation. This measure is used internally to assess business performance and in budgeting and forecasting.
- EBITDA margin which is EBITDA as a percentage of revenue. Progression in EBITDA margin is an important indicator of the Group's operating efficiency.
- Adjusted EBITDA which is EBITDA after one-off IPO related costs. This is one of the key metrics used by management to assess operating performance of the business and is used in assessing covenant compliance for the Group's loan facility.
- Adjusted EBITDA margin which is Adjusted EBITDA as a percentage of revenue. Progression in EBITDA margin is an important indicator of the Group's operating efficiency.
- Adjusted net income which is Profit for the period after adding back post-tax impact of acquired intangibles amortisation and one-off corporate income tax credit relating to 2021. It is used to arrive at Adjusted basic EPS and in applying the Group's capital allocation policy.
- Adjusted basic EPS which is Adjusted net income divided by the weighted average number of ordinary shares in issue. This measure helps to provide an indication of the Group's ongoing business performance.
- Net Debt which is calculated as total debt (bank loans principal and Osta.ee customer credit balances) less cash and cash equivalents. Net debt is used to arrive at the leverage ratio.
- Leverage which is calculated as Net Debt to EBITDA (or adjusted EBITDA in previous periods where relevant) over last twelve months (LTM) ratio. This measure is used in assessing covenant compliance for the Group's loan facility which includes a Total Leverage Ratio covenant (see note 15).

- Cash conversion which is EBITDA (or adjusted EBITDA in previous periods where relevant) after deducting acquisition of intangible assets and property, plant and equipment as a percentage of EBITDA (or adjusted EBITDA in comparative periods). This measure is used to monitor the Group's operational efficiency.

Reconciliation of alternative performance measures

Adjusted operating profit

	2024 (€ thousands)	**2023** (€ thousands)
Operating Profit	**38,337**	**29,056**
Acquired intangibles amortisation	16,208	16,198
Adjusted Operating Profit	**54,545**	**45,254**

EBITDA

	2024 (€ thousands)	**2022** (€ thousands)
Operating Profit	**38,337**	**29,056**
Depreciation and amortisation[1]	16,918	16,989
EBITDA	**55,255**	**46,045**
EBITDA margin	**77%**	**76%**

[1] Including acquired intangibles amortisation of €16,208 thousand (€16,989 thousand in 2023).

Adjusted net income

	2024 (€ thousands)	**2023** (€ thousands)
Profit for the year	**32,048**	**23,215**
Acquired intangibles amortisation	16,208	16,198
Deferred tax effect of acquired intangibles amortisation	(1,434)	(1,434)
CIT credit relating to 2021	(1,830)	-
Adjusted net income	**44,992**	**37,979**

Adjusted basic EPS

	2024	**2023**
Adjusted net income (€ thousands)	44,992	37,979
Weighted average number of ordinary shares (note 9)	489,975,882	496,082,891
Adjusted basic EPS (€ cents)	**9.18**	**7.66**

Net debt

	2024 (€ thousands)	2023 (€ thousands)
Bank loan principal amount (note 15)	50,000	70,000
Customer credit balances	2,398	2,363
Total Debt	**52,398**	**72,363**
Cash and cash equivalents	(24,857)	(27,070)
Net Debt	**27,541**	**45,293**

Leverage

	2024 (€ thousands)	2023 (€ thousands)
Net debt	27,541	45,293
EBITDA	55,255	46,045
Leverage	**0.50**	**0.98**

Cash conversion

	2024 (€ thousands)	2023 (€ thousands)
EBITDA	55,255	46,045
Acquisition of intangible assets and property, plant and equipment	(306)	(251)
	54,949	45,794
Cash conversion	**99%**	**99%**

4. Operating segments

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

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

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

Of the total intangible assets and goodwill, 69% (69% in 2023) is located in Lithuania, 30% (30% in 2023) in Estonia and 1% (1% in 2023) in Latvia.

5. Revenue

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

Primary geographic markets

	2024 (€ thousands)	**2023** (€ thousands)
Lithuania	50,354	42,407
Estonia	20,277	17,203
Latvia	1,436	1,204
Total	**72,067**	**60,814**

Key revenue streams

	2024 (€ thousands)	**2023** (€ thousands)
Listings revenue	64,612	53,750
- Listings revenue: B2C	*36,289*	*29,765*
- Listings revenue: C2C	*28,323*	*23,985*
Ancillary revenue[1]	3,762	3,336
Advertising revenue	3,693	3,728
Total	**72,067**	**60,814**

Revenue by business lines

	2024 (€ thousands)	**2023** (€ thousands)
Auto	**27,543**	**22,236**
- Listings revenue: B2C	12,954	9,908
- Listings revenue: C2C	10,032	8,167
- Ancillary revenue	3,512	3,060
- Advertising revenue	1,045	1,101
Real Estate	**18,036**	**15,044**
- Listings revenue: B2C	10,688	8,653
- Listings revenue: C2C	5,432	4,494
- Ancillary revenue	45	61
- Advertising revenue	1,871	1,836
Jobs & Services	**13,849**	**11,790**
- Listings revenue: B2C	11,214	9,975
- Listings revenue: C2C	2,593	1,788
- Ancillary revenue	-	-
- Advertising revenue	42	27
Generalist	**12,639**	**11,744**
- Listings revenue: B2C	1,433	1,229
- Listings revenue: C2C	10,266	9,536
- Ancillary revenue	205	215
- Advertising revenue	735	764
Total	**72,067**	**60,814**

[1] Ancillary revenue includes revenue from financial intermediation, subscription services, and other. Financial intermediation revenue accounts for 89% of the total ancillary revenue for the year ending 30 April 2024 and 91% of the total ancillary revenue for the year ending 30 April 2023.

Due to the large number of customers the Group serves, there are no individual customers whose revenue is greater than 10% of the Group's total revenue in all periods presented in these financial statements.

Contract liabilities

Contract liabilities[1] include consideration received in advance of the satisfaction of performance obligations. The movement in contract liabilities is provided below:

	2024 (€ thousands)	2023 (€ thousands)
Opening balance	**3,714**	**2,982**
Recognised in revenue in the period	(6,637)	(5,620)
Advance consideration received	7,564	6,352
Closing balance	**4,641**	**3,714**

[1] Contract liabilities amount in the statement of financial position also include prepayments received from customers.

6. Operating profit

	2024 (€ thousands)	2023 (€ thousands)
Operating profit is after charging the following:		
Labour costs	(11,326)	(9,605)
Depreciation and amortisation	(16,918)	(16,989)
Advertising and marketing services	(1,040)	(971)
IT expenses	(837)	(725)
Impairment loss on trade receivables and contract assets	(50)	(79)
Other	(3,584)	(3,398)
	(33,755)	**(31,767)**

Services provided by the Company's auditors

	2024 (€ thousands)	2023 (€ thousands)
Fees payable for audit services:		
Audit of the Company and consolidated financial statements[1]	(532)	(563)
Audit of the Company's subsidiaries pursuant to legislation	(191)	(197)
Total audit remuneration	**(723)**	**(760)**

[1] The total fees payable for audit of the Company and consolidated financial statements include €43 thousand (2023: €102 thousand) audit fees relating to previous financial year.

The auditors provided no other services and received no other remuneration.

7. Net finance costs

	2024 (€ thousands)	2023 (€ thousands)
Interest income	237	-
Other financial income	1	7
Total finance income	**238**	**7**
Interest expenses	(3,516)	(2,602)
Commitment and agency fees	(79)	(80)
Other financial expenses	(16)	(1)
Interest unwind on lease liabilities	(38)	(15)
Total finance expenses	**(3,649)**	**(2,698)**
Net finance costs recognised in profit or loss	**(3,411)**	**(2,691)**

8. Income taxes

	2024 (€ thousands)	2023 (€ thousands)
Current tax expense		
Current year	(5,928)	(4,904)
Adjustments for current tax of prior periods[1]	1,834	-
Deferred tax expense		
Change in deferred tax	1,216	1,754
Tax expense	**(2,878)**	**(3,150)**

[1] Includes €1,830 thousand credit which relates to CIT for 2021.

9. Earnings per share

	2024	2023
Weighted average number of shares outstanding	489,975,882	496,082,891
Dilution effect on the weighted average number of shares	928,407	279,681
Diluted weighted average number of shares outstanding	490,904,289	496,362,572
Profit for the period (€ thousands)	32,048	23,215
Basic earnings per share (€ cents)	**6.54**	**4.68**
Diluted earnings per share (€ cents)	**6.53**	**4.68**

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 (note 19) are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions are satisfied.

The average market value of the Group's shares for the purposes of calculating the dilutive effect of share-based incentives was based on quoted market prices during the period which the share-based incentives were outstanding.

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

	2024	2023
	Number of shares	Number of shares
Issued ordinary shares at 1 May less ordinary shares held by EBT	493,363,165	498,292,405
Weighted effect of ordinary shares purchased by EBT	-	(1,114,685)
Weighted effect of share-based incentives	196,255	-
Weighted effect of own shares purchased for cancellation	(3,583,538)	(1,094,829)
Weighted average number of ordinary shares at 30 April	**489,975,882**	**496,082,891**

10. Intangible assets and goodwill

	Goodwill	Trademarks and domains	Relationship with clients	Other intangible assets	Total
	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)	(€ thousands)
Cost					
Balance at 30 April 2022	**328,732**	**63,220**	**50,710**	**1,324**	**443,986**
Acquisitions	1,229	120	250	-	**1,599**
Disposals	-	-	-	(33)	**(33)**
Balance at 30 April 2023	**329,961**	**63,340**	**50,960**	**1,291**	**445,552**
Disposals	-	-	-	(45)	**(45)**
Balance at 30 April 2024	**329,961**	**63,340**	**50,960**	**1,246**	**445,507**
Accumulated amortisation and impairment losses					
Balance at 30 April 2022	**-**	**17,016**	**25,956**	**525**	**43,497**
Amortisation	-	6,332	9,866	257	**16,455**
Disposals	-	-	-	(33)	**(33)**
Balance at 30 April 2023	**-**	**23,348**	**35,822**	**749**	**59,919**
Amortisation	-	6,334	9,874	126	**16,334**
Disposals	-	-	-	(45)	**(45)**
Balance at 30 April 2024	**-**	**29,682**	**45,696**	**830**	**76,208**
Carrying amounts					
Balance at 30 April 2022	**328,732**	**46,204**	**24,754**	**799**	**400,489**
Balance at 30 April 2023	**329,961**	**39,992**	**15,138**	**542**	**385,633**
Balance at 30 April 2024	**329,961**	**33,658**	**5,264**	**416**	**369,299**

11. Trade and other receivables

	2024 (€ thousands)	2023 (€ thousands)
Trade receivables	4,071	3,322
Expected credit loss on trade receivables	(48)	(45)
Prepayments	225	175
Other short-term receivables	224	70
Total	**4,472**	**3,522**

Trade and other receivables are non-interest bearing. The Group has recognized impairment losses in the amount of €48 thousand as at 30 April 2024 (€45 thousand as at 30 April 2023). Change in impairment losses for trade receivables, netted with recoveries, for financial year amounted to €50 thousand as at 30 April 2024 and €79 thousand as at 30 April 2023. As at 30 April 2023 and 30 April 2022, there are no pledges on trade receivables.

12. Equity

	Number of shares	Share capital amount (€ thousands)	Share premium amount (€ thousands)
Balance as at 30 April 2022	**500,392,405**	**5,822**	**-**
Purchase and cancellation of own shares	(3,429,240)	(39)	-
Balance as at 30 April 2023	**496 963 165**	**5,783**	**0**
Purchase and cancellation of own shares	(8,018,738)	(93)	-
Balance as at 30 April 2024	**488,944,427**	**5,690**	**0**

13. Own shares held

	Shares held by EBT	
	Amount (€ thousands)	Number (thousands)
Balance as at 30 April 2022	**3,418**	**2,100**
Purchase of shares for performance share plan[1]	2,834	1,500
Balance as at 30 April 2023	**6,252**	**3,600**
Exercise of share options	(398)	(244)
Balance as at 30 April 2024	**5,854**	**3,356**

[1] Shares were purchased on 29 July 2022 at a price of £1.54 (€1.84) per share and on 2 August 2022 at a price of £1.62 (€1.93) per share.

14. Dividends

Dividends paid by the Company were as follows:

	2024 (€ thousands)	2023 (€ thousands)
2022 final dividend	-	6,955
2023 interim dividend	-	3,963
2023 final dividend	8,359	-
2024 interim dividend	4,893	
Total	**13,252**	**10,918**

Total dividends per share for the periods to which they relate are:

	2024 (€ cents per share)	2023 (€ cents per share)
2023 interim dividend	-	0.8
2023 final dividend	-	1.7
2024 interim dividend	1.0	-
2024 final dividend	2.1	-
Total	**3.1**	**2.5**

The proposed final dividend for the year ended 30 April 2024 of 2.1 € cents per share is subject to approval by Company shareholders at the Annual General Meeting ('AGM') and hence has not been included as a liability in the financial statements. The 2024 final dividend will be paid on 18 October 2024 to shareholders on the register at the close of business on 13 September 2024 and the payment will comprise approximately €10,200 thousand of cash.

The Directors intend to return one third of Adjusted net income (as defined and reconciled in note 3) each year via an interim and final dividend, split one third and two thirds, respectively. Adjusted net income (as reconciled in note 3) for 2024 was €44,992 thousand (€37,979 in 2023).

15. Loans and borrowings

Non-current liabilities	2024 (€ thousands)	2023 (€ thousands)
Bank loan	49,122	68,716
Lease liabilities	819	515
	49,941	**69,231**

Current liabilities	2024 (€ thousands)	2023 (€ thousands)
Bank loan	93	180
Lease liabilities	263	282
	356	**462**

Bank loan:

	Period end	Maturity	Loan currency	Effective interest rate	Amount (€ thousands)
Bank Loan	30 April 2023	2026 July	€	2.91%	68,896
Bank Loan	30 April 2024	2026 July	€	5.59%	49,215

As at 30 April 2024 the undrawn revolving credit facility amounted to €10,000 thousand (€10,000 thousand as at 30 April 2023).

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 2024 and 30 April 2023, the Group complied with the covenant prescribed in the loan agreement.

As per the same agreement, the interest margin for each facility is tied to the Total Leverage Ratio at each interest calculation date on a semi-annual basis. The interest rate margin is 1.75% when the leverage ratio is equal or below 2.5, and gradually increase when leverage ratio increase. The interest rate margin applicable for the Group was 1.75% for the years ended 30 April 2024 and 30 April 2023.

Reconciliation of movements of liabilities to cashflows arising from financing activities

	Borrowings (€ thousands)	**Lease liabilities** (€ thousands)	**Total** (€ thousands)
Balance as at 30 April 2022	**82,432**	**369**	**82,801**
Changes from financing cash flows			
- Repayment of borrowings	(14,000)	-	(14,000)
- Payment of lease liabilities	-	(247)	(247)
Total changes from financing cash flows	**(14,000)**	**(247)**	**(14,247)**
Other liability related changes			
- New leases and lease re-assessments	-	721	721
- Lease disposal	-	(46)	(46)
- Interest expenses	2,602	15	2,617
- Interest paid	(2,138)	(15)	(2,153)
Total other liability related changes	464	675	1,139
Balance as at 30 April 2023	**68,896**	**797**	**69,693**

	Borrowings (€ thousands)	**Lease liabilities** (€ thousands)	**Total** (€ thousands)
Balance as at 30 April 2023	**68,896**	**797**	**69,693**
Changes from financing cash flows			
- Repayment of borrowings	(20,000)	-	(20,000)
- Payment of lease liabilities	-	(305)	(305)
Total changes from financing cash flows	**(20,000)**	**(305)**	**(20,305)**
Other liability related changes			
- New leases and lease re-assessments	-	593	593
- Lease disposal	-	(3)	(3)
- Interest expenses	3,516	38	3,554
- Interest paid	(3,197)	(38)	(3,235)
Total other liability related changes	319	590	909
Balance as at 30 April 2024	**49,215**	**1,082**	**50,297**

16. Trade and other payables

	2024 (€ thousands)	2023 (€ thousands)
Trade payables	399	299
Accrued expenses	437	391
Payroll related liabilities	1,134	1,021
Other tax	1,668	1,326
Customer credit balances	2,398	2,363
Other payables	224	130
	6,260	**5,530**

17. Related party transactions

During the period ended 30 April 2024 and period ended 30 April 2023, the transactions with related parties outside the consolidated Group consisted of remuneration of key management personnel (note 18), including share option awards under the PSP scheme (note 19).

18. Remuneration of key management personnel and other payments

Key management personnel comprises 3 Executive directors (CEO, CFO, COO), 5 Non-Executive Directors, Group Development Director and Directors of Group companies. Remuneration of key management personnel in the reporting year, including social security and related accruals, amounted to €1,610 thousand for the period ended 30 April 2024 and €1,257 thousand for the period ended 30 April 2023. Share-based payments amounted to €1,666 thousand for the period ended 30 April 2024 and €1,031 thousand for the period ended 30 April 2023.

During the period ended 30 April 2024 the Executive directors of the Group were granted a set number of share options under the PSP scheme. See note 19 for further detail.

During the year ended 30 April 2024 and 30 April 2023, key management personnel of the Group did not receive any loans, guarantees, no other payments or property transfers occurred and no pension or retirement benefits were paid.

19. Share-based payments

Performance Share Plan

The Group currently operates a Performance Share Plan (PSP) 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 €2,165 thousand (€1,567 thousand in the period ended 30 April 2023).

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

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

The number of options outstanding and exercisable as at 30 April 2024 was as follows:

	2024 (number)	**2023** (number)
Outstanding at beginning of year	**2,484,217**	**1,041,745**
Options granted in the period	1,138,024	1,465,911
Options exercised in the period	(244,318)	-
Options forfeited in the period	(24,436)	(23,439)
Outstanding at end of year	**3,353,487**	**2,484,217**

20. Enquiries by Competition Authorities

On 18 April 2024, the Estonian Competition Authority ("ECA") adopted two decisions terminating the supervisory proceedings against the Groups two real estate online classified portals Kv.ee and City24.ee and against the automotive classified portal Auto24.ee. ECA confirmed that the Group portals have not set unfairly high prices for the services they offer and have not abused the dominant positions in the respective markets. As of 6 June 2024, the deadline to appeal the decisions has passed without any the appeals and decisions came into full force.

As at 30 April 2024, the Group had one open enquiry from Competition Authorities, however the Directors' view is that the likelihood of any material outflow of resources in respect of these enquiries is remote, and therefore no provision or contingent liability has been recognised in the financial statements in respect of these matters (no provision or liability in 2023).

The supervisory proceedings were initiated on 4 February 2022 by the ECA against AllePal OÜ, the operator of real estate online classified portal, based on the complaint filed by Reales OÜ. Reales OÜ had entered into service agreement with AllePal OÜ for the insertion of real estate ads on both of real estate online classified portals, and according to the complaint, AllePal OÜ unfairly refused to provide the service to Reales OÜ by terminating the agreement. According to AllePal OÜ, service agreement was terminated because the claimant used the services to provide real estate ads brokerage or aggregation services and did not engage in real estate brokerage, for which the real estate online classifieds portals are intended. AllePal OÜ actively co-operates with the ECA and provides all necessary information and holds negotiations with Reales OÜ in order to develop a suitable contract and the pricing for the service needed by the claimant. On 15 March 2022, Reales OÜ submitted an additional complaint to initiate additional supervisory proceedings against the AllePal OÜ, which alleges that the pricing difference between the prices offered to the business and private customers indicates the abuse of a dominant position. On 1 April 2022 the ECA decided not to initiate additional proceedings and investigate the raised question within the ongoing supervisory proceedings. As the ECA or any other Estonian authorities have not initiated any misdemeanour (or criminal) proceedings against any Group company, the ongoing supervisory proceedings cannot lead to any imposition of fines to any Group company, however, if the ECA concludes that AllePal OÜ and Kinnisvaraportaal OÜ abused their position, the ECA could issue a precept ordering these Group companies to end any ongoing infringements. In October 2022, Group approached ECA and explained that Group failed to reach the commercial agreement with the claimant. Since then, there were no updates in the procedure.

21. Subsequent events

A voluntary repayment of debt of €5,000 thousand was made on 13 May 2024 reducing the outstanding principal amount of bank borrowings to €45,000 thousand. This is a post year end non-adjusting event which has not been recognised in the financial statements.