BALTIC CLASSIFIEDS GROUP PLC

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2021

Baltic Classifieds Group PLC ("BCG" and the "Group"), the leading online classifieds group in the Baltics, announces half year results for the six months ended 31 October 2021 (H1 2022)

Strategic overview

- Highest ever six-monthly revenue in all four business units, exceeding expectations at the time of the Initial Public Offering ("IPO").
- Compared to pre-COVID, traffic to our sites was at record level. Each of our leading sites increased its audience lead over the closest competitor.
- At the start of the period reported on, we increased the yield from C2C ads across all four of our business units.
- Improvements to our products and packages for B2C customers towards the end of the half supported price increases in our Autos, Real Estate and Jobs & Services business lines and will contribute to revenue in the second half of the year.
- On 5 July 2021, BCG became a public company with a premium listing on the London Stock Exchange Main Market. Subsequently, on 20 September 2021 the Group joined the FTSE 250.

Financial highlights

- Organic revenue grew 24% to €25.0 million (H1 2021: €20.4 million of which €0.2 million from divested business) driven by a solid performance in Autos (+10% organic/ +7% reported growth), Real Estate (+20%) and Generalist (+11%) and more than doubling in Jobs & Services (+113%). Reported revenue grew 22%.
- Operating costs in H1 2022 were inflated by €8.8 million of costs arising from the IPO (€5.6 million paid fees, €1.9 million fees and related taxes to be paid and €1.4 million free share awards). This resulted in operating profit for the period of €2.4 million (H1 2021: €7.4 million).
- Adjusted EBITDA[1] was up 23% to €19.6 million (H1 2021: €16.0 million).
- Adjusted EBITDA margin[2] maintained at 78.4% (H1 2021: 78.3%).
- Cash conversion[3] maintained at 99% (H1 2021: 100%). Cash was up 36% to €20.9 million on the basis of cash generated from operations prior to IPO fees payments (€5.6 million paid fees relate to H1 2022 and €0.1 million relate to FY21). Reported cash generated from operations was maintained at €15.2 million (H1 2021: €15.4 million).
- Net debt[4] fell by €121.6 million at IPO to €77.8 million (end FY21: €199.4 million) with leverage[5] at 2.1x (end FY21: 6.0x).
- Intention to propose first dividend payment at full year results in July 2022.

Operational highlights

- Traffic to our sites was 66.4 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[6] over the nearest competitor increased for all five of our largest sites compared to the same period in FY20 with Autoplius at 3.8x (vs 3.2x), Auto24 at 36.6x (vs 16.5x), Aruodas at 28.1x (vs 9.6x), Skelbiu at 18.6x (vs 14.4x) and CVBankas at 8.2x (vs 3.5x).
- The number of real estate brokers has grown 2% vs the same period in 2021, we have more automotive dealers (+6%) and more employers (+63%) utilising our sites to advertise than ever before.
- During H1 2022 we have improved our products, including:
  - **Automotive:** in Autoplius.lt we developed a car pricing tool to help our B2C customers make better stock buying decisions.
  - **Real estate:** in Aruodas.lt and KV.ee we launched enhanced customer authentication for B2C customers to increase credibility and transparency.
  - **Jobs and Services:** In CVbankas.lt we improved the tools we provide, helping customers to reach passive job seekers via improved search in the CV database and allowing direct communication with potential employees.
  - **Generalist:** we made improvements to our deliveries service, boosting the number of orders significantly.
- 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 in Automotive (B2C +3%, C2C +44%), Real Estate (B2C +14%, C2C +27%), CVbankas (+41%) and Skelbiu (+8%).
- The number of BCG employees remains stable at 124 FTEs, with the split of women (50%) to men (50%).

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

"The last six months have been the busiest and the most successful in BCG's history. I am incredibly proud of all of the employees who have achieved the best performance ever despite living through a Pandemic and whilst the company was simultaneously focused on achieving our premium listing on the London Stock Exchange. The period has also seen strong audience numbers to 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 of the period and in B2C at the end. This provides us with confidence both for our full year performance and our momentum moving into the next financial year.

I am delighted that BCG has become a public company and that 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."

Outlook

- Revenue growth across Automotive, Real Estate and Generalist is anticipated to be, in aggregate, in line with previous guidance, even in the event that COVID-related restrictions are imposed on a similar basis to those seen over the last 20 months.
- Jobs & Services revenue is likely to continue to be strong and significantly ahead of previous guidance, albeit against a tougher comparable in the second half.
- We now expect to maintain adjusted EBITDA margin for the full year, despite the additional public company costs.

- Most of our revenues are recurring in nature and so any additional revenue earned this year should carry forward. We anticipate that growth rates for the following years will follow previous guidance levels.

[1, 2, 4, 5] See accounting policy in note 2 and reconciliation to the Profit / (loss) for the period in note 5

[3] Cash conversion calculated as: (adjusted EBITDA – capex) / adjusted EBITDA

[6] 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 number of active automotive listings as at the end of H1, which unlike time on site can be attributed to automotive specifically

Analyst presentation dates/Conference call details

A presentation for analysts will be held via video webcast and conference call at 9:30 am, Wednesday 15 December 2021. Details below.

The live webcast will be available at: https://www.investis-live.com/balticclassifieds/61af50d17498f50c0040942b/bcghy

Participants joining via telephone:

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All other locations: +44 20 3936 2999

Access code: 226443

*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, 22 December 2021**
UK: 020 3936 3001
USA: 1 845 709 8569
All other locations: +44 20 3936 3001
Access Code: **750622**

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About Baltic Classifieds Group PLC

Baltic Classifieds Group PLC ("BCG") is the leading online classifieds group in the Baltics, which owns and operates 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 6 months ended 31 October 2021, the Group's portals were visited in average 66.4 million times a month (Source: Google Analytics), making the Group one of the largest online companies in the region (Source: Google Analytics).

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

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

Summary of operating performance in H1 2022

	H1 2022, €m	H1 2021, €m	Change, %
Automotive	9.0	8.4 (0.2 divested)	+7% (+10% organic)
Real Estate	6.2	5.2	+20%
Generalist	5.1	4.6	+11%
Jobs & Services	4.7	2.2	+113%
Reported Revenue	25.0	20.4	+22%
Organic Revenue	25.0	20.2	+24%
Expenses	(22.7)	(13.0)	+74%
Operating profit	2.4	7.4	(68%)
Net finance costs	(10.0)	(7.0)	+42%
Profit / (loss) for the period	(7.6)	(0.4)	n.m.
Basic and diluted EPS (€ cents)	(1.60)	(0.10)	n.m.
Adjusted EBITDA[1]	19.6	16.0	+23%
Adjusted EBITDA margin[2]	*78.4%*	*78.3%*	*+0.1%*
Cash generated from operating activities	15.2	15.4	(1%)
Net debt (October 2021 / April 2021)	77.8	199.4	(61%)
Leverage (October 2021 / April 2021)	2.12	6.04	(65%)

[1, 2] See accounting policy in note 2 and reconciliation to the Profit / (loss) for the period in note 5

Market Context

The Baltic region was locked down for the 6 months starting in November 2020 and ending in April 2021. It is currently battling a third wave of COVID-19 infections imposing varying degrees of restrictions across the three countries and the different markets we serve. Despite this, Lithuania and Estonia, being our main markets, were among the first countries in the EU to reach their pre-COVID GDP levels.

Similar to other countries around the world:

- The Automotive market has faced supply chain disruption leading to 15% fewer new vehicle transactions than pre-COVID. Demand to change vehicles has remained high, driving the average price per used car up (by 23% 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 12 days) 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 22% higher year on year 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 63% and average salaries have grown by 12%, leading to companies increasing their investment in employees 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.

Revenue

Revenue grew 22% to €25.0 million (H1 2021: €20.4 million). Excluding the impact of the business, which was divested in the end of FY21 and therefore not owned in H1 2022, organic revenue growth was 24%.

The considerable majority of the percentage increase represents underlying organic growth in revenue. A small part of the percentage growth reflects some discounts given to Real Estate and Auto B2C customers in the prior year, when the Baltic countries experienced the first wave of COVID-19.

The main drivers of revenue growth were increases in the number of advertisers across all our four 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 Real Estate, Autos and Jobs portals, reflecting improvements to our proposition. These made a limited contribution to the increase in H1 revenue, with the full contribution to be seen in the second half of this financial year.

Looking back prior to COVID-19 and excluding the impact of acquisitions, our revenue has grown 28% compared to two years ago (H1 2020: €16.6 million). Though strong, this growth rate reflects the fact that we did not introduce major changes to our pricing in FY21 in what is usually an annual cycle.

Revenue grew healthily in all four of our business areas. However, we saw a much wider range of organic growth (Jobs & Services up 113% down to Autos up 10%) than we have seen historically. We believe that this, in large part, reflects the indirect consequences of COVID (e.g. pent up demand in the employment market, lack of supply in the car market) as seen in many countries.

Across our business units we see the network effects strengthening, with increased customer numbers driving increased content, which drives increased engagement from our audiences.

	H1 2022	H1 2021	Change, %
Auto B2C – No. of Dealers	3,486	3,302	+6%
Real Estate B2C – No. of Brokers	4,892	4,775	+2%
Jobs* B2C – No. of Customers	2,314	1,420	+63%
Auto C2C – No. of Active Ads**	21,615	28,467	(24%)
Real Estate C2C – No. of Active Ads	15,517	15,225	+2%
Generalist*** No. of Listings	90,454	88,027	+3%
Auto B2C - ARPU (€)	169.0	164.5	+3%
Real Estate B2C - ARPU (€)	113.3	99.1	+14%
Jobs* B2C Monthly - ARPU (€)	311.4	221.6	+41%
Auto C2C - Monthly Rev. per Ad (€)**	18.7	12.9	+44%
Real Estate C2C - Monthly Rev. per Ad (€)	19.5	15.4	+27%
Generalist*** Revenue per Listing (€)	5.7	5.3	+8%

* - CVbankas.lt only

** - 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.

*** - Skelbiu.lt only

ARPU - monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs & Services – per client)

Across all of our business units, the number of B2C customers has increased:

- Automotive dealers up 6% (from 3,302 in H1 2021 to 3,486 in H1 2022) mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as if they were C2C customers.
- Real Estate brokers up 2% primarily due to new requirements to use qualified e-signature in order to use our services (implemented in February 2021 in Estonia and in October 2021 in Lithuania). The initiative encourages collaborating brokers to have their own individual accounts, which has contributed to a slight increase in the number of brokers (from 4,775 in H1 2021 to 4,892 in H1 2022).
- Jobs customers up 63% due to significantly increased demand by companies for employees in the market (from 1,420 in H1 2021 to 2,314 in H1 2022).

In C2C, a gradual increase in listings is primarily due to growing activity in the the underlying market in Real Estate and Generalist. In Automotive, the average monthly number of active advertisements is down 24% primarily due to shortened selling time (which means each advert is active for less time) and fewer market transactions, 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. The B2C changes have little impact on H1 2022 revenues, but will roll through to the remainder of the year.

Organically, excluding the disposed Autoleht revenue (sold in the end of FY21 and amounting to €0.2 million in H1 2021), the Auto business line grew 10%. The reported Auto business line revenue has grown 7% during H1 2022 (from €8.4 million in H1 2021 to €9.0 million in H1 2022). The Jobs & Services business line revenue grew 113% (from €2.2 million in H1 2021 to €4.7 million in H1 2022). Real Estate has also contributed a solid growth to Group revenue – the business line grew almost 20% (from €5.2 million in H1 2021 to €6.2 million in H1 2022). Generalist revenues grew 11% (from €4.6 million in H1 2021 to €5.1 million in H1 2022) despite a slowdown in the Summer due to the exceptionally good weather.

In terms of ARPU in our B2C segment:

- Automotive ARPU was up 3% due to price and packaging changes in September and October. 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 14% due to the discounts in the comparative period, customers benefiting from an increased number of transactions and subscription fee and packaging changes which took effect from September to January 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 Standard and from 25 to 15 in Golden packages as well as introducing a new (VIP) package tier.
- Jobs and Services ARPU was up 41% due to increased prices, a higher number of advertisements per company and intensified usage of value added services. As a consequence, our jobs portal CVbankas.lt is more than 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 and will roll out to all customers through the next twelve months.

In terms of ARPU in our C2C segment:

- Automotive average revenue per active advertisement was up 44% due to price changes and rising average transaction values (the average car price on our portals grew 23%).
- Real Estate average revenue per active advertisement was up 27% due to price changes and rising average transaction values (apartment prices per square meter 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.

Expenses

Our reported operating expenses for H1 2022 include 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.

For clarity, we have set out our costs to also show the underlying costs excluding the IPO costs and any acquisition related costs in the prior year. The Adjusted expenses[4] reflect the growth in the business's underlying costs and also the additional costs incurred since our IPO in operating as a public company.

	H1 2022, €m	**H1 2021, €m**	**Change, %**
Expenses	22.7	13.0	+74%
Depreciation and amortisation	(8.4)	(8.5)	(1%)
One-off expenses[3]	(8.8)	(0.1)	n.m.
Adjusted expenses[4]:	**5.4**	**4.4**	**+22%**

[3] One-off expenses include:

In H1 2022:

1) Part of the IPO costs, relating to the primary issuance, went through the share premium and the remaining €7.4 million were accounted in the Statement of Profit or Loss

2) Free share award to employees: 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 senior management team did not receive free shares under this arrangement. Total value of the gift including the tax was €1.4 million

H1 2021 one-off expenses include €0.1 million acquisition related costs

[4] See accounting policy in note 2 and reconciliation to the Profit / (loss) for the period in note 5

People costs increased by 19% to €3.5 million (H1 2021: €2.9 million). We invest in talent, therefore the increase in people costs was primarily driven by annual salary reviews. In addition, H1 2022 was our first half a year as a public company so people costs also include board members' fees and the cost of a performance share plan (PSP).

Other costs comprise marketing, IT and general administrative expenses, including ordinary course consulting, legal and audit fees, which have increased with becoming a public company. We estimate the full year cost relating to being a public company to be close to €2.0 million. However, because by the end of FY22 BCG will have been a public company for around 10 months only, the actual incurred public company cost amount will be slightly lower. The cost of the PSP should increase gradually during the first 3 year period based on the assumption that the performance share plan will award a list of employees yearly with 3-year nominal value options. Thereafter the cost should be relatively constant.

Net finance costs

BCG started its life as a public company with 2.75x leverage (as at 30 April 2021 the leverage was 6.04x) and a significantly lower effective interest rate on the external debt comparing to previous financing arrangement. Instead of 6% interest rate, the Group is now paying 2% interest on the amount borrowed. However, the effect of the reduced finance cost is not yet visible as net finance costs of €10.0 million in H1 2022 (H1 2021: €7.0 million) related to:

- interest costs reflect 4 months post-IPO and 2 months of our pre-IPO debt facility,
- net finance costs includes a €5.1 million upfront fee that was written off upon the repayment of the debt under the Senior Facility Agreement in July 2021,
- other financial expenses also contain a €1.6 million Senior Facility Agreement related to an early repayment condition.

Income tax expense

Tax expense amounts to €6 thousand (H1 2021: negative €0.8 million) and is a net off:

- Current tax expense of €2.2 million (H1 2021: €1.7 million) which relates to the Lithuanian part of the business only.
- Change in deferred tax which is positive €2.2 million (H1 2021: positive €0.9 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 Senior Facility Agreement in July 2021.

Profit for the period

		H1 2022, €m	H1 2021, €m
Operating profit		2.4	7.4
Adjustments:			
	Depreciation and amortisation	8.4	8.5
	Free share awards to employees	1.4	-
	IPO related fees	7.4	-
	Acquisition related costs	-	0.1
Adjusted EBITDA		**19.6**	**16.0**
Adjusted EBITDA margin %		**78.4%**	**78.3%**

Reported profitability in H1 2022 was significantly affected by one-off expenses relating to the IPO (including the free share awards).

Costs to EBITDA in H1 2022 were inflated by €8.8 million of costs arising from the IPO. Adjusting for this, EBITDA was 23% higher than a year ago at €19.6 million (H1 2021: 16.0 million) with adjusted EBITDA margin of 78.4% (H1 2021: 78.3%).

Other one-off costs, related to the debt rearranging, amounted in total to €5.4 million. This resulted in a loss for the period of €7.6 million (H1 2021: loss of €0.4 million). Accordingly EPS is negative and equals 1.6 euro cents per share (H1 2021: negative 0.1 euro cents per share).

Cash flow

Cash generated from operations increased by 36% to €20.9 million if we look at the cash generated from operations prior to IPO related fees payments (amounting to €5.7 million). Reported cash generated from operations was maintained at €15.2 million (H1 2021: €15.4 million).

Generated cash from operations was used to reduce the loan liability by partially paying down the debt in October 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 €7 million of the existing debt has been voluntarily repaid. Comparing to the end of FY 2021, net debt was reduced by €121.6 million to €77.8 million (as at 30 April 2021: €199.4 million) with leverage at 2.1x (as at 30 April 2021: 6.0x).

	31 October 2021, €m	**30 April 2021, €m**
Bank Loan principal amount	91.0	214.3
Customer credit balances	2.4	2.2
Total Debt	**93.4**	**216.5**
Cash	15.6	17.1
Net Debt	**77.8**	**199.4**
Adjusted EBITDA LTM	**36.6**	**33.0**
Leverage	**2.1x**	**6.0x**

Capital structure and dividends

As detailed at the IPO, after its first year as a public company, BCG intends to return one third of Adjusted Net Income (defined as the profit / (loss) for the period adjusted for the post-tax impact of the disclosed items affecting Adjusted EBITDA and the post-tax impact of the amortisation of intangibles arising from acquisitions) each year via an interim and final dividend, split approximately one third and two thirds, respectively.

As indicated at the IPO, the Board is not declaring an interim dividend for FY22, but intends to recommend a final dividend, with such dividend expected to be paid in the Autumn of 2022.

We may choose to fund future acquisitions in part or wholly using cash.

Once net debt is less than two times the Group's Adjusted EBITDA over the prior twelve months the Directors will discuss the use of share buybacks as an additional mechanism to return cash to shareholders.

Going concern

The Group generated significant cash from operations during the period. As at 31 October 2021 the Group had drawn none of the €10 million unsecured revolving credit facility ('RCF') and had cash balances of €15.6 million. The €10 million RCF is committed until July 2026. On the basis of facilities available and current financial projections for the next twelve months, including complying with covenants on the drawn third party debt, the Directors have concluded that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

Principal risks and uncertainties

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

The Board has considered the principal risks and uncertainties for the first half and the remaining half of the financial year and will be reporting on them more fully in the 2021-2022 Annual Report.

COVID-19

A prolonged recovery or new disruption from COVID-19 may impact the Group's growth in the future.

Competition

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

Laws & regulations

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

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

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

Technology

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

Major data breach. Cyber-attack or the Group's own failures, resulting in disabling of platform 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/profits. Data breaches, a common form of cyber-attack, can have a massive negative business impact and often arise from insufficiently protected data.

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

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

Succession risk

Loss of key executives may adversely affect perceptions of the Group and could result in a loss of "know how" and customer relationships (and competitors gaining it).

Emerging risks

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

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

Forward-looking statement

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

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

We confirm that to the best of our knowledge:

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

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

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

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

Justinas Šimkus	**Lina Mačienė**
Chief Executive Officer	**Chief Financial Officer**
14 December 2021	**14 December 2021**

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

	Notes	6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Revenue	4	25,004	20,417	42,268
Other income		4	1	7
Expenses	5	(22,658)	(13,006)	(26,565)
Operating profit		**2,350**	**7,412**	**15,710**
Finance income	6	119	1	2
Finance expenses	6	(10,113)	(7,027)	(13,935)
Net finance costs		**(9,994)**	**(7,026)**	**(13,933)**
Profit / (loss) before tax		**(7,644)**	**386**	**1,777**
Income tax expense	7	6	(810)	(1,870)
Profit / (loss) for the period		**(7,638)**	**(424)**	**(93)**
Other comprehensive income/(loss)		-	-	-
Total comprehensive income/(loss) for the year		**(7,638)**	**(424)**	**(93)**
Attributable to:				
Owners of the Company		**(7,638)**	**(424)**	**(93)**
Earnings / (loss) per share (€ cents)				
Basic and diluted	8	(1.60)	(0.10)	(0.02)

Condensed Consolidated Interim Statement of Financial Position

	Notes	31 October 2021 (€ thousands)	31 October 2020 (€ thousands)	30 April 2021 (€ thousands)
Assets				
Property, plant and equipment		314	268	211
Intangible assets and goodwill	9	408,715	425,274	416,909
Right-of-use assets		567	926	761
Other non-current receivables		-	7	-
Non-current assets		**409,596**	**426,475**	**417,881**
Trade and other receivables	10	3,197	2,729	2,571
Prepayments		274	51	46
Cash and cash equivalents		15,627	17,351	17,115
Current assets		**19,098**	**20,131**	**19,732**
Total Assets		**428,694**	**446,606**	**437,613**
Equity				
Share capital	11	5,822	506,452	506,509
Share premium		-	-	-
Capital reorganisation reserve	11	(286,904)	(287,033)	(287,033)
Other reserves		-	27	27
Retained earnings	11	601,430	(11,560)	(11,229)
Total equity		**320,348**	**207,886**	**208,274**
Loans and borrowings	12	89,750	195,018	210,413
Deferred tax liabilities		6,700	9,631	8,901
Non-current liabilities		**96,450**	**204,649**	**219,314**
Current tax liabilities		1,200	872	1,293
Loans and borrowings	12	439	2,827	2,713
Payroll related liabilities		796	604	770
Trade and other payables	13	6,865	28,007	3,601
Contract liabilities		2,596	1,761	1,648
Current liabilities		**11,896**	**34,071**	**10,025**
Total liabilities		**108,346**	**238,720**	**229,339**
Total equity and liabilities		**428,694**	**446,606**	**437,613**

Condensed Consolidated Interim Statement of Changes in Equity

	Note	Share Capital (€ thousands)	Share premium (€ 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**
Profit / (loss) for the period		-	-	-	-	(424)	**(424)**
Other comprehensive income		-	-	-	-	-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**(424)**	**(424)**
Transfer to reserves		**-**	**-**	-	27	(27)	**-**
Balance at 31 October 2020		**506,452**	**-**	**(287,033)**	**27**	**(11,560)**	**207,886**
Balance at 1 May 2020	**11**	**506,452**	**-**	**(287,033)**	**-**	**(11,109)**	**208,310**
Profit / (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**
Balance at 1 May 2021		**506,509**	**-**	**(287,033)**	**27**	**(11,229)**	**208,274**
Profit / (loss) for the period		**-**	**-**	**-**	**-**	**(7,638)**	**(7,638)**
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**(7,638)**	**(7,638)**
Transactions with owners:							
Group restructure and IPO	11	75,265	43,155	129	(27)	-	**118,521**
Transfer arising from capital reduction	11	(575,957)	(43,155)	-	-	619,112	**-**
Share issue post IPO	11	5	-	-	-	(5)	**-**
Share based payments	16	-	-	-	-	1,190	**1,190**
Balance at 31 October 2021		**5,822**	**-**	**(286,904)**	**-**	**601,430**	**320,348**

Condensed Consolidated Interim Statement of Cash Flows

	Notes	6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Cash flows from operating activities				
Profit (loss) for the period		(7,638)	(424)	(93)
Adjustments for:				
Depreciation and amortisation		8,440	8,475	16,966
Amortisation of up-front fee and borrowing costs	6	5,377	463	938
Impairment loss on trade receivables	10	14	(38)	23
(Profit) / Loss on property, plant and equipment disposals		41	1	20
Taxation	7	(6)	811	1,870
Net finance costs	6	4,617	6,564	12,997
Share-based payments	16	1,190	-	-
Other non-cash items		88	-	-
Working capital adjustments:				
Decrease / (Increase) in trade and other receivables		(705)	(550)	(452)
Decrease / (Increase) in prepayments		(225)	124	158
(Decrease) / Increase in trade and other payables		3,011	(532)	252
(Decrease) / Increase in contract liabilities		948	459	387
Cash generated from operating activities		15,152	15,353	33,066
Corporate income tax paid		(2,288)	(2,052)	(3,420)
Interest and commitment fees paid		(8,128)	(6,486)	(12,950)
Net cash inflow from operating activities		**4,736**	**6,815**	**16,696**
Cash flows from investing activities				
Acquisition of intangible assets and property, plant and equipment		(196)	(63)	(78)
Proceeds from sale of property, plant and equipment		-	34	75
Acquisition of subsidiaries, net of cash acquired		-	-	(25,000)
Other investments		-	-	(11)
Net cash used in investing activities		**(196)**	**(29)**	**(25,014)**
Cash flows from financing activities				
Proceeds from issuance of share capital	11	121,339	-	57
Proceeds from loans and borrowings	12	96,650	-	15,000
Repayment of loans and borrowings	12	(221,295)	(10,000)	(10,000)
Payment of lease liabilities		(153)	(150)	(339)
Share issue related expenses	11	(2,569)	-	-
Net cash from financing activities		**(6,028)**	**(10,150)**	**4,718**
Net decrease in cash and cash equivalents		(1,488)	(3,364)	(3,600)
Cash and cash equivalents at the beginning of the year		17,115	20,715	20,715
Cash and cash equivalents at the end of the year		**15,627**	**17,351**	**17,115**

1. General information

Baltic Classifieds Group PLC (the "Company") is a Company incorporated in the United Kingdom and its registered office is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH (Company no. 13357598). The condensed consolidated interim financial statements as at and for the six months ended 31 October 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal business of the Group is operating leading online classifieds portals for automotive, real estate, jobs and services, and general merchandise in the Baltics.

2. Principles of preparation of condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared as at, and for the six months ended 31 October 2021. These condensed consolidated interim financial statements, which have been reviewed and not audited, have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, "Interim Financial Reporting" as adopted for use in the UK. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the ANTLER MidCo S.à r.l. Group as at and for the year ended 30 April 2021 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the EU.

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.

These are the first set of condensed consolidated interim financial statements of the Company. 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., ANTLER Management S.A. 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. and ANTLER Management S.A.

The comparative financial information for the period ended 31 October 2020 and 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 (unaudited), ANTLER PIKCo S.a r.l (unaudited) and the audited 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 these condensed consolidated interim 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-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. As ANTLER TopCo S.a.r.l have previously presented financial statements under UK adopted International Financial Reporting Standards, the Company does not consider itself to be a first time adopter of UK adopted International Financial Reporting Standards.

The audited consolidated financial statements of ANTLER MidCo S.a.r.l 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 this company has not yet prepared it first set of financial statements.

Use of estimates and judgments

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

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to ANTLER MidCo S.à r.l consolidated financial statements for the year ended 30 April 2021, as available in the Historic Financial Information (HFI) report within the Prospectus, except for a new area of share-based payments.

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 16).

Going concern

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

The Group meets its day-to-day working capital requirements from cash balances, if needed the Group also has access to a revolving credit facility that amounts to €10m and is available until July 2026. As at 31 October 2021 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 had cash balances of €15.6m at the half year end.

When assessing the going concern of the group, the directors have reviewed the year-to-date financial actuals. During the 6 months ended 31 October 2021 the Group has incurred a loss of €7.6m however this was mainly a result of one-off IPO and Free Share Awards related expenses (Note 5). The Directors also reviewed detailed financial forecasts for the period ending 12 months from the date of approval of these condensed consolidated interim financial statements. The assumptions used in the financial forecasts are based on the Group's historical performance and the Directors' experience of the industry. The forecasts have been stress tested taking into consideration the impact of COVID-19 on the wider economic environment.

The stress testing takes into account the potential impacts from the continued uncertainty of COVID-19 and reflects the actual trading experience of the last 12 months. The Directors considered a severe but plausible downside scenario where the Group's revenue would stay flat and even with this trend a positive liquidity and covenants headroom is maintained during the 12 months after signing the half year report. The stress testing indicates that, the Group will comply with its debt covenants and have sufficient funds, to meet its liabilities as they fall due for the assessment period.

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

Changes in accounting policies

The accounting policies applied in these condensed consolidated interim 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.

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:

- 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.
- 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 12).
- Adjusted expenses is defined as expenses for the period adjusted for costs related to depreciation and amortisation, acquisitions and disposals in the period, and one-off costs that do not reflect the underlying operations of the business, such as IPO costs.

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

Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected total annual profit or loss.

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 BCG.

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 makes one operating segment, which also represents one reporting segment.

The revenue break-down is disclosed by primary geographical markets, key revenue streams and revenue by business lines in accordance with IFRS 15 in Note 4.

4. Revenue

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

Primary geographic markets	**6 months ended 31 October 2021** (€ thousands)	**6 months ended 31 October 2020** (€ thousands)	**Year ended 30 April 2021** (€ thousands)
Lithuania	17,129	13,369	27,915
Estonia	7,294	6,549	13,332
Latvia	581	499	1,021
Total	**25,004**	**20,417**	**42,268**

Key revenue streams		**6 months ended 31 October 2021** (€ thousands)	**6 months ended 31 October 2020** (€ thousands)	**Year ended 30 April 2021** (€ thousands)
Advertising revenue		1,927	1,821	3,661
Listings revenue		21,313	16,876	35,091
- Listings revenue: B2C		*11,774*	*8,453*	*18,187*
- Listings revenue: C2C		*9,539*	*8,423*	*16,904*
Ancillary revenue	(a)	1,764	1,720	3,516
Total		**25,004**	**20,417**	**42,268**

Revenue by business lines	**6 months ended 31 October 2021** (€ thousands)	**6 months ended 31 October 2020** (€ thousands)	**Year ended 30 April 2021** (€ thousands)
Automotive	**9,016**	**8,430**	**16,822**
- Advertising revenue	560	544	1,111
- Listings revenue: B2C	3,535	3,259	6,629
- Listings revenue: C2C	3,291	3,041	5,847
- Ancillary revenue	1,630	1,586	3,235
Real Estate	**6,181**	**5,160**	**10,655**
- Advertising revenue	1,009	893	1,782
- Listings revenue: B2C	3,326	2,839	6,051
- Listings revenue: C2C	1,817	1,404	2,778
- Ancillary revenue	29	24	44
Generalist	**5,110**	**4,619**	**9,798**
- Advertising revenue	354	382	763
- Listings revenue: B2C	590	467	1,218
- Listings revenue: C2C	4,062	3,663	7,587
- Ancillary revenue	104	107	230
Jobs & Services	**4,697**	**2,208**	**4,993**
- Advertising revenue	4	3	5
- Listings revenue: B2C	4,322	1,888	4,289
- Listings revenue: C2C	370	314	692
- Ancillary revenue	1	3	7
Total	**25,004**	**20,417**	**42,268**

(a) Ancillary revenue includes revenue from financial intermediation, subscription services, and other. Financial intermediation revenue accounts for 94% of the total ancillary revenue for the 6 months ending 31 October 2021, 85% of the total ancillary revenue for the 6 months ending 31 October 2020 and 85% of the total ancillary revenue for the year ending 30 April 2021.

5. Operating profit

		6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Operating profit is after charging the following:				
Labour costs	(a)	(4,863)	(2,942)	(6,047)
Depreciation and amortisation		(8,440)	(8,505)	(16,966)
Advertising and marketing services		(370)	(325)	(756)
IT expenses		(365)	(269)	(546)
Impairment (loss) / reversal on trade receivables and contract assets		(14)	38	(23)
Other	(b)	(8,606)	(1,003)	(2,227)
		(22,658)	**(13,006)**	**(26,565)**

(a) For the 6 months ended 31 October 2021 labour costs include €1,394 thousand free share awards related expenses (Note 16). For the 6 months ended 31 October 2021 and for the year ended 30 April 2021 labour costs include €36 thousand of Auto24 acquisition related expenses.
(b) Other expenses include a and b from the table below.

Operating profit reconciliation with the Adjusted EBITDA

		6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Operating profit		**2,350**	**7,412**	**15,710**
Depreciation and amortisation		8,440	8,505	16,966
EBITDA		**10,790**	**15,917**	**32,676**
Acquisition related costs	(a)	-	75	75
IPO related costs	(b)	7,412	-	256
Free share awards	(c)	1,394	-	-
Adjusted EBITDA		**19,596**	**15,992**	**33,007**
Adjusted EBITDA margin		**78.4%**	**78.3%**	**78.1%**

(a) Fees and costs incurred in relation to the acquisition of eight legal entities including Auto24.ee.
(b) Fees and costs incurred in relation to the Initial Public Offering (IPO).
(c) Costs related to Free Share Awards to employees of the Group (Note 16).

6. Net finance costs

		6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Other financial income		119	1	2
Total finance income		**119**	**1**	**2**
Interest expenses	(a)	(8,322)	(6,740)	(13,396)
Commitment and agency fees		(74)	(272)	(497)
Other financial expenses	(b)	(1,707)	(2)	(16)
Interest unwind on lease liabilities		(10)	(13)	(26)
Total finance expenses		**(10,113)**	**(7,027)**	**(13,935)**
Net finance costs recognised in profit or loss		**(9,994)**	**(7,026)**	**(13,933)**

(a) Interest expense for the 6 months ended 31 October 2021 contains €5,075 thousand of upfront fee that was written off upon the repayment of Senior Facility Agreement in July 2021.

(b) Other financial expenses for the 6 months ended 31 October 2021 contain €1,618 thousand of Senior Facility Agreement related early repayment penalty.

7. Income taxes

		6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Current tax expense				
Current year		(2,195)	(1,729)	(3,519)
Deferred tax expense				
Change in deferred tax	(a)	2,201	919	1,649
Tax expense		**6**	**(810)**	**(1,870)**

(a) Change in deferred tax for the 6 months ended 31 October 2021 contains €1,266 thousand of deferred tax liability related to the upfront fee that was written off upon the repayment of Senior Facility Agreement in July 2021.

8. Earnings per share

	6 months ended 31 October 2021 (€ thousands)	6 months ended 31 October 2020 (€ thousands)	Year ended 30 April 2021 (€ thousands)
Weighted average number of shares outstanding	477,159,409	435,265,078	435,265,078
Profit (loss) attributable to owners of the Company	(7,638)	(424)	(93)
	(€ cents)	(€ cents)	(€ cents)
Basic and diluted earnings per share	**(1.60)**	**(0.10)**	**(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.

Although the Group started operating a Performance Share Plan (Note 16), for the 6 months ended 31 October 2021 the potential ordinary shares are not treated as dilutive as their conversion to ordinary shares would not decrease earnings per share or increase loss per share. There were no dilutive instruments during the 6 months ended 31 October 2020 and the year ended 30 April 2021.

9. Intangible assets and goodwill

	Goodwill (€ thousands)	Trade-marks and domains (€ thousands)	Relationship with clients (€ thousands)	Other intangible assets (€ thousands)	Total (€ thousands)
Cost					
Balance at 1 May 2020	**328,732**	**63,317**	**50,710**	**1,535**	**444,294**
Disposals	-	-	-	-	-
Balance at 31 October 2020	**328,732**	**63,317**	**50,710**	**1,535**	**444,294**
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**
Additions	-	-	-	14	**14**
Balance at 31 October 2021	**328,732**	**63,220**	**50,710**	**1,361**	**444,023**
Accumulated amortisation and impairment losses					
Balance at 1 May 2020	**-**	**4,375**	**6,308**	**94**	**10,777**
Amortisation	-	3,167	4,912	164	**8,243**
Balance at 31 October 2020	**-**	**7,542**	**11,220**	**258**	**19,020**
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	-	3,163	4,912	133	**8,208**
Balance at 31 October 2021	**-**	**13,856**	**21,044**	**408**	**35,308**
Carrying amounts					
Balance at 1 May 2020	**328,732**	**58,942**	**44,402**	**1,441**	**433,517**
Balance at 31 October 2020	**328,732**	**55,775**	**39,490**	**1,277**	**425,274**
Balance at 30 April 2021	**328,732**	**52,527**	**34,578**	**1,072**	**416,909**
Balance at 31 October 2021	**328,732**	**49,364**	**29,666**	**953**	**408,715**

10. Trade and other receivables

	31 October 2021 (€ thousands)	31 October 2020 (€ thousands)	30 April 2021 (€ thousands)
Trade receivables	3,070	2,727	2,524
Expected credit loss (-) on trade receivables	(93)	(69)	(84)
Other short term receivables	220	47	131
Loan receivable	-	24	-
Total	**3,197**	**2,729**	**2,571**

Trade and other receivables (except for loan receivables) are non-interest bearing. The Group has recognised impairment losses in the amount of €93 thousand as at 31 October 2021 (€69 thousand as at 31 October 2020 and €84 thousand as at 30 April 2021). Change in impairment losses for trade receivables for financial period amounted to €14 thousand as at 31 October 2021, €38 thousand reversal as at 31 October 2020 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 2021	**435,265,079**	**506,509**	**-**
Group restructure:			
- Redeemable preference share redeemed	-	(57)	-
- Share issue for IPO	64,734,921	75,322	48,960
- Share issue related transaction costs	-	-	(5,805)
Nominal value of ordinary shares reduced and share premium cancelled to create distributable reserves	-	(575,956)	(43,155)
Shares issued to satisfy Free share awards (Note 16)	392,405	4	-
Balance as at 31 October 2021	**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 €5,805 thousand were set against the share premium that arose during the listing.

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 (€0.012). This created a total of €619,111 thousand in distributable reserves.

On 19 October 2021 BCG issued 392 405 shares with a value of £0.01 (€0.012) each to be gifted, on an unrestricted basis, to all employees other than the executive directors and 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.

12. Loans and borrowings

Non-current liabilities		**31 October 2021** (€ thousands)	**31 October 2020** (€ thousands)	**30 April 2021** (€ thousands)
Bank loan	(a)	89,514	194,511	210,051
Lease liabilities		236	507	362
		89,750	**195,018**	**210,413**

Current liabilities		**31 October 2021** (€ thousands)	**31 October 2020** (€ thousands)	**30 April 2021** (€ thousands)
Bank loan	(a)	197	2,513	2,412
Lease liabilities		242	314	301
		439	**2,827**	**2,713**

(a) Bank loan:

	Period end	**Maturity**	**Loan currency**	**Effective interest rate**	**Amount*** (€ thousands)
Bank Loan	31 October 2020	2026 July	€	6.13%	193,578
Bank Loan	30 April 2021	2026 July	€	6.08%	209,052
Bank Loan	31 October 2021	2026 July	€	2.04%	89,109

* Excluding interest payable.

As at 31 October 2020 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). The revolving credit facility (€10,000 thousand) was undrawn as it was repaid in July 2020. As at 31 October 2020 the total undrawn facilities amounted to €36,090 thousand, including the revolving credit facility of €10,000 thousand.

As at 30 April 2021, in addition to the balances listed as at 31 October 2020, the loan comprised additional facility B2 (€15,385 thousand). As at 30 April 2021 the total undrawn facilities amounted to €20,705 thousand, including the revolving credit facility of €10,000 thousand.

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 penalty that amounted to €1,618 thousand (included within other financial expenses for the 6 months ended 31 October 2021). The Group also wrote off a capitalized upfront fee that amounted to €5,075 thousand (included within interest expenses for the 6 months ended 31 October 2021) and a related deferred tax liability that amounted to €1,266 thousand (included within deferred tax expenses for the 6 months ended 31 October 2021).

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

The loan agreement prescribes a Total Leverage Ratio covenant. Total Leverage Ratio means the ratio of Consolidated Net Indebtedness to Consolidated EBITDA (as defined in the loan agreement) and shall not exceed 5.50:1. As at 31 October 2021 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			
- Repayment of borrowings	(10,000)	-	(10,000)
- Payment of lease liabilities	-	(150)	(150)
Total changes from financing cash flows	**(10,000)**	**(150)**	**(10,150)**
Other liability related changes			
- New leases	-	153	153
- Interest expenses	6,753	13	6,766
- Interest paid	(6,210)	(13)	(6,223)
Total other liability related changes	543	153	696
Balance as at 31 October 2020	**197,024**	**821**	**197,845**

	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**

	Borrowings (€ thousands)	Lease liabilities (€ thousands)	Total (€ thousands)
Balance as at 1 May 2021	**212,463**	**663**	**213,126**
Changes from financing cash flows			
- Proceeds from loans and borrowings	96,650	-	96,650
- Repayment of borrowings	(221,295)	-	(221,295)
- Payment of lease liabilities	-	(153)	(153)
Total changes from financing cash flows	**(124,645)**	**(153)**	**(124,798)**
Other liability related changes			
- New leases	-	25	25
- Lease disposal	-	(57)	(57)
- Capitalised borrowing costs	(675)	-	(675)
- Capitalised borrowing costs write off	5,075	-	5,075
- Interest expenses	3,247	10	3,257
- Interest paid	(5,755)	(10)	(5,765)
Total other liability related changes	1,892	(32)	1,860
Balance as at 31 October 2021	**89,711**	**478**	**90,189**

13. Trade and other payables

		31 October 2021 (€ thousands)	31 October 2020 (€ thousands)	30 April 2021 (€ thousands)
Trade payables		1,486	245	322
Accrued expenses		740	106	203
Other tax		2,208	812	849
Contingent consideration related acquisitions	(a)	-	25,000	-
Customer credit balances		2,418	1,823	2,210
Other payables		13	21	17
		6,865	**28,007**	**3,601**

(a) The contingent consideration is based on the Baltic Classifieds Group OÜ share purchase agreement terms where the Group had agreed to pay the selling shareholders (Up Invest OÜ) additional consideration of €25,000 thousand, dependent on whether there would be any negative effects (such as restrictions on service provision) on BCG after investigation by the Competition Council in Lithuania. The share purchase agreement included a clause stating that in the case of no negative effects, the full amount would be payable. In the case of any negative effects, the contingent consideration would have been decreased by such a negative effect.

The management fair valued the contingent consideration as at 31 October 2020 and determined the fair value to be €25,000 thousand. There had been no material change in the fair value given the short period since its initial recognition and no significant changes in the underlying assumptions.

The contingent consideration was paid out to the selling shareholders in full in February 2021 as 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 on competition and closed the investigation.

14. Related party transactions

During the period ended 31 October 2021 the transactions with related parties outside the consolidated Group included:

- remuneration of key management personnel (Note 15), including share option awards under the PSP scheme (Note 16);
- before the IPO a part of ANTLER Management S.A. shares were acquired by a few key management personnel;
- share for share exchange transaction during the reorganisation for the IPO (Note 11) where a few key management personnel exchanged the shares they held in ANTLER Management S.A. for the like-for-like amount of shares in Baltic Classifieds Group PLC.

During the 6-month period ended 31 October 2020 and the financial 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 15).

15. Remuneration of key management personnel and other payments

Key management personnel comprises 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 €438 thousand for the period ended 31 October 2021, €236 thousand for the period ended 31 October 2020 and €560 thousand for the period ended 30 April 2021.

During the period ended 31 October 2021 the Executive Directors of the Group were granted a set number of share options under the PSP scheme. See Note 16 for further detail.

During the period ended 31 October 2021, 31 October 2020 and 30 April 2021, key management personnel of the Group did not receive any loans, guarantees, and no other payments or property transfers occurred.

16. 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 €222 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.

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.

	31 October 2021 (number)	**31 October 2020** (number)	**30 April 2021** (number)
Outstanding at beginning of period	-	-	-
Options granted in the period	1,041,475	-	-
Options exercised in the period	-	-	-
Options forfeited in the period	-	-	-
Outstanding at period ending	**1,041,475**	**-**	**-**

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 €426 thousand.

Executive Directors and the senior management team did not receive free shares under this arrangement.

17. Enquiries by the Competition Authorities

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.

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.

INDEPENDENT REVIEW REPORT TO BALTIC CLASSIFIEDS GROUP PLC

Conclusion

We have been engaged by the company to review the condensed consolidated interim financial statements in the half year results for the six months ended 31 October 2021 which comprises the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Changes in Equity, Condensed Consolidated Interim Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the half year results for the six months ended 31 October 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half year results and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As this is the first time that the company has prepared half year results containing condensed consolidated interim financial statements, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 31 October 2020.

Directors' responsibilities

The half year results are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the half year results in accordance with the DTR of the UK FCA.

As disclosed in note 2, the latest annual financial statements of the ANTLER MidCo S.à.r.l. Group were prepared in accordance with International Financial Reporting Standards as adopted by the EU and the first set of annual consolidated financial statements of Baltic Classifieds Group PLC will be prepared in accordance with UK-adopted international accounting standards. The directors are responsible for preparing the condensed consolidated interim financial statements included in the half year results in accordance with IAS 34 as adopted for use in the UK.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the half year results based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Kate Teal

for and on behalf of KPMG LLP

Chartered Accountants

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Bristol

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14 December 2021