BCG BALTIC CLASSIFIEDS GROUP

Baltic Classifieds Group PLC

Annual Report and Accounts 2023

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Strategic Highlights

The Group's objective is to provide trusted marketplaces to connect sellers and buyers across the Baltic region through "easy-to-use" and "feature-rich" portals that result in an efficient transaction experience for all parties.

We believe the Group achieves this with its portfolio of leading brands, individually strong market positions and generally scalable business model.

We aim to continue to deliver profitable growth by further monetising our portfolio of leading online classifieds portals through systematic price increases of our core classifieds products, supported by a strong value proposition and new features and products (including listings promotions), the development of ancillary services and selective bolt-on acquisitions and in-market consolidation in the Group's existing markets and beyond.

Financial highlights

Revenue +19%
2023: €60.8m
2022: €51.0m
2021: €42.3m

Operating profit +113%
2023: €29.1m
2022: €13.6m
2021: €15.7m

Adjusted Operating profit[1] +17%
2023: €45.3m
2022: €38.5m
2021: €32.2m

EBITDA[1] +17%
2023: €46.0m
2022: Adjusted EBITDA[1] €39.3m
2021: Adjusted EBITDA[1] €33.0m

EBITDA margin[1] 76%
2023: 76%
2022: Adjusted EBITDA margin[1] 77%
2021: Adjusted EBITDA margin[1] 78%

Basic EPS 4.7€ cents
2023: 4.7 € cents
2022: 0.22 € cents[2]
2021: (0.02) € cents

Adjusted basic EPS[1] 7.7€ cents
2023: 7.7 € cents
2022: 6.4 € cents
2021: 3.4 € cents

Cash generated from operating activities +41%
2023: €48.0m
2022: €34.1m
2021: €33.1m

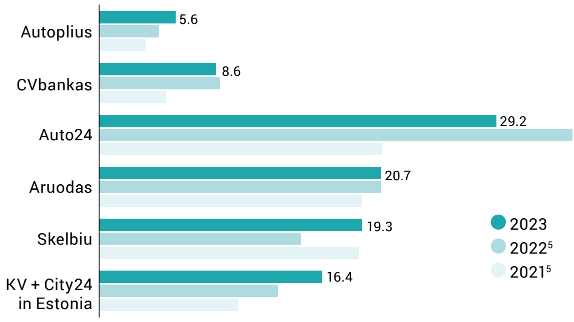
Cash conversion[1] 99%
2023: 99%
2022: 99%
2021: 100%

Operational highlights

Leverage[3] 1.0x
2023: 1.0x
2022: 1.7x
2021: 6.0x

Traffic[4] 61.9m
2023: 61.9m
2022: 65.1m
2021: 69.2m

Lead vs closest competitor



Cultural highlights

Total CO_2 emissions decrease by 45%
2023: 100
2022: 183
the total amount of CO_2 emissions includes Scope 1 and Scope 2 (market-based), tonnes of carbon dioxide equivalent

Employee engagement more than 95%
% of employees who are proud to be part of the BCG team

Gender diversity 51% : 49%
2023: 51%:49%
2022: 51%:49%
2021: 49%:51%
female : male, as at 30 April each year

[1] Alternative performance measure (see Note 5 to the consolidated financial statements on pages 118 to 119).
[2] Restated, see note 3 to the consolidated financial statements on pages 109 to 110 for further details.
[3] See note 5 to the consolidated financial statements.
[4] Note: there were changes in the cookie consent policy (general obligation to consent with all cookies that are not strictly necessary for website operation) and internet browsers policy of more strict control of 3rd party cookies on websites. Both mentioned reasons result in loss of data collected by web analytics services like Google Analytics.
[5] Historical data was updated after Similarweb released an improved Mobile Web algorithm and rerun historical data last August.

The Group's six strategic priorities are listed below:

1. Drive monetisation of core services

The Group is considered to be at an early monetisation stage. The primary growth driver and focus of the Group is to drive increased monetisation of its core services, by increasing average revenue per B2C lister and average revenue from each C2C lister. Increased monetisation can take different forms, including pricing actions and product and packaging development (including listing promotions) enabling upsell and cross-sell.

How we measure progress

- Revenue
- C2C yield[1]
- B2C ARPU

2023 progress

We ended our year 2023[2] with the highest ever yearly revenue in all four business units, exceeding the guidance of c.15% growth for the Group. Group's revenue grew 19% to €60.8 million (2022: €51.0 million).

It was a very healthy growth from all four business lines, underpinned by strength in the core business. The growth came from B2C and C2C which are the core revenue streams and together represent almost 90% of BCG revenue. B2C and C2C revenue grew 21% and 25% respectively.

Before the start of the period reported on, we increased the yield from C2C ads across all of our business units and ended this year with the following growth in yield:

+7%	+14%	+51%	+14%
in Auto[3]	in Real Estate	in Services[4]	in Generalist[5]

Improvements to our products and packages for B2C customers towards the end of the first half of the period reported supported price increases in our Auto, Real Estate and Jobs & Services business lines and contributed to revenue in the second half of the year. Monthly average revenue per user ("ARPU"[6]) has grown:

+30%	+22%	+17%
in Auto	in Real Estate	in Jobs[7]

Associated risks

- Geopolitical risk
- Risk of disruption to our customer and / or supplier operations
- Competition risk
- Laws & regulations risk
- Technology risks

2. Drive more listings and traffic across the Group's portals

The Group will continue to leverage the existing strong market positions of its portals, high brand recognition and traffic to drive more listings and focus across its portals. As more listings are added, consumer audience traffic is expected to increase, and the more traffic increases, the more attractive the portals are, which again attracts more listings. These network effects are expected to continue to support more revenue growth through an increased income from listing fees, subscription fees and other revenue sources.

How we measure progress

- Audience lead versus closest competitor
- Traffic to our sites

2023 progress

During the last years, all our leading sites have either increased or maintained their significant audience lead[8] over the closest competitor. Leadership position in times has remained very strong.

During 2023, the Group's portals were visited on average 61.9[9] million times a month (Source: Google Analytics). During the year 2022, it was 65.1 million monthly visits on average.

Associated risks

- Geopolitical risk
- Risk of disruption to our customer and / or supplier operations
- Competition risk
- Laws & regulations risk

[1] "Yield" refers to the change in average monthly revenue per active (Auto or Real Estate) or listed (Generalist) C2C listing.
[2] "2023" means the financial year (12 months) ended 30 April 2023, "2022" means the financial year ended 30 April 2022, "2021" means the financial year ended 30 April 2021.
[3-7] See Financial review section.
[8] Audience lead. 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.
[9] Note: there were changes in the cookie consent policy (general obligation to consent with all cookies that are not strictly necessary for website operation) and internet browsers policy of more strict control of 3rd party cookies on websites. Both mentioned reasons result in loss of data collected by web analytics services like Google Analytics.

3. Grow ancillary revenue through existing and new partnerships

In addition to increasing monetisation of the core classifieds services, the Group aims to grow revenue by offering ancillary products and services, with the overall objective of enhancing the transaction journey of consumers and listers in the Baltic markets.

How we measure progress

- Developments
- Innovations
- Partnerships

2023 progress

Auto: In Lithuania we have a new strategic partner for our private label car financing offering, also improved our offering by introducing two more business packages providing more choice to the advertisers.

In Estonia we have also introduced a new B2C package and ad activation limit to improve both the customer experience and monetisation.

Real Estate: We introduced a fourth B2C package targeting premium real estate agents. We also made authentication of our business clients mandatory to improve content quality and customer experience.

We have also further developed a virtual telephone numbers service for C2C customers in Lithuania as virtual numbers strongly contribute to the personal data privacy and marketing of the service.

Jobs & Services: We have introduced a salary estimating tool which now provides comprehensive salary statistics for over 100 popular job positions across different cities in Lithuania.

On our newly acquired Services marketplace GetaPro in Latvia, we implemented a subscription based monetisation model which we also apply in Services portal Paslaugos in Lithuania.

Generalist: On our biggest generalist in Lithuania, in automotive and real estate categories we implemented value-based pricing.

We have also implemented upgrades in relation to fraud prevention by introducing a two-factor authentication for the advertisers.

→ More details in our Operational Review (pages 24 to 25).

Associated risks

- Competition risk
- Technology risks

4. Continuously improve the Group's scalability and maintain high levels of operational efficiency while making necessary investments

While the Group already demonstrates high operating leverage, operational and cost efficiency, it is committed to continue optimising costs and maintaining high cash conversion. However, the commitment to a lean and efficient organisation does not prevent the Group from making strategic investments, for example in technology, to maintain its market-leading position and strong value proposition for listers and consumers, and to support the sustainability of a growing organisation. The Group has a robust process of assessing business areas requiring further investments, and a streamlined approach to implementing internal change, with recent examples including the increased investment in the technology team and additional security infrastructure.

How we measure progress

- EBITDA[1] and margin, adjusted EBITDA[1] and margin
- Operating profit and adjusted operating profit[2]
- Cash generated from operating activities
- Cash conversion[3]
- Basic EPS and adjusted basic EPS[4]

2023 progress

We ended our year 2023 with the highest ever yearly profitability, exceeding the guidance.

This year there were no add-backs to our EBITDA. We compare this year's EBITDA to last year's adjusted EBITDA because both reflect core operating profit before D&A (95% of D&A is amortisation of acquired intangible assets) and in the last year's case also one-time IPO-related costs. Despite the still growing cost base relating to being a public listed company, this year our EBITDA grew 17% to €46.0 million (€39.3 million adjusted EBITDA in 2022).

We ended our year with 76% EBITDA margin (77% adjusted EBITDA margin in 2022).

Adjusted operating profit[5] grew 17% to €45.3 million (€38.5 million in 2022).

Reported operating profit more than doubled: we ended our year with €29.1 when last year it was €13.6 million, reflecting IPO related expenses.

Cash generated from operating activities, when adjusted for IPO fees in 2022, grew 18% - from €40.5 million in 2022 to €48.0 million in 2023. Reported cash generated from operating activities grew 41% from €34.1 million in 2022.

Cash conversion maintained at 99% (99% in 2022).

Basic EPS for 2023 was 4.7 € cents (2022: 0.2 € cents[6]).

Adjusted basic EPS[7] was 7.7 € cents (2022: 6.4 € cents).

Associated risks

- Geopolitical risk
- Risk of disruption to our customer and / or supplier operations
- Technology risks
- Laws & regulations risk

[1-5, 7] See note 5 to the consolidated financial statements.

[6] The Company has restated a 2022 deferred tax amount as set out in note 3 to the financial statements. The amount was a non-cash item and related to the IPO refinancing, therefore in 2022 we were adjusting our performance measures for this item to present the adjusted operating business profitability. Accordingly, the adjustment has no impact on the prior year consolidated net cash flow, normalised business profitability or consolidated statement of financial position. However, there is a €1.3 million reduction on 2022 accounting profit.

5. Pursue strategic opportunities through acquisitions

One of the capital policy priorities is to continue considering value-creating M&A opportunities.

The Group constantly evaluates its portfolio to optimise value creation and is continuing pursuit of attractive options for inorganic growth, particularly through bolt-on acquisitions and in-market consolidation within the Group's existing markets, and potentially new markets outside of the Baltics with a strong focus on similarly high-quality, market-leading businesses.

How we measure progress

- Filling in the "gaps" in the matrix of geographies and business lines

2023 progress

In July 2022 a Group subsidiary, SIA City24, acquired certain assets of SIA GetaPro ("GetaPro") as a business acquisition, paying €1.6 million for it.

GetaPro is a Services classifieds portal operating in Latvia and Estonia. We believe this acquisition will allow us to increase our presence in the Services classifieds market in the Baltics.

BCG also owns a Services vertical in Lithuania - Paslaugos. lt - which almost doubled during the year. Therefore, the acquisition of Services vertical GetaPro in Latvia and Estonia, marked a strategic expansion of the fastest growing segment into a new territory.

GetaPro business and strategy integration is progressing well - now applying best practices from our existing Services vertical in Lithuania.

Associated risks

- Acquisition risk

6. Promote circular economy and minimise our own impact on the environment

BCG is committed to being a responsible business and our priority is to protect our people and continue to protect the environment around us.

Climate change is treated as a Board-level governance issue. The ESG working group that was formed in 2022 evidences our commitment to ensuring as a business we keep progressing with our climate change agenda.

We are highly focused on providing a safe, happy, and supportive working environment and we are continuously looking for ways to improve internal communications to ensure our employees stay connected and feel engaged.

How we measure progress

- Total CO_2 emissions
- Employee engagement level
- Gender diversity

2023 progress

During 2023 we made progress in our net zero journey by setting clear targets that will help us minimise our impact on the environment. In addition to that, we submitted our near-term targets to the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C. We have already made steps towards our goal to become net zero:

- we reduced the total CO_2 emissions in direct operations by 45% and
- increased the portion of electricity used from renewable sources from 63% to 73%, while
- emission-free electricity was increased from 66% to 87%.

During the year we have conducted an employee engagement survey and were pleased that more than 95% of our employees answered YES to both questions

- "Do you feel proud to be part of the BCG team?" and
- "Would you recommend your friends to work here?"

We acknowledge the significance of gender diversity and take pride in concluding the year with a nearly equal female-to-male ratio of 51:49 (as of the end of 2022: 51:49).

Associated risks

- Climate change risk

Chair's Statement

I am delighted that our second year as a public company has built on the previous year and continues to prove that Baltic Classifieds Group is a highly profitable, high growth business that continually achieves and frequently exceeds the goals we set ourselves.

Trevor Mather
Chair

Overview

After our listing in the Premium Segment of the London Stock Exchange in July 2021, the most important thing we can do for the first few years of operating as a public company, is to develop a track record of delivering on our promises we made at IPO and the expectations we set at our results presentations. I am delighted that our second year as a public company has built on the previous year and continues to prove that Baltic Classifieds Group is a highly profitable, high growth business that continually achieves and frequently exceeds the goals we set ourselves. Even more so that the Company has done so in the face of almost unprecedented uncertain macroeconomic conditions.

The year can be characterised as relentlessly focusing on our core business. Ensuring that our lead over competing portals is maintained, or in many cases extended, by driving more listings and more traffic across each of the Group's portals. And by driving monetisation of our core services through a variety of pricing, packaging and product improvements.

This has enabled the Group to deliver its strongest ever financial results with the outlook that we set out in both our full and half year results being exceeded.

Employees

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 completed our first employee engagement survey this year and we believe this culture has led directly to over 95% of our employees saying they are proud to work at BCG. And that it directly leads to such a high average tenure of 8 years, which is remarkable in such a technology driven company.

We are proud of our employees and know the strength they bring to our organisation. On behalf of the Board, I want to thank all of our employees for their remarkable contribution and dedication this year, and for serving both our consumers and customers so well.

Board

On 17 May 2022, Jurgita Kirvaitienė joined the Board as an Independent Non-Executive Director and all of the Board Committees. Her 18 years of experience at PwC where she served on the Management Board in Lithuania and on other boards will bolster the finance and operational experience on the Board. With this appointment we have brought all our Committees into full compliance with the UK Corporate Governance Code 2018.

During the year, the Board participated in its first external Board Effectiveness Review, a process which, whilst identifying a number of improvements we will take action on, reinforced our belief that a small Board consisting of very diverse backgrounds but with a set of consistent values is the most effective for BCG. Accordingly, whilst we anticipate that we will add to the Board over the next year or two, we will do so in a very considered fashion with culture fit, diversity and succession timing at the top of the list of priorities.

Environmental, 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, Stakeholders and the environment around us. During the year we approved a 6th strategic aim for the company which is to "Promote circular economy and minimise our own impact on the environment". This strategic aim is very much at the heart of the work of the ESG working group.

During the year we submitted our near term targets to the Based Targets initiative (SBTi) Business Ambition for 1.5°C and reduced our total emissions from direct operations by 45%, exceeding the target required by the SBTi to reduce our emissions across Scope 1 and 2 by at least 42% by 2030. Our other near term targets involve making our company fleet ultra-low emission by 2028 and increasing the percentage of electricity derived from renewable sources to 80% by 2025 and 100% by 2030. We are also committed to achieving net zero by 2050.

Our charitable programme continues to evolve and we're pleased to have been able to donate €0.3 million since the beginning of invasion to go in some small part to support the struggle of the Ukraine and we have continued to develop a number of mechanisms through our portals to ease the pain for a Ukrainian refugee arriving in the Baltic regions.

Non-Executive Director Jurgita and myself sponsor the ESG working group that is the driver of ESG initiatives and a main tool for the Board to oversee progress in this area. The Board recognises that there is always more to do but we are unified in our approach to do so.

The Group has delivered its strongest ever financial results with the outlook that we set out in both our full and half year results being exceeded.

Trevor Mather
Chair

Returns to Shareholders and dividends

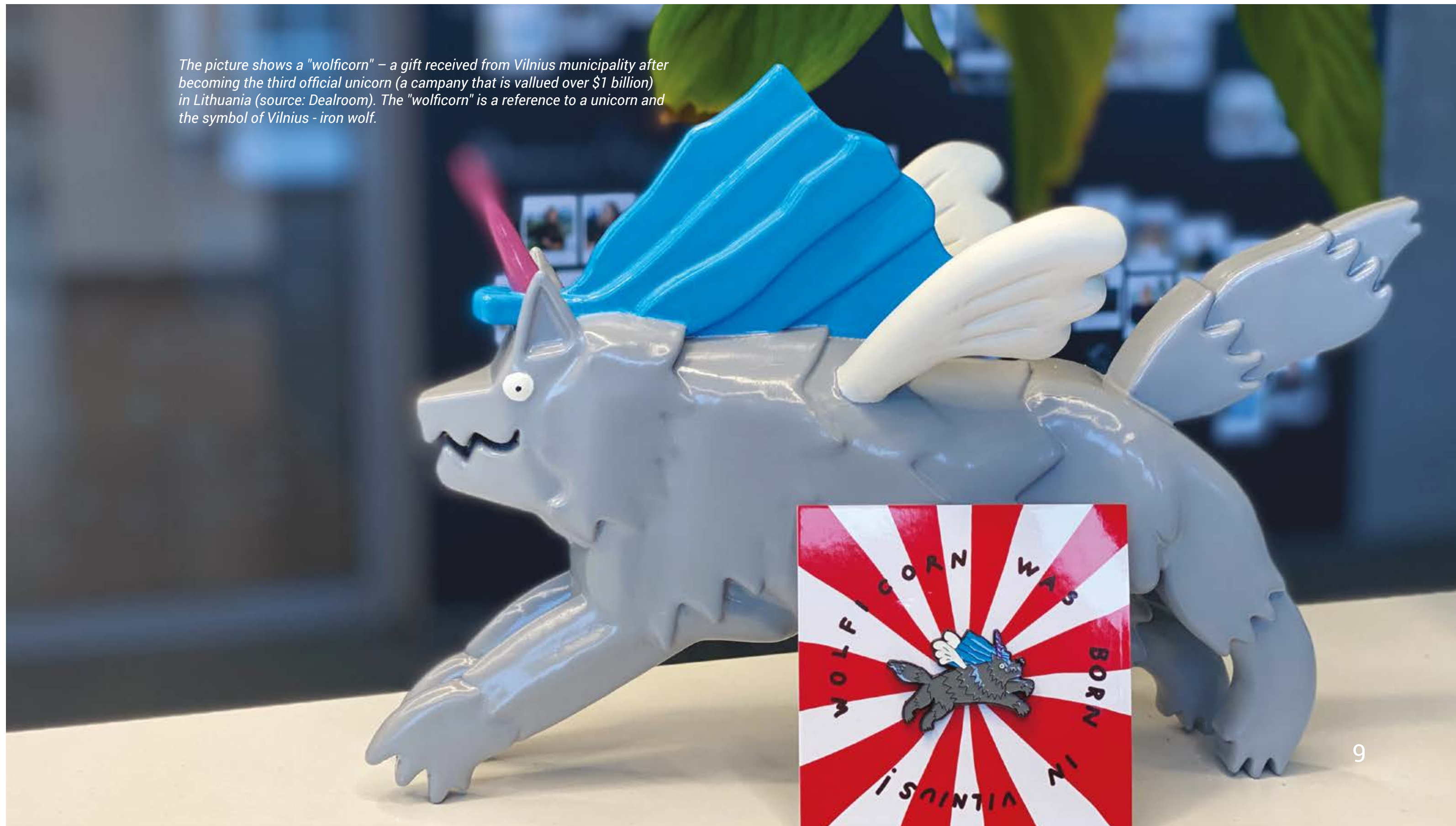
The Board is confident in our ability to continue our capital policy that we initiated at the start of this year, returning all of our surplus cash to shareholders, through a combination of paying dividends, reducing the gross debt and share buybacks.

I am delighted to report that the leverage of the Group has now dipped below 1.0x net leverage (2.75x leverage at IPO) demonstrating very high cash generation capability of the Company. This has been done despite making our first small acquisition after the IPO. As announced in the 2022 Annual Report, we initiated a share buy-back program during the year with the purpose of returning cash to Shareholders. We are recommending a final dividend of 1.7 € cents per share for 2023. The final dividend will be paid, subject to Shareholder approval, on 13 October 2023. More details on our capital policy can be found in the Financial review on page 23.

Looking ahead

I continue to be enormously impressed by the progress of BCG this year. We are still at a very early stage of our monetisation journey and have a long and wide runway for growth ahead. Whilst we are continually looking for appropriate acquisitions to add to the Group, we believe that by continuing to concentrate on the improvement and monetisation of our core services we will continue to grow both quickly and profitably.

Trevor Mather
Chair
28 June 2023



The picture shows a "wolficorn" – a gift received from Vilnius municipality after becoming the third official unicorn (a company that is valued over $1 billion) in Lithuania (source: Dealroom). The "wolficorn" is a reference to a unicorn and the symbol of Vilnius - iron wolf.

CEO's Statement

This has been yet another very successful year for BCG and a record year in terms of financial performance.

Justinas Šimkus
CEO

I was delighted to see that the strongest growth came from the core classifieds revenue streams of B2C and C2C which represent close to 90% of BCG revenue share. C2C performance is of particular note as it grew the most at +25% year on year supported by both volume and ARPA growth. We saw a recovery in C2C volumes due to normalised selling period as well as an extraordinary growth in Services. B2C growth was also very significant at +21% year on year, driven by Auto at +33% and Real Estate at +23% year on year.

During the year, we implemented successful pricing and packaging changes across all of our business units, in C2C and B2C. The excellent results achieved this year have provided ongoing momentum moving us into the next financial year.

- On average, a resident in the Baltics visits one of our sites 11 times every month.
- Our site leadership positions[1] are as strong as ever for all of our largest sites: Autoplius at 5.6x (4.4x in 2022), Auto24 at 29.2x (34.8x in 2022), Aruodas at 20.7x (20.7x in 2022), Skelbiu at 19.3x (14.8x in 2022), KV plus City24 in Estonia at 16.4x (13.1x in 2022) and CVBankas at 8.6x (8.9x in 2022).
- We have more automotive dealers (+3%) utilising our sites to advertise than ever before.
- The number of real estate brokers is stable and there are slightly fewer customers in Jobs, noting that last year was a record year (-4% but +42% compared with 2 years ago).
- In all business lines we saw more active C2C ads: in Auto +24%, Real Estate +14%, Services +24%. Listings on our Generalist platforms grew 4%.
- 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 units and in both the B2C and C2C segments.

Market context

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

- Supply chain issues are easing. The number of used car market transactions in the last 12 months was stable at 2% below last year level and 2% above the level two years ago. The average price per used car increased by 19% year on year while the speed of sales has normalised. This has resulted in a 13% increase in the number of days a vehicle is advertised, having tailwind for stock of vehicles on our sites.
- Real estate transactions number has declined year on year, mainly due to higher construction costs and low supply in the primary market. Most of our customers work with the secondary market and so the commission pool remained healthy.
- After an unprecedented growth last year, the employment market has been very active this year. Companies continue to face a substantial labour shortage. The number of employers using Cvbankas. It decreased by 4% from the peak when it grew 47% in 2022. Average salaries have grown by 13%, leading to companies increasing their investment in employee search and selection.
- More and more people are looking for services online which results in rapid Services verticals growth in our portfolio. We have 24% more service provider ads on our platforms and the yield grew by half.
- Continuous growth of eCommerce activities results in more and more transactions moving online. This has helped the growth of our Generalist platforms and ancillary products such as deliveries.

[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. Historical data was updated after Similarweb released an improved Mobile Web algorithm and rerun historical data last August.

STRATEGIC REPORT

In terms of the team motivation, the results of a recent employee engagement survey supported our view that the team's motivation is higher than ever. Over 95% of employees stated that they are proud to be part of BCG and would recommend BCG as a good place to work.

We are excited for what the next year will bring. We are looking forward to our monetisation concept changes for RE new development. Additionally, if the macro environment is right, we anticipate that our successes this year will repeat, including healthy growth of B2C and C2C both in terms of volumes and ARPU and continued strong growth in Services. With an engaged and highly experienced team, focusing on continuing to deliver outstanding products and services to our customers.

Justinas Šimkus
Chief Executive Officer
28 June 2023

Market Overview

Macroeconomic Overview

The Group operates in the Baltic region, with 69.7%, 28.3% and 2.0% of the Group's revenue for the financial year ended 30 April 2023 coming from Lithuania, Estonia, and Latvia, respectively.

As a reminder, the Baltics joined the European Union in May 2004 and the eurozone in January 2011 (Estonia), January 2014 (Latvia) and January 2015 (Lithuania), all adopting the euro as their currency. All three countries also joined NATO in 2004 and the OECD in 2010 (Estonia), 2016 (Latvia) and 2018 (Lithuania).

The region has a strong credit profile with some of the lowest gross public debt to GDP ratios in Europe, which averaged 38.4% in Lithuania, 18.4% in Estonia and 40.8% in Latvia in calendar year 2022, significantly below the Euro area average of 92% (source: Skandinaviska Enskilda Banken (SEB), May 2023).

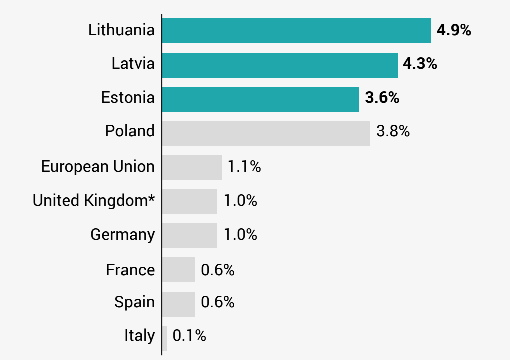
The Baltics have a total population of 5.8 million (Lithuania: 2.6 million, Estonia: 1.3 million and Latvia: 1.8 million (source: Wordometers, April 2023)) and a nominal aggregate gross domestic product ("GDP") of approximately €142.0 billion in calendar year 2022 (Lithuania: €66.8 billion, Estonia: €36.2 billion and Latvia: €39.1 billion (source: Eurostat).

The region's economy has demonstrated resilience and ability to grow since the global financial crisis of 2008, with real GDP per capita growing at a compound annual growth rate ("CAGR") of 4.9% in Lithuania, 3.6% in Estonia and 4.3% in Latvia in the period from 2000 to 2022, compared to 1.1% European Union (source: Eurostat).

The Baltic economies continue to demonstrate impressive resilience to multiple adverse shocks that either happened recently or are still happening: COVID-19 pandemics, Russian invasion of Ukraine, energy and food price shocks, high inflation and rising interest rates.

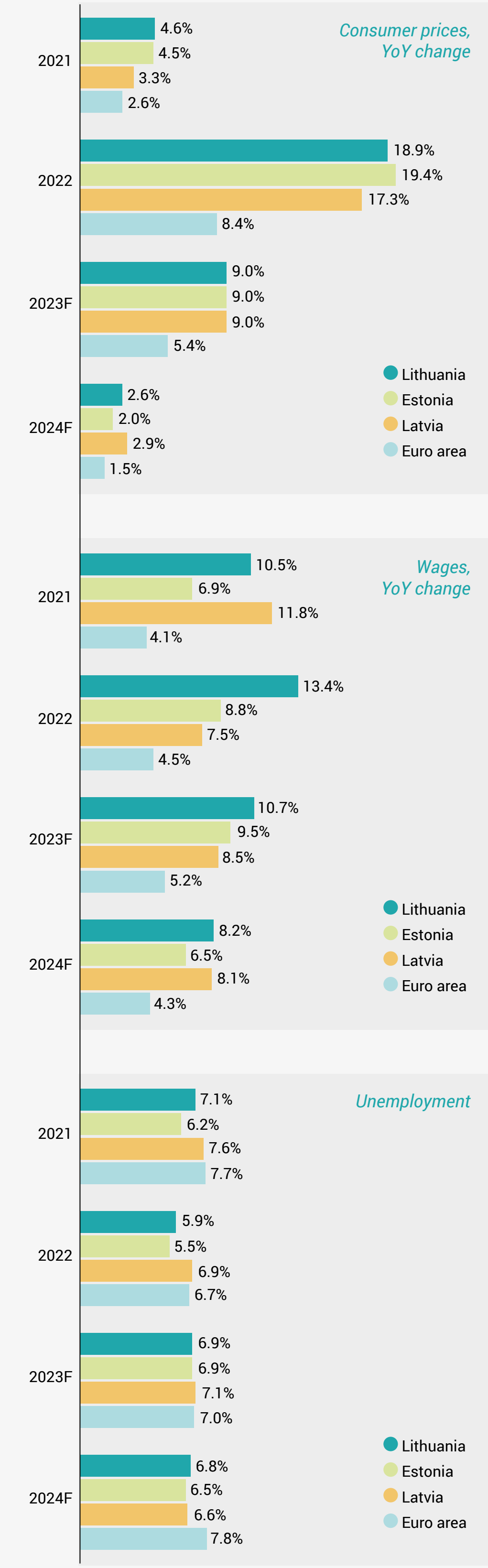
The Baltic economic growth is being supported by exceptionally low unemployment. With real GDP growth of 1.9% in Lithuania, 2.8% in Latvia and negative growth of (1.3)% in Estonia, the unemployment decreased to 5.9% in Lithuania, 5.5% in Estonia and 6.9% in Latvia in calendar year 2022 – on average staying below the Euro area average of 6.7% (source: Skandinaviska Enskilda Banken (SEB), May 2023).

Real GDP per capita CAGR during calendar years 2000-2022



**CAGR in the United Kingdom showed for the period of the calendar years 2000-2019. Source: Eurostat*

Unemployment level and yearly changes of consumer prices and wages



Source: Skandinaviska Enskilda Banken (SEB), May 2023

During 2022 inflation peaked in the Baltics, as energy prices have gone up much faster for consumers in the Baltics than the rest of Europe, and is projected to ease in 2023. As a result, consumer prices increased by 18.9% in Lithuania, 19.4% in Estonia and 17.3% in Latvia in 2022 (source: Skandinaviska Enskilda Banken (SEB), May 2023). However, it is forecasted to decrease to 9.0% in all Baltic countries in 2023. In 2024, it is projected to further decline to 2.6%, 2.0% and 2.9% in Lithuania, Estonia and Latvia respectively (source: Skandinaviska Enskilda Banken (SEB), May 2023).

Higher wage inflation is no news to the Baltics and is a part of increasing prosperity of the region. Low unemployment and high inflation supported even stronger wage growth. In 2022 wages increased by 13.4% in Lithuania, 8.8% in Estonia and 7.5% in Latvia (source: Skandinaviska Enskilda Banken (SEB), May 2023)

The home ownership rates[1] in Lithuania, Estonia and Latvia are some of the highest in Europe: 89% (17% with mortgage or loan[2]), 82% (28% with mortgage or loan) and 83% (14% with mortgage or loan) respectively (source: Statista, 2021). Accordingly, secondary market transactions in the region are popular and account for the majority of real estate transactions.

It is worth noting, the region presents an attractive business environment, with each of Estonia, Latvia and Lithuania ranked among the top countries in the world with respect to ease of doing business: Lithuania #11, Estonia #18, and Latvia #19 according to the World Bank's Doing Business 2020 report, while also benefiting from one of the lowest average labour costs in Europe (Eurostat, 2022). All three countries also ranked among the top 20 countries globally with respect to the economic freedom enjoyed in the respective countries (Lithuania #12, Estonia #8, and Latvia #16) (Source: Economic Freedom of the World Annual Report, 2022).

Automotive market

Baltic Classifieds Group currently operates its Auto portals in Lithuania and Estonia. During the last 12 months, ending April 2023, there were 49.7 thousand new and 421.3 thousand used car transactions in the Lithuanian and Estonian automotive market, including local used car sales and imports of used cars, primarily from Western Europe.

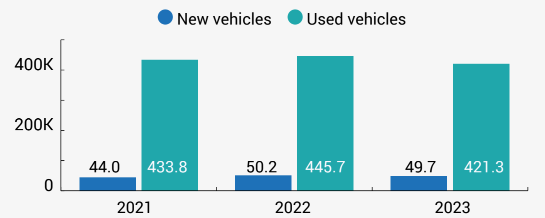
Over the past 12 months, the Lithuanian and Estonian used car markets have witnessed a normalisation in consumer demand. After the pandemic-induced fluctuations, the demand has been gradually returning to pre-COVID levels. The persisting supply constraints in the Western Europe, stemming from the new car market, have continued to impact the Baltic used car industry. The German market, which serves as the primary source of used car imports to the Baltic countries, has maintained elevated prices, still restricting the availability of vehicles.

These underlying causes have resulted in a 13% increase in the time it takes to sell a used car than last year (source: Company's information). It remains lower in comparison to the same period 2 years ago.

As a result, the used car market has demonstrated a decrease of 5% in the last 12 months, while new car sales remain stable with a 1% decrease. The aforementioned effects have resulted in rebounding used car inventory levels on our marketplaces.

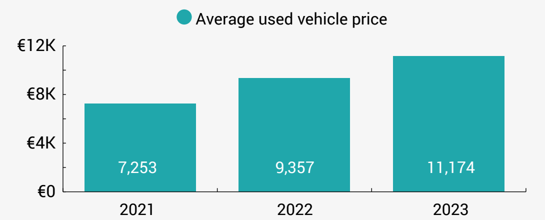
With vehicle acquisition costs remaining elevated, the average used car price has continued to grow by 19% in the last 12 months to €11,174. Although used car prices keep demonstrating upward tendencies, the rate has been comparatively lower than that of the previous year. Growing prices help increase dealers' commission pool and balance a decline in sold vehicle volumes.

Number of transactions in Lithuania and Estonia



Source: Regitra, Autotyrimai and Maanteeamet

Average used car price in Lithuania and Estonia



Source: Company information

[1] The home ownership rate measures the share of dwellings that were owner-occupied.
[2] Share of the population who are owner-occupants with a mortgage or loan.

Real Estate Market

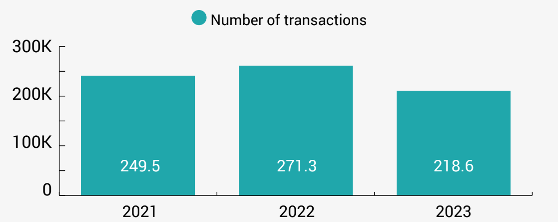
The Group currently operates online classifieds portals in the real estate markets of Lithuania, Estonia and Latvia. During the last 12 months, ending April 2023, there were 218.6 thousand real estate transactions, consisting of 99.7 thousand residential and 118.9 thousand non residential real estate and land transactions.

The total number of transactions was 19% lower in 2023 compared to 2022. The number of transactions of apartments for sale in Vilnius, Riga and Tallinn decreased 14% in 2023, compared to 2022.

During the last 12 months, ending April 2023, the real estate market in the Baltics was impacted by various factors, including supply-chain disruptions and increased costs of construction materials for new developments (particularly in the first half of the year) since the beginning of the war in Ukraine, increasing home loan interest rates and expectations about the decrease of real estate prices. Despite this, the real estate market remains active and customers continue to show interest in buying or renting real estate.

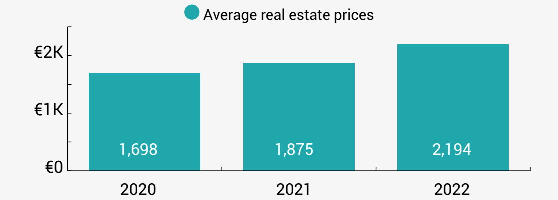
Furthermore, the average price per square metre of an apartment for sale has increased by 17% on average across Baltic capital cities in the calendar year 2022. This larger commission pool benefits our customers and helps to balance a drop in transaction volumes.

Number of transactions in Lithuania, Latvia and Estonia, during financial years 2023, 2022, 2021



Source: State Enterprise Centre of Registers Lithuania, Land Register Latvia, Land Board Estonia

Average real estate prices per square metre based on apartment prices in Vilnius, Riga and Tallinn, during calendar years 2022, 2021, 2020



Source: Swedbank (prices per square metre); State Enterprise Centre of Registers Lithuania, Land Register Latvia, Land Board Estonia (number of transactions)

Generalist market

The Group currently operates Generalist portals in Lithuania and Estonia. E-commerce growth in Lithuania and Estonia was accelerated by COVID-19 pandemic limitations on physical retail in calendar years 2020 and 2021. Customer habits evolved to increasingly shopping online which translated into a higher number of online buyers, sellers and transactions.

The Lithuanian and Estonian e-commerce markets have, combined, grown at approximately 21% CAGR between calendar years 2016 and 2019, 37% between calendar years 2019 and 2021, and 17% between calendar years 2021 and 2022 (retail value RSP (retail selling price), source: Euromonitor). Growth in calendar year 2022 slowed compared to pandemic years (calendar years 2020 and 2021), but still remained at a high level and kept supporting the growth of our Generalist platforms and ancillary products for example, deliveries.

Retail value RSP during calendar years 2016-2027, excluding sales tax, current prices

	Lithuania, €m	Estonia, €m	**Total, €m**
2016	317	417	**734**
2017	382	516	**898**
2018	469	628	**1,097**
2019	542	753	**1,296**
2020	712	1,057	**1,770**
2021	996	1,434	**2,430**
2022	1,086	1,748	**2,834**
2023E	1,289	2,054	**3,342**
2024E	1,396	2,278	**3,674**
2025E	1,489	2,473	**3,962**
2026E	1,562	2,642	**4,203**
2027E	1,626	2,801	**4,427**

Source: Euromonitor (values updated as per Euromonitor data)

Jobs market

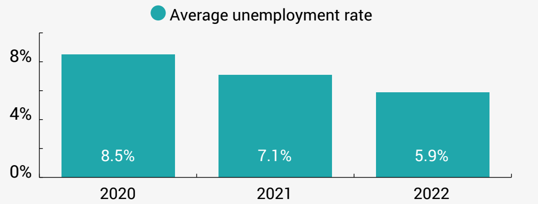
The Group currently operates online classifieds portals in the Jobs & Services markets of Lithuania. During the last 12 months, ending April 2023, the Russian war in Ukraine, escalating inflation, and heightened energy prices were the main obstacles for the Lithuanian economy, and by extension its labour market. Employer activity, which has been on a rapid growth path, started decreasing with calendar 2023. However, towards the end of the financial year, the negative growth decelerated and almost reached previous year levels. It is critical to highlight that, despite these obstacles, the number of job advertisements remained significantly higher than pre-2022 levels. This indicates that despite the current challenges, there was still a strong demand for workers, revealing a persistent labour shortage in the Lithuanian job market.

The average unemployment rate in Lithuania has decreased from 7.1% to 5.9% in calendar year 2022, marking the lowest level since 2008.

High competition among employers persists, however jobseekers' activity is showing a promising rebound from the post-pandemic stagnation. Over the last 12 months, there has been a significant surge in applicants on CVbankas.lt, with a 20% increase compared to the previous year.

Tight labour market and high inflation supported strong wage growth, which for the fourth consecutive year remained in double-digit territory in Lithuania. The average gross wage in Lithuania has increased by 13% during calendar year 2022. Growing wages support the trend of higher investment in employee search and selection.

Average unemployment rate in Lithuania during calendar years 2022, 2021, 2020



Source: The Lithuanian Department of Statistics

Average monthly gross wage in Lithuania during calendar years 2022, 2021, 2020

Source: The Lithuanian Department of Statistics

Our Business at a Glance

We love transactions!

BCG is proud to be the leading online classifieds group in the Baltics, owning and operating 14 online portals across a range of sectors and industries, as shown in the Our brands section on the following page. Since last year, our portfolio has been supplemented with Services portals in Latvia and Estonia - GetaPro.lv and GetaPro.ee.

Our portals are amongst the most visited sites in Lithuania and Estonia. The vast majority of the Group's traffic is direct traffic. A combination of direct and organic unpaid search channels to our websites comprise 86% of the traffic. Very little search traffic is paid and total Group advertising and marketing expenses are below 2% from Group revenue.

Based on the number of user visits and the number of online listings across the Group portals, BCG is foremost in the online classifieds market. In 2023, the Group's portals were visited on average 61.9[1] million times per month which means that on average, a resident in the Baltics visited one of our sites 11 times every month.

We consider using our portals as one of the easiest and most effective ways to reach those interested via advertising and, therefore, to transact real estate, auto, and other items, as well as job seeking, recruiting or locating a service provider.

Our business model

Our success is the result of a proactive and consumer-focused business model incorporating both vertical and generalist online portals as illustrated in the table on the following page.

Our brands include vertical portals which serve particular industries and facilitate promotion, advertisement and sales within specific sectors. These portals attract a high proportion of loyal and returning business customers (B2C listers who have a subscription-based contract). In addition, it is also highly used by individual customers and the general population (C2C listers carrying out one-off transactions), enriching our portals with content that is both unique and difficult to duplicate.

We also operate horizontal or generalist portals, such as general marketplace, online auction and price comparison websites, used by individual customers and the general population.

The benefits of this combined-offer business model are:

- a large choice for prospective consumers and maximum possible audience;
- ability to cross-list between the vertical and generalist portals widens reach, increases available content and provides opportunity to divert traffic from Generalist portals to higher monetising vertical portals; and
- strong brand awareness across a wide network.

[1] Note: there were changes in the cookie consent policy (general obligation to consent within the framework of data protection for all cookies that are not necessary for technical reasons).

[2] 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.

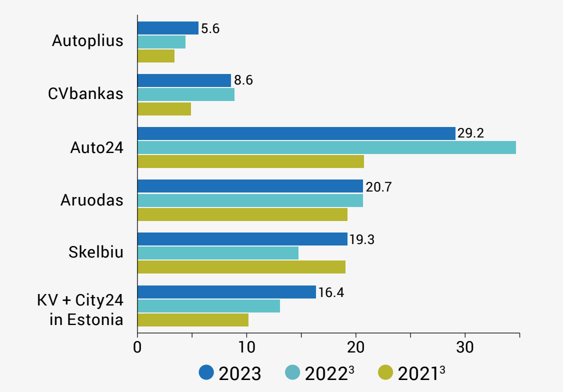
[3] Historical data was updated after Similarweb released an improved Mobile Web algorithm and rerun historical data last August.

Our market position

The Group's portals attract a large and highly engaged consumer audience.

As of 30 April 2023, the Group's portals were among the most visited websites in Lithuania and Estonia. According to April 2023 ratings from SimilarWeb, (which also include websites such as Facebook, Youtube, local news portals) Skelbiu was the 5th, Autoplius - 8th, Auto24 - 10th, Aruodas - 16th, Osta - 19th in their respective countries.

Our overall portals leadership position[2] compared to the closest competitor (in times) has been maintained very strong:



The Baltics benefit from high levels of digital adoption, underpinned by internet access and 4G mobile penetration. The percentage of the population using the internet at home stands at 88% in Lithuania, 92% in Estonia and 91% in Latvia (source: Statista, 2022 data). The region also performs highly in the fastest public Wi-Fi global ranking with Lithuania ranked 1st, Estonia 3rd and Latvia 15th (based on 2020 calendar year data). High level of digitalisation supports the Group's business and operations and its ability to effectively execute its growth strategy.

Our brands	Automotive	Real Estate	Jobs & Services	Generalist
Lithuania	autoplius.lt	aruodas.lt	(Services) Paslaugos.lt CVbankas (Jobs)	skelbiu.lt KAINOS.lt
Estonia	auto24.ee	KV.EE City24.ee	(Services) GetaPro	OSTA.EE kuldne BÖRS
Latvia		City24.lv	(Services) GetaPro	
% of BCG revenue for 2023	37%	25%	19%	19%

Our strategy

Our successful business model, **based on the combined offer of vertical and generalist platforms,** has been supported by strategic decisions to ensure its sustainability. These include:

- **investing in fit-for-purpose, long-term technology capability** – all technology is developed in-house and on a portal-specific basis. This allows an agile approach while ensuring shared components and applications across the platforms. This investment has resulted in a scalable infrastructure that is capable of handling increasing levels of traffic;
- **focusing on cash generation with excellent margins** – BCG's market leader position and strong brand identity allow a low marketing spend and the organisational structure supports shared corporate functions and minimal capital expenditure; and
- **concentrating on talent recruitment and retention** – BCG prides itself on attracting a highly skilled and efficient workforce. The Group's core HR objective is to attract high potential and highly motivated employees and give them room to grow and develop.

→ For our strategic aims see Moving our Strategy Forward on page 18.

Our purpose and culture

We love transactions!

BCG exists to connect consumers with listers and help them transact more easily. The Board is satisfied that the Group's purpose, values and strategy are aligned with its culture. Our governance framework, organisational structure and culture contribute significantly to the delivery of our business model and the support of our purpose.

To achieve our purpose, we are focused on the following strategic goals:

- to enhance the transaction experience
- to provide the easiest solution for the sellers and buyers to find each other
- to ensure simple way of advertising for our consumers and listers
- to be the main solution for our consumers and listers transaction needs

→ See pages 58 to 60 for information on our Stakeholders and our approach to engagement.

→ See pages 26 to 45 for information on our approach to Sustainability.

Moving our Strategy Forward

We love transactions!

Our priority

We are committed to being a responsible business. Our priority is to protect and support our people, customers, Stakeholders and the environment around us.

Our Company values and behaviours

For more than a decade, our CEO Justinas Šimkus and COO Simonas Orkinas and their long-standing team have built a collection of market-leading businesses and strong brands. Every day we connect buyers and sellers and facilitate transactions from cars and real estate, job offers to services and consumer goods from professional and private listers. The digital marketplaces we operate promote trust, fairness and efficiency.

The values and behaviours that we believe in are:

- Trustworthiness
- Entrepreneurship
- Less is more
- Getting things done
- Marketplace is our hobby
- Work is fun

Our Stakeholders

- Investors
- Customers
- Employees
- Suppliers
- Regulatory bodies
- Environment and community

Responsible business and Environment, Social and Governance ("ESG")

The Sustainable Development Goals ("SDGs") (also known as the Global Goals), were adopted by the United Nations in 2015. Our approach to responsible business aligns quite naturally with the goals and we have identified five that are most material to our business and where we contribute the most:

- Responsible consumption and production
- Climate action
- Gender equality
- Decent work and economic growth
- Peace, justice, and a strong institution

Our Strategic aims

Our strategic delivery is based on six strategic aims.

- **Drive monetisation of core services.** Through various means, including pricing actions, product and packaging development, enable upsell and cross-sell.
- **Drive more listings and traffic across the Group's portals.** Using our market position and brand recognition to drive traffic and increase listings, resulting in more revenue growth through listing fees, subscriptions fees and other sources.
- **Grow ancillary revenue through existing and new partnerships.** The offer of ancillary products and services will grow revenue and also help achieve the overarching objective of enhancing the transaction journey for consumers and listers.
- **Pursue strategic opportunities through acquisitions.** The Group constantly evaluates its portfolio to optimise value creation and will continue its pursuit of attractive options for inorganic growth, particularly through bolt-on acquisitions and in-market consolidation within the Group's existing markets, and potentially new markets outside of the Baltics with a strong focus on similarly high-quality, market-leading businesses.
- **Continuously improve the Group's scalability and maintain high levels of operational efficiency while making necessary investments.** While the Group already demonstrates high operating leverage and operational and cost efficiency, it is committed to continue optimising costs and maintain high cash conversion.
- **Promote a circular economy and minimise our own impact on the environment.** Continue to promote a circular economy and help customers to make more sustainable choices using the services provided by our portals, while at the same time minimising our own impact on the environment.

→ For more on our culture see pages 38 to 41.
→ For more on Engagement with our Stakeholders see pages 58 to 60.
→ For more on our ESG see pages 26 to 45.

Section 172(1) Statement

"Promoting the success of the Company for the benefit of all its stakeholders".

In discharging their duty this year, the Directors (both individually and collectively, confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of Shareholders, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ("Section 172(1)").

The Board of Baltics Classifieds Group PLC recognise all the duties codified in law, which includes Section 172(1).

The Board has direct engagement principally with our employees and Shareholders but is also kept fully apprised of the material issues of other Stakeholders through the Executive Directors, reports from other members of Senior Management and external advisors.

Pages 58 to 60 outline the ways in which we have engaged with key Stakeholders and focuses on the following key areas:

- Who the key Stakeholders are and what we value most about them
- Issues that matter the most to each Stakeholder group
- How the Board engages with and has oversight of those Stakeholder groups
- Principal Board decisions and how they tie into Section 172(1) (a) to (f)
- Difficulties for the Board and considerations in making these decisions

The Board considers 'Principal Decisions' to be those decisions which entail significant long-term implications and consequences for the Company and/or its Stakeholders – to distinguish these from the normal, ordinary course decision-making processes that the Board engages in.

new

During the year, the Board introduced changes to its Board paper process which ensures that Stakeholders and S172(1) considerations are explicitly discussed in each Board meeting.

Companies Act 2006, Section 172(1)

"A director of a company must act in the way, he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company."

→ The Board's Principle Decisions can be found on pages 58 to 60.
→ Statement of Engagement with Employees on page 94.
→ Statement of Engagement with Suppliers, Customers and others on page 94.

Financial Review

> *We have delivered a robust set of financial results this year, and in terms of revenue and profitability, we are now a 40% larger entity compared to our IPO.*
>
> ***Lina Mačienė***
> *CFO*

Revenue

Group's revenue grew 19% to €60.8 million (2022: €51.0 million).

It was a very healthy growth in all four business lines, underpinned by strength in the core business:

- Auto business line grew 22%
- Real Estate business line grew 21%
- Jobs & Services business line grew 20%
- Generalist business line grew 13%

The growth came from the core classifieds revenue streams - B2C and C2C - which represent 88% of BCG revenue. B2C and C2C revenue grew 21% and 25% respectively.

Most of the percentage increase represents underlying organic growth in revenue. A small part of the growth reflects some disruption in the H2 2022, when due to the Russian invasion of Ukraine the internet population was focused on reading the news rather than shopping online / searching for a property or a car, as we estimate that we lost around 1% of growth last year. This was an immediate and short-term impact on revenue which bounced back in a few weeks to pre-war levels and our normal run-rate.

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

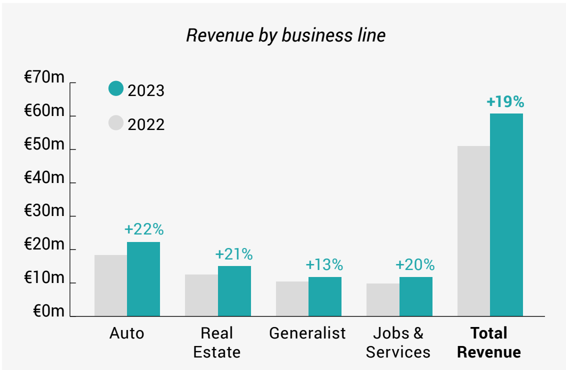
In April 2022, shortly before the period currently reported on, we introduced C2C price changes for most of our portals, reflected in the reported revenue numbers. In September and October 2022, we introduced B2C price and package changes for the Real Estate, Auto and Jobs portals, reflecting improvements to our proposition. These 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.

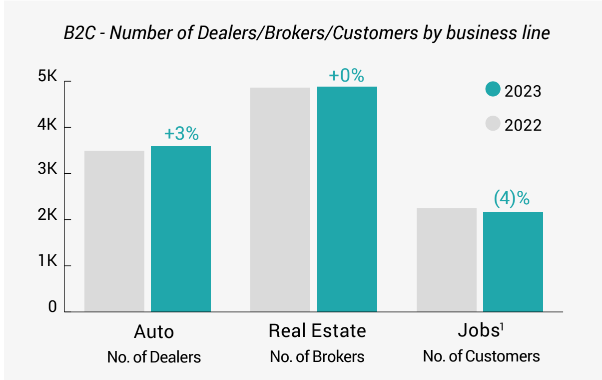
We continue seeing strengthening network effects across all business units as a growing number of customers drive content, which in turn encourages greater engagement for our audience.

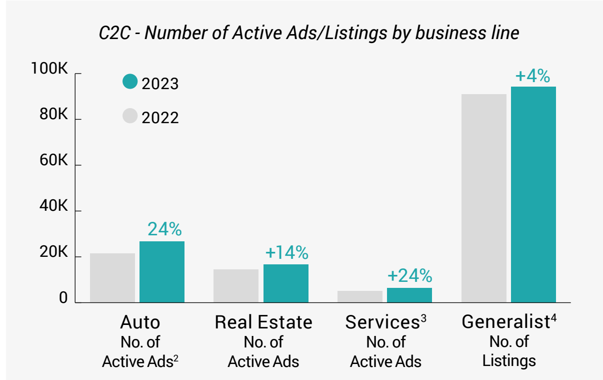
The number of B2C customers was stable:

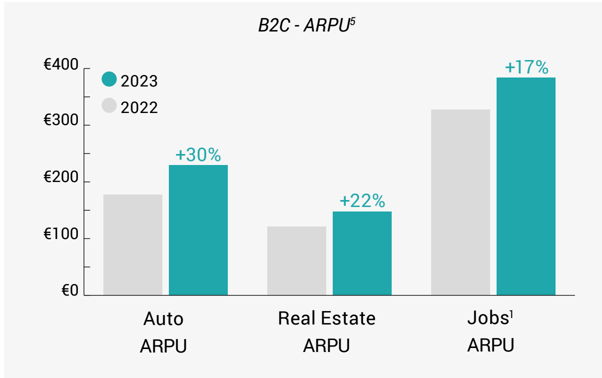
- Automotive dealers grew by 3% (from 3,489 in 2022 to 3,586 in 2023) mainly due to small dealers switching to B2C subscriptions rather than placing advertisements as if they were C2C customers.
- Real Estate brokers grew marginally from 4,855 in 2022 to 4,877 in 2023.
- Jobs number of customers was 4% lower compared to a year ago, but by 42% higher than 2 years ago (1,521 in 2021, 2,243 in 2022 and 2,162 in 2023).

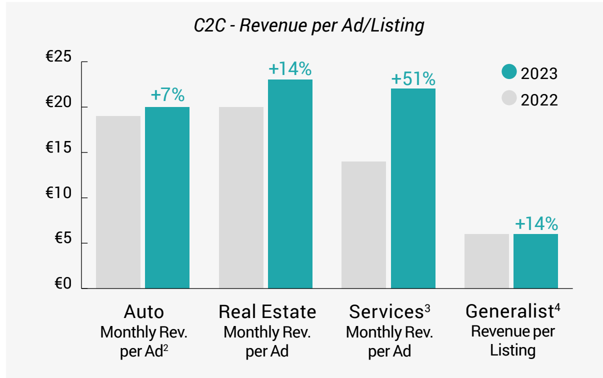
In C2C, the number of active ads and listings grew across all business lines. In Real Estate, Auto and Generalist the growth was primarily driven by the underlying market conditions, i.e. longer selling time (which means each advert is active for more time). The growth in Services active ads number was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











In terms of ARPU in our B2C segment:

- Auto ARPU was up 30% due to price and packaging changes implemented mid-2022 (in September and October 2021) and most recent price and packaging changes done in mid-2023 (in September and October 2022). We expect further upside from the price changes in the longer-term when inventory levels recover in full, and dealers increase their packages.
- Real Estate ARPU was up 22% due to subscription fee and packaging changes which took place mid-2022 and mid-2023. The changes implemented from September 2021 to January 2022 were aimed at both growth in ARPU and incentivising customers to choose individual and more premium accounts for brokers. This year's annual pricing event was implemented during September and October 2022 and was rolled out during the period to January 2023.
- Jobs ARPU was up 17% due to increased prices. Revenue-wise, our jobs portal CVbankas is 13% bigger than it was a year ago and 130% bigger than it was 2 years ago. CVbankas, being the market leader, is well-positioned to take advantage of a vibrant employment market with low unemployment rates, ensuring continued revenue growth. Increased prices were implemented on new and renewing customers in September 2021 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 2022 and like last year are rolling out to the customers through the 12-month cycle.

In terms of ARPU in our C2C segment:

- Auto average monthly revenue per active advertisement was up 7% due to price changes and rising average transaction values (the average car price on our portals grew 19%).
- Real Estate average monthly revenue per active advertisement was up 14% due to price changes and rising average transaction values (apartment prices per square metre in Baltic capitals have increased by 17%[6]).
- Services average monthly revenue per active advertisement was up 51% mainly due to price changes and an increased usage of our value-added services.
- Generalist average revenue per listing was up 14% due to price changes, rising average transaction values and the introduction of a value-based pricing in the automotive and real estate categories.

Operating costs

The Group has operated in a higher inflation environment for several years and average yearly inflation in calendar 2022 in the Baltics was 19%[7]. However, our costs represent a relatively small proportion of our revenue and, due to continued cost management, this did not significantly affect our profitability.

The majority of our operating costs are people costs. Our team grew from 127 FTEs in April 2022 to 134 FTEs in April 2023, including 5 GetaPro employees who joined BCG in

[1] CVbankas.lt only.
[2] The group presents the average monthly revenue per active C2C auto listing on the basis of the C2C revenue generated by auto listings only, excluding any C2C revenue generated from vehicle parts, vehicles other than autos and other C2C listings.
[3] Services include Paslaugos.lt and GetaPro.lv.
[4] Skelbiu.lt only.
[5] ARPU is the monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per client).
[6] Average apartment price change per square metre in Baltic capitals is calculated based on Swedbank Research & Macrobond data.
[7] Swedbank Economic Outlook, April 2023: CPI (average annual %) in 2022: Lithuania 19.6, Estonia 17.3, Latvia 19.4.

July 2022 with the GetaPro acquisition. Excluding one-off costs from the comparative period, investment into our people increased by 28% to €9.6 million (2022: €7.5 million). We appreciate and invest in talent, therefore the majority of the increase in people costs was driven by annual salary reviews and the cost of a performance share plan ("PSP") in the amount of €1.6 million (2022: €0.6 million).

Other Group costs comprise marketing, IT and general administrative expenses. We have supported several non-governmental organisations (NGOs) assisting Ukraine and Ukrainians fleeing the war in their country by donating €0.1 million (€0.2 million in 2022). This has not been treated as an adjusting item.

Net finance expense

Our finance costs comprise mainly of interest costs (2% margin plus Euribor until the 2022 annual results release on the 7th of July 2022, reducing the margin to 1.75% since then) in the amount of €2.6 million and the commitment fees relating to the €10.0 million unsecured and undrawn Revolving Credit Facility ("RCF"). Due to the IPO related one off debt refinancing costs in the comparative period, there is a significant decrease in reported net finance costs (from €11.2 million in 2022 to €2.7 million in 2023).

Net debt and leverage

During 2023, €14.0 million of the existing debt has been voluntarily repaid. Compared to the end of 2022, net debt[1] was reduced by €21.1 million to €45.3 million (as at 30 April 2022: €66.4 million) with leverage[1] at 1.0x (as at 30 April 2022: 1.7x).

€m, unless stated otherwise	30-Apr-23	30-Apr-22
Bank Loan principal amount	70.0	84.0
Customer credit balances[2]	2.4	2.3
Total Debt	72.4	86.3
Cash	27.1	19.9
Net Debt	**45.3**	**66.4**
Adjusted EBITDA LTM (see note 5 to the consolidated financial statements)	46.0	39.3
Leverage	**1.0x**	**1.7x**

Tax

The Group tax charge of €3.2 million (2022: €1.4 million[3]) represented an effective tax rate of 12% (55% in 2022). The Group tax charge is a net of:

- current tax expense of €4.9 million (2022: €3.1 million); and
- change in deferred tax which is positive €1.8 million and includes €1.4 million deferred tax from acquired intangibles (2022: €1.7 million included €1.4 million deferred tax from acquired intangibles).

€m, unless stated otherwise	IFRS Measures 2023	Adjusted Measures 2023	IFRS Measures 2022	Adjusted Measures 2022	IFRS Measures change	Adjusted Measures change
Revenue	**60.8**	**60.8**	**51.0**	**51.0**	**19%**	**19%**
Operating cost excluding D&A	(14.8)	(14.8)	(20.4)	(20.4)		
Add back: IPO related costs (see note 5 to the consolidated financial statements)				8.8		
EBITDA (non-IFRS)	**46.0**	**46.0**	**30.5**	**39.3**	51%	17%
EBITDA margin % (non-IFRS)	**76%**	**76%**	**60%**	**77%**	16% pts	(1% pts)
D&A	(17.0)	(17.0)	(16.9)	(16.9)		
Add back: Amortisation of acquired intangibles		16.2		16.1		
Operating Profit	**29.1**	**45.3**	**13.6**	**38.5**	113%	17%
Net finance costs	(2.7)	(2.7)	(11.2)	(11.2)		
Add back: IPO related financing costs (see note 5 to the consolidated financial statements)				6.7		
Profit before tax	**26.4**	**42.6**	**2.4**	**34.1**	n.m.	25%
Income tax expense	(3.2)	(3.2)	(1.4)[4]	(1.4)		
Add back: Deferred tax impact of amortisation of acquired intangibles		(1.4)		(1.5)		
Net income (Profit for the period)	**23.2**	**38.0**	**1.1**[4]	**31.2**	n.m.	22%
WANS, million	496.1	496.1	488.5	488.5		
EPS, € cents	**4.7**	**7.7**	**0.2**[4]	**6.4**	n.m.	20%

[1] Alternative performance measure, see note 5 to the consolidated financial statements for more detail.

[2] 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.

[3] The Company has restated a 2022 deferred tax amount as set out in note 3 to the financial statements. The amount was a non-cash item and related to the IPO refinancing, therefore in 2022 we were adjusting our performance measures for this item to present the normalised operating business profitability. Accordingly, the adjustment has no impact on the prior year consolidated net cash flow, adjusted business profitability or consolidated statement of financial position. However, there is a €1.3 million reduction on 2022 accounting profit.

[4] Restated, see note 3 for further details.

Profitability and Alternative Performance Measures

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

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

→ For alternative performance measure descriptions and reconciliation to IFRS measures, see note 5 to the consolidated financial statements.

For clarity, since the IPO, where share-based payment charges arise because of the operation of the Group's post-IPO Remuneration Policy, such as the PSP plan, these are not treated as adjusting items.BCG intends to return one third of adjusted net income each year via an interim and final dividend. For this purpose, we show amortisation of acquired intangibles and the tax effect on it together with the adjusting items in the table above. Adjusted net income grew 22% and reached €38.0 million (€31.2 million in 2022). Profit for the period grew to €23.2 million (€1.1 million in 2022[1]) due to the fact the comparative period was affected by IPO related costs.

Operating profit and adjusted operating profit is used to review business performance. Adjusted operating profit grew 17% to €45.3 million (€38.5 million in 2022) and reported operating profit more than doubled to €29.1 million in the year 2023 (€13.6 million in 2022).

This year there were no add-backs to our EBITDA. We compare this year's EBITDA to last year's adjusted EBITDA because both reflect core operating profit before D&A (95% of D&A is amortisation of acquired intangible assets) and in the last year's case also one-time IPO-related costs. Our EBITDA grew 17% to €46.0 million (adjusted EBITDA in 2022 was €39.3 million).

The EBITDA margin was 76% despite growing public listed company related costs, operating in a higher inflation environment and our support to NGOs. Adjusted EBITDA margin in 2022 was 77%.

Earnings per Share ("EPS")

Basic EPS was 4.7 € cents based on the weighted average number of shares during 2023 of 496,082,891. (0.2 € cents for 2022[1] based on weighted average number of shares of 488,467,552).

Adjusted basic EPS for 2023 grew 20% and was 7.7 € cents (6.4 € cents for 2022).

The dilution effect on EPS from the employee share arrangements this year was minor.

Cash flow and cash conversion

Cash generated from operating activities grew 18% if we adjust the comparatives with IPO fees paid (from €40.5 million in 2022 to €48.0 million in 2023). Reported cash generated from operating activities grew 41% from €34.1 million in 2022.

Generated cash was used to reduce the loan liability by partially paying down the debt. We also bought Company shares to Employee Benefit Trust ("EBT") for future employee awards (the number of options granted in our second year was 1.5 million shares).

Cash conversion[2] maintained at 99%. 2022 cash conversion was also 99%.

Capital allocation

In addition to operating purposes, the generated cash was used to the below:

- In July 2022 we acquired a Services vertical GetaPro for €1.6 million.
- The first final dividend for the year ended 30 April 2022 of 1.4 € cents per share was paid on 14 October 2022, totalling €7.0 million.
- For 2023, the Board has declared an interim dividend of 0.8 € cents per share, which was paid on 25 January 2023, totalling €4.0 million.
- We reduced the loan liability by partially paying down the debt in the amount of €14.0 million (2022: €14.0 million).
- We bought 1.5 million of Company shares (paying €2.8 million) to Employee Benefit Trust ("EBT") for future employee awards.
- Post-AGM we have started buying back Company shares and by the end of the reporting period we had bought 3.4 million of Company shares for cancellation (paying €5.8 million for it).

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

- BCG intends to return one third of adjusted net income each year via an interim and final dividend, split approximately one third and two thirds, respectively. If approved at the AGM, the final dividend for the year 2023 will be paid on 13 October 2023 to members on the register on 8 September 2023.
- We will continue considering value-creating M&A opportunities. All options for financing attractive acquisition opportunities remain open, including using cash, increasing our debt and even seeking additional equity capital. However, using cash is the most likely and this would most likely not affect dividends but might reduce capacity for share buy-backs.
- We intend using a combination of share buy-backs and debt repayment from the balance of cash.

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

Going concern

The Group generated significant cash from operations during the period. As at 30 April 2023 the Group had drawn none of the €10.0 million unsecured Revolving Credit Facility ("RCF") and had cash balances of €27.1 million. The €10.0 million RCF is committed until July 2026.

Lina Mačienė

Chief Financial Officer

28 June 2023

[1] The Company has restated a 2022 deferred tax amount as set out in note 3 to the financial statements. The amount was a non-cash item and related to the IPO refinancing, therefore in 2022 we were adjusting our performance measures for this item to present the normalised operating business profitability. Accordingly, the adjustment has no impact on the prior year consolidated net cash flow, adjusted business profitability or consolidated statement of financial position. However, there is a €1.3 million reduction on 2022 accounting profit.

[2] Alternative performance measure, see note 5 to the consolidated financial statements for more detail.

Operational Review

> *Our second successful year as a public company has passed. We continue to learn the nuances of being a publicly listed company whilst continuing to do what we do best – operating our business in an entrepreneurial, agile, and pragmatic way.*
>
> ***Simonas Orkinas***
> *COO*

Our second successful year as a public company has passed. We continue to learn the nuances of being a publicly listed company whilst continuing to do what we do best – operating our business in an entrepreneurial, agile, and pragmatic way. At BCG we now operate a hybrid working culture, a mix of office and remote working. We found this method to be a healthy balance of working effectively and being social, ultimately leading to a happy team.

In 2023, industries emerged from a substantial period of pandemic restrictions, but entered a high inflation and a growing interest rate environment. This created challenges and opportunities for BCG. We have continued supporting industries by continuously developing products and features in all our business lines.

Let's take a brief look at our key product developments in 2023 by business line:

Auto

We signed a contract with a new strategic partner for our private label car financial intermediation offering on Autoplius.lt. The new cooperation provides us with better commercial conditions and higher growth possibilities as well as a more integrated product development to improve our offering towards end consumers.

We improved our B2C offering on Autoplius.lt by introducing four packages for dealers to replace the existing two. This provides customers with more choice on the services and ad activation limits that suit their business. The introduction of activation limits in dealer subscription plans meant to improve monetisation of those clients that receive more value due to higher stock turnover. This also improves buyers' experience by limiting the number of relisted ads.

On Auto24.ee we introduced a new B2C package and ad activation limit. Similarly to Autoplius.lt, the goal is to improve monetisation and buyer experience. In addition, our car financing product was upgraded to offer better terms for car buyers and the car lease ceiling price was raised. These developments broaden the addressable market. To give more exposure to financing products, we provide the option for buyers to search for a car by monthly payment instead of a total price.

Real Estate

We introduced a fourth B2C package on Aruodas.lt following the"pay more - get more" principle. This package is targeting premium agents who want to stand out, get the best branding and maximum exposure of their ads. We also made agent authentication mandatory. This way we prevent multiple agents from using a single account which translates into a higher content quality and better buyer experience.

On both Aruodas.lt and KV.ee we introduced a new product for real estate developers. New developments are presented on a platform in a more prominent way, providing more relevant information for buyers as well as more branding for developers. A new monetisation model has been applied for the product on a per-development basis.

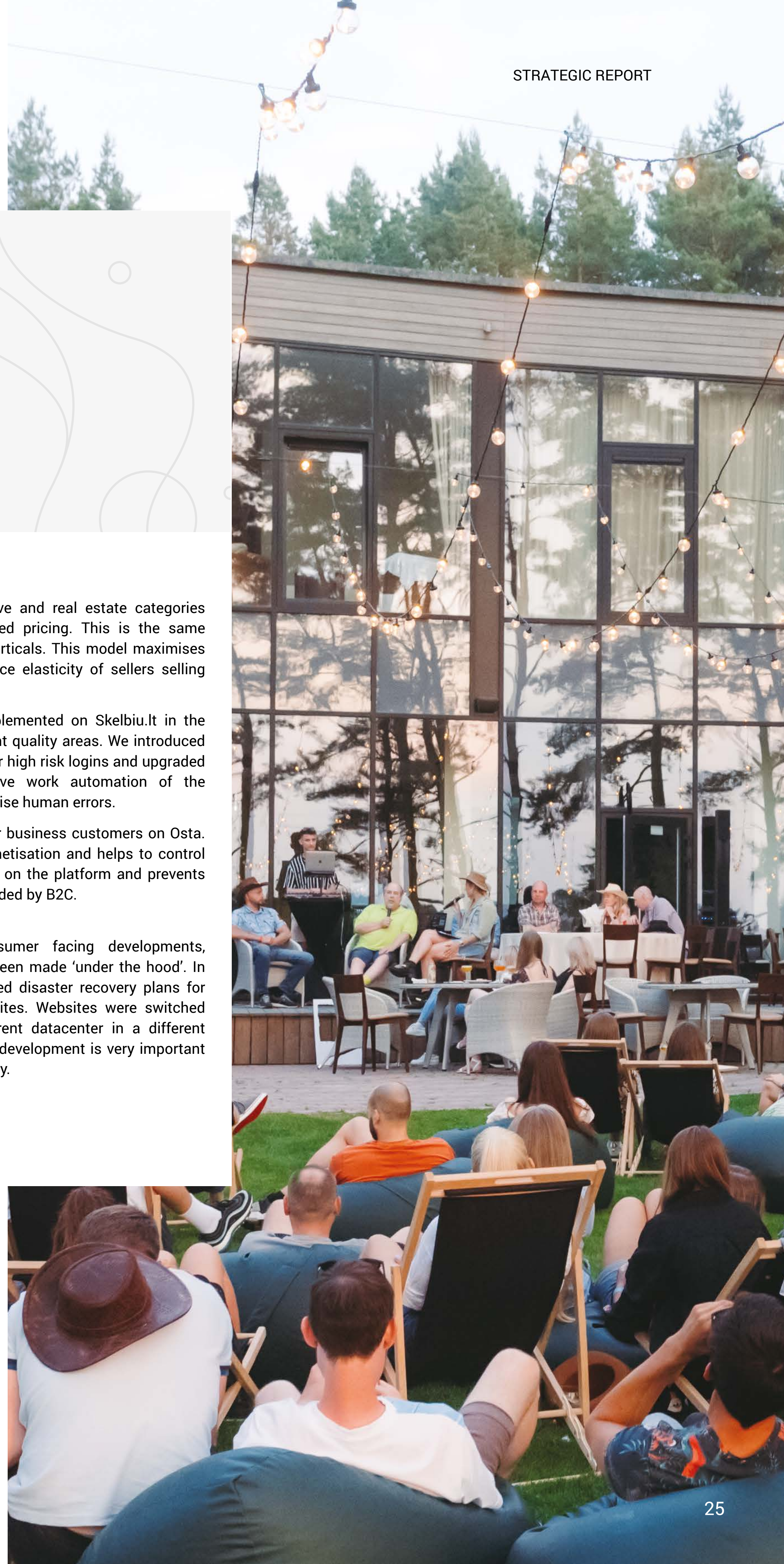
We further developed a virtual telephone numbers service for C2C customers on Aruodas.lt. Sellers are provided with the logs of answered and missed calls enabling them to manage phone leads more easily and maximise the value our platform provides. Virtual numbers strongly contribute to the privacy of personal data and the marketing of our service.

Jobs & Services

On CVbankas.lt we introduced a salary estimator tool. This new feature provides comprehensive salary statistics for over 100 popular job positions across different cities in Lithuania. Users can access various salary metrics such as average and median salary expectations of jobseekers, changes over a 6-month period, and average salaries offered by employers.

To facilitate the usage of CVbankas.lt for big clients, we developed role-based access management. Companies can now create individual logins for their employees. This allows employers to manage access to job ads and set limits on the number of ads each employee can post, as well as control the usage of the resumes' database.

On our newly acquired Services marketplace Getapro.lv we implemented a subscription based monetisation model. Our experience of operating a Services marketplace in Lithuania shows that this is the best monetisation model at the moment.



Generalist

On the Skelbiu.lt automotive and real estate categories we implemented value-based pricing. This is the same C2C pricing model as on verticals. This model maximises revenue by utilising the price elasticity of sellers selling items of very different value.

Several upgrades were implemented on Skelbiu.lt in the fraud prevention and content quality areas. We introduced two factor authentication for high risk logins and upgraded moderation tool to improve work automation of the moderation team and minimise human errors.

We introduced packages for business customers on Osta.ee. This step improves monetisation and helps to control the amount of B2C content on the platform and prevents C2C content from being flooded by B2C.

Aside from all the consumer facing developments, substantial progress has been made 'under the hood'. In 2023, we successfully tested disaster recovery plans for our biggest Estonian websites. Websites were switched to be served from a different datacenter in a different geographical location. This development is very important to ensure business continuity.

Simonas Orkinas
Chief Operating Officer
28 June 2023

Sustainability Report

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Overview of our ESG strategy

Overview of our ESG strategy BCG is committed to being a responsible business and our priority is to protect our people, support our customers and Stakeholders and continue to protect the environment around us.

Our Environmental, Social and Governance ("ESG") strategy can be split into two main components:

- being a sustainable business by limiting our impact on the environment, providing a secure and diverse workplace for our employees and ensuring strong governance; and
- helping customers to make more sustainable choices and encouraging a circular economy through four of our business lines: Real Estate, Auto, Jobs & Services and Generalist.

The Board has reviewed and approved BCG's ESG strategy.

Our ESG working group makes sure we follow and continue to evolve our strategy and make progress towards our goals. We have expanded the ESG working group this year to include two more employees and the group now consists of five members, three Executive Directors and two other employees. The Chair, together with Non-Executive Director Jurgita Kirvaitiene, serve as sponsors to the ESG working group and are actively involved in its activities. The Board fully supports the initiatives of the ESG working group and gives Board-level oversight on environmental, social and governance issues to look over our progress in fulfilling our ESG goals. For more information on the ESG working group, see the TCFD Report on page 31.

Alignment with wider global goals

The Sustainable Development Goals ("SDGs"), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. Our approach to responsible business aligns quite naturally with these goals and we have identified five that are most material to our business and where we contribute the most.

STRATEGIC REPORT

5 Gender equality

We believe in the power of diversity to establish a creative workplace. The Group actively supports women choosing careers in the technology industry. As of 30 April 2023, 51% of employees were female.

8 Decent work and economic growth

We are highly focused to provide a safe, happy and supportive working environment. The Group seeks to treat all of its employees equally, regardless of gender, age, disability, health, nationality, ethnic origin, religion, political belief, gender identity, family status or lifestyle, including when evaluating performance and making hiring and promotion decisions.

12 Responsible consumption and production

Many of the Group's portals, by their nature, play a key part in facilitating the circular economy, in promoting the reuse and repair of unwanted assets, whether they be vehicles or vehicle parts traded through our Auto portals, or used goods traded through our Generalist portals.

13 Climate action

We seek to minimise the environmental impact of our business, that is why we set a goal to become net zero by 2050. During 2023 we made progress in our net zero journey by setting clear targets that will help us minimise our impact on the environment. In addition to that, we submitted our near-term targets to the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C. We have already made steps towards our goal to become net zero: in 2023 we reduced our total CO_2 emissions in direct operations by 45% and increased the portion of electricity used from renewable sources from 63% to 73%.

16 Peace, justice, and a strong institution

We run our business in a responsible manner and being trustworthy is one of our top priorities. We are committed to preventing slavery and human trafficking, we require the highest standards of honesty and integrity in all our business relationships, and we are committed to supporting human rights through our compliance with national laws and internal policies.

ESG materiality assessment

In order to have a successful sustainability strategy in the long run, we decided to perform a materiality assessment and identify the most material ESG topics for BCG. We considered various topics raised by investors, ESG rating agencies, Senior Management and employees to determine the ESG issues relevant to our business and industry where we may be able to have the biggest impact. We reviewed several ESG reporting frameworks and ultimately selected the SASB Standards based on its industry-specific alignment to what we believe are material ESG issues to BCG. The six most material sustainability issues which were agreed by the Board as focus areas for BCG are listed below, together with other sustainability matters that we care about:

Environmental

- GHG Emissions
- Air Quality
- **Energy Management**
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts
- Physical Impacts of Climate Change

Social

- Labor Practices
- Employee Health & Safety
- **Employee Engagement, Diversity & Inclusion**
- **Access & Affordability**
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labelling
- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency

Governance

- Human Rights & Community Relations
- **Customer Privacy**
- **Data Security**
- Business Ethics
- **Competitive Behaviour**
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management

Our ESG progress during 2023

Environmental

- Set goals in our net zero journey
- Submitted our near term targets to Science Based Targets initiative (SBTi) Business Ambition for 1.5°C
- Materiality assessment for sustainability completed
- Reduced our emissions by 45%
- Increased the portion of electricity used from renewable sources from 63% to 73%, while emission-free electricity was increased from 66% to 87%
- Updated our ESG risk register

Social

- Set our social goals
- Maintained our employee tenure at 8 years
- Completed employee engagement survey that showed that more than 95% of employees are proud to be a part of BCG team
- Maintained gender diversity with a split of women/men: 51:49

Governance

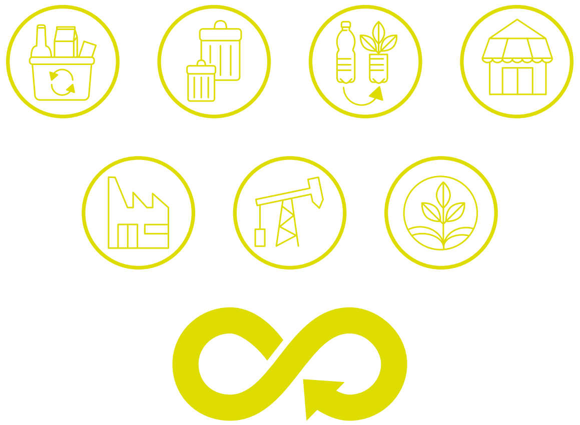
- Set our governance and compliance goals
- First SASB report completed
- Introduced modifications to the Whistle-Blowing Policy, including the installation of a local inbox for the office and communication to staff about the option of contacting the Audit Committee Chair for whistle-blowing reasons

Environment

Helping customers to make more sustainable choices

We take pride in the fact that many of the Group's portals, whether they be used products traded via our Generalist portals or automobiles or vehicle parts exchanged through our Auto portals, play an important role in encouraging the circular economy and the reuse and repair of undesirable assets. As a result, they offer a green commerce channel that allows consumers and businesses to become more environmentally conscious while also preventing secondary items from being disposed of, being recycled, or being put out of use.

Additionally, the online nature of the transactions facilitated by the Group and in particular the Jobs & Services portal, which links local employees and service providers with those in need of their services, all contribute to minimising greenhouse gas ("GHG") emissions related to unnecessary travel.



Sustainability Report continued

Real Estate

In the Baltics, which have some of the highest home ownership rates in Europe, residential real estate is a significant industry. The Group's Real Estate online listings portals play a vital role in the Baltic real estate market, which enables us to significantly improve the real estate industry's environmental performance. By enabling our consumers to publish high quality photos, video tours, floor plans, and property descriptions online, our Real Estate platforms assist to decrease needless trips to estate agents' offices and inappropriate houses.

We also continuously create new tools for our platforms to assist clients in saving time and resources. At the moment, many elements are incorporated into the advertisements so that consumers may conserve resources and benefit the environment. The ads provide the opportunity to verify a location on a map, providing both a route and street view option, in order to save wasted time and travel. Moreover, by offering 3D tours and films to house buyers, our clients are able to cut down on in-person viewings and travel-related emissions.

Several of our Real Estate websites have included a function that allows house seekers to check the typical heating costs in a particular building, together with the energy class and air quality, including information on ambient air pollutants, nitrogen dioxide (NO2) and coarse particulate matter (PM10).

Auto

We place a high priority on promoting environmentally friendly new technologies and introducing cleaner, more effective fuel kinds. To make it simpler for car consumers to look for more ecologically friendly automobiles, our Auto websites have made certain steps.

For electric cars ("EVs"), we have included extra fields like range and battery capacity. Also, we add information on emissions, the rate of the pollution levy, and fuel usage to automobile advertisements. This makes it simple for automobile purchasers to determine which models are more ecologically friendly and to base their judgements on that information.

In order to inform people about more environmentally friendly car alternatives, we also produce a series of articles for consumers on EVs and videos about the models that are currently on the market.

Generalist

Our online classifieds and marketplace portals not only offer one of the best ways for consumers to advertise and find goods and services across the Baltics, but they also direct clients towards environmentally friendly options. By purchasing used goods on our Generalist portals rather than brand-new ones, whether it be a laptop or a bicycle, fewer products need to be made and end up in landfills. Also, we provide a platform for easy shipment of purchased goods. Time, gasoline, and other resources are saved in this way. All of this encourages a circular economy and results in reduced GHG emissions and material waste.

Also, we enhanced the pets category by requiring more specific information about pets, such as the seller's registration number and the pet's microchip number, and we work with local authorities to promote ethical and pet-friendly breeding. Based on this information, the buyer may choose more wisely. He or she might decide to get a pet from a recognized breeder to ensure that the animal was bred responsibly.

The addition of a new category for rubbish collection services is another enhancement that aids our clients in making more environmentally friendly decisions. Rubbish collection services can only be offered by licensed providers. It's conceivable that unlicensed suppliers harm nature by discarding trash in a forest or another arbitrary location. In order to control the content and combat illegal rubbish collectors who seriously harm the environment, we also work with local authorities.

Jobs & Services

Customers may locate the services they require online through the Group's Jobs & Services websites, enabling them to make more environmentally friendly decisions. Online job searchers and recruiters may connect through our Jobs site, and those in need of local employees' and service providers' services can connect through Services portals. This reduces GHG emissions brought on by pointless travel. By including a remote interview tag on the post, the employment portals encourage recruiters to set up such interviews and let job searchers more easily locate positions with a remote interview potential.

The Task Force for Climate-Related Financial Disclosure ("TCFD") Report

TCFD compliance statement

We support the Task Force on Climate-related Financial Disclosures ('TCFD') and its recommendations and are committed to assessing the impacts of climate risks and opportunities across our operations and supply chains. This year we focused on evolving our sustainability targets that are critical in our decarbonisation journey.

The following material climate-related financial disclosures are consistent with the four overarching thematic recommendations, supported by the 11 recommended disclosures. (As per the TCFD additional guidance "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" (2021 TCFD Annex) which was released in October 2021.)

TCFD disclosure index

The following table shows where recommended TCFD disclosures can be found:

TCFD recommended disclosure	*Compliance*
Governance	
1. Describe the board's oversight of climate-related risks and opportunities 2. Describe management's role in assessing and managing climate-related risks and opportunities	The Board's oversight of climate-related risks and opportunities and Senior Management's role in assessing and managing climate-related risks and opportunities are described in the Governance section of this TCFD Report.
Strategy	
3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term 4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning 5. Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios	The material climate-related risks and opportunities and the impact they may have on the Group have been identified and are disclosed in the Strategy section of this TCFD Report. The climate-related risks and opportunities were stress-tested in three different climate scenarios and the resilience of our strategy is described in the Strategy section of this TCFD Report.
Risk Management	
6. Describe the organisation's processes for identifying and assessing climate-related risks 7. Describe the organisation's processes for managing climate-related risks 8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	The Group's processes for identifying, assessing and managing climate-related risks are described in the Risk management section of this TCFD Report. Climate-related risks are captured and documented in the Group's Risk Register in the same manner other risks are documented. This process is described in the Risk management section of this TCFD Report and the Risk management section of the Strategic Report on pages 46 to 48.
Metrics and Targets	
9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process 10. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks 11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Our environmental targets are described in the Climate-related Targets section of this TCFD Report. Scope 1 and 2 GHG emissions, energy consumption, water consumption and information on electricity are disclosed in the Energy and Greenhouse Gas Report on pages 35 to 36.

Sustainability governance

Board oversight and Senior Management's role

The Board has overall responsibility for the Group's preparedness for adapting to climate change. To ensure the Board has sufficient oversight of BCG's sustainable business strategy and performance, including climate-related targets, the Board has assigned climate-related responsibilities to the ESG working group.

The ESG working group was established in January 2022. In 2023 two more employees supplemented the ESG working group and it now consists of the CEO, CFO, COO and two other employees. The Chair, together with Non-Executive Director Jurgita Kirvaitiene, are actively involved in ESG activities and attend ESG working group meetings on demand.

> *In 2023 two more employees supplemented the ESG working group.*

During the Board meetings, the Board is updated on climate-related risks and opportunities, environmental metrics, including the Group's carbon footprint, environmental reporting obligations and progress towards our climate-related goals.

During 2023, the ESG working group met five times. Also, the ESG working group organised a discussion with Senior Management to go through, discuss and to update the ESG Risk Register, including climate-related risks and opportunities. Portal managers as risk owners, are responsible for assessing and managing climate-related risks for their respective business areas. They follow and prepare for new environmental regulations, changing market tendencies and increasing customer environmental awareness. The ESG working group is responsible for assessing and managing climate-related risks that are general to the Group and monitoring emerging regulatory requirements.

> *The ESG working group met 5 times in 2023.*

Climate-related areas which have been discussed by the ESG working group during the year included:

- governance and strategy around climate-related issues;
- climate-related target setting;
- impact on the environment by the Group; and
- environmental reporting.

Areas of focus for the ESG working group in the next financial year will be:

- tracking our progress against environmental targets;
- tracking the environmental impact by the Group, including carbon emissions; and
- continuous monitoring and analysis of climate-related risks and opportunities.

During the year ended 30 April 2023, the Board was regularly updated on climate-related issues facing the Group, including the areas covered in the ESG group meetings. At the February 2023 Board meeting, the Board reviewed and approved the most material ESG focus areas for BCG. At the April 2023 Board meeting, the Board received and approved changes to climate change issues listed on the Risk Register, approved BCG's sustainability targets and a new strategic sustainability aim.

Because of the business specifics, during the financial year there were no other material changes to business activities nor additional expenditure, acquisitions or divestitures budgeted for the next year, regarding climate issues.

Climate strategy

Climate-related risks and opportunities

Due to BCG's business model, the Group operates in a low-carbon environment, where the environmental impact of the Group is low. However, the accelerating climate change may have an impact on BCG's business. The Group has updated the list of physical and transition risks as well as climate-related opportunities that may arise in the future.

Physical risks resulting from climate change can be event driven or longer-term shifts in climate patterns. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

The Group considered climate-related physical and transitional risks and opportunities that could potentially arise during three different time horizons:

- Short term (now-2025)
- Medium term (2026-2035)
- Long term (2036-2050)

The Group also considered the risks and opportunities across the four main business lines:

- Real Estate
- Auto
- Generalist
- Jobs & Services

Senior Management also discussed the potential impact of the identified climate-related risks and opportunities in relation to financial planning, business and strategy, including impact on products and services, supply chain and adaptation to climate change.

See the following tables where we discuss: physical risks, transition risks, opportunities and time horizons in which they are most likely to arise.

Specific risk	*Description of risk and its impact*	*Business line & Time horizon*
Physical risks		
Increased severity of extreme weather events	Increased severity of extreme weather events due to accelerating global warming may disrupt commercial customers' behaviour, affect the availability of websites and result in disruption to the provision of services from our service providers. These consequences may lead to a decrease in revenue.	All business lines ● Long term
Rising mean temperatures	Rising mean temperatures may result in heatwaves, which would increase cooling costs in offices and data centres.	All business lines ● Long term
Extreme variability in weather patterns	Extreme weather patterns may increase heating costs in our offices in the winters and cooling costs in our offices and data centres in the summers.	All business lines ● Long term
Transitional risks		
Internal combustion engine vehicles ban	Internal combustion engine car ban in the Baltics may lead to reduced volume of ads. The new law in the EU envisions a total ban on the sale of new diesel and gasoline cars by 2035.	Auto ● Medium term ● Long term
Higher taxation on transactions of internal combustion engine vehicles	Increasing the current taxation on transactions of internal combustion engine vehicles may reduce the volume of adverts, which would result in lower revenue from the Auto segment.	Auto ● Short term ● Medium term ● Long term
Consumers switching to electric vehicles	If consumers shift to electric vehicles, we will have to tailor our business by adding additional filters and features to improve the search and sales of electric vehicles.	Auto ● Medium term ● Long term
New regulations reduce stock on the market	If stock is reduced on the market due to increasing environmental regulations, the volume of transactions and ads will decrease, leading to decrease in revenue from the real estate segment. In addition to that, if property detail reporting becomes more onerous for non-professionals/privates due to increasing environmental regulations, the volume of ads from privates may decrease, leading to decrease in revenue of real estate segment.	Real Estate ● Medium term ● Long term
Opportunities		
Opening of new market segments, such as advertising EV charging infrastructure	Increasing environmental regulations and awareness may create new market segments, such as electric vehicle charging infrastructure. This would allow us to develop and launch services in the Auto segment, for instance, integrating charging station offerings into electric vehicle ads, which may result in higher revenue.	Auto ● Medium term ● Long term
Introduction of yearly internal combustion engine vehicle ownership tax	While increasing the current taxation on transactions of internal combustion engine vehicles may reduce the volume of ads, the introduction of yearly internal combustion engine vehicle ownership tax may lead to willingness to switch to less polluting vehicles which would result in higher volumes of ads on our platforms. This would increase revenue in the Auto segment.	Auto ● Short term ● Medium term
New environmental regulations reduce mortgage availability	Reduced mortgage availability due to environmental regulations may decrease the number of transactions and increase the length of ads being advertised, leading to higher revenue in the Real Estate segment.	Real Estate ● Medium term ● Long term
Increased cost of materials	Climate change and environmental regulations may result in increasing raw material prices. Increased prices in the primary market may increase the activity in the secondary market and consequently increase the number of ads and revenue in Generalist portals.	Generalist ● Medium term ● Long term
Increased climate awareness	Increased climate awareness and people shifting to a circular economy may increase the activity in the secondary market and consequently increase the number of ads and revenue in Generalist portals.	Generalist ● Medium term ● Long term
Fulfilling environmental reporting and sustainability goals	Achieving our climate-related goals and being an environmentally responsible business may lead to enhanced reputation with Shareholders, customers and investors, an increase in share price and revenue. Improved investor relations may also result in higher availability and lower cost of capital.	All business lines ● Short term ● Medium term ● Long term

● Short term ● Medium term ● Long term

Climate scenarios

After the climate-related risks and opportunities were identified and assessed, they were also stress-tested in the selected three climate scenarios based on assumptions of NGFS (Network for Greening the Financial System) climate scenarios:

Orderly: this scenario assumes early, ambitious action to a net zero CO_2 emissions economy.

Disorderly: this scenario assumes action that is late, disruptive, sudden and/or unanticipated.

Hot house world: this scenario assumes limited action leads to a hot house world with significant global warming and, as a result, strongly increased exposure to physical risks.

The assumptions of the scenarios are summarised in the following table:

	Scenario 1 "Orderly"	*Scenario 2 "Disorderly"*	*Scenario 3 "Hot house world"*
Policy action	Early policy action	Late policy action (from 2030)	No policy action
Transition	Smooth transition	Disruptive transition	Business as usual
Time horizons	Now-2025	2026-2035	2036-2050
Temperature	Global temperatures increase to between 1.5-2 degrees above pre-industrial levels	Global temperatures increase to between 1.5-2 degrees above pre-industrial levels	Global temperatures increase to over 3 degrees above pre-industrial levels
Sea level rise	Low	Low	High
Risks	Low physical and transition risks	Higher transition risk	Higher physical risks
Estimated carbon prices	Estimated range – \$135-\$5,550 USD/tCO_2e in 2030, \$245-\$13,000 USD/tCO_2e in 2050 (IPCC SR1.5)	Estimated range – \$135-\$5,550 USD/tCO_2e in 2030, \$245-\$13,000 USD/tCO_2e in 2050 (IPCC SR1.5)	Estimated range – \$10-\$200 USD/tCO_2e in 2030, \$45-\$960 USD/tCO_2e in 2050 (IPCC SR1.5)

The financial impact on the Group's financial planning was assessed by the Senior Management based on the Group's past experience. The financial impact is summarised in the following table:

Type of risk / opportunity	*Specific risk / opportunity*	*Scenario 1 "Orderly" Now-2025*	*Scenario 2 "Disorderly" 2026-2035*	*Scenario 3 "Hot house world" 2036-2050*
Physical risks	Changing weather patterns and increased severity of extreme weather events	● Immaterial	● Immaterial	● Medium
Transitional risks	Internal combustion engine vehicles ban	● Immaterial	● Low	● Immaterial
	Higher taxation on transactions of internal combustion engine vehicles	● Immaterial	● Low	● Immaterial
	Consumers switching to electric vehicles	● Immaterial	● Immaterial	● Immaterial
	New regulations reduce stock on the market	● Immaterial	● Immaterial	● Immaterial
Opportunities	Opening of new market segments, such as advertising EV charging infrastructure	● Immaterial	● Immaterial	● Immaterial
	Introduction of yearly internal combustion engine vehicle ownership tax	● Immaterial	● Low	● Immaterial
	New environmental regulations reduce mortgage availability	● Immaterial	● Low	● Immaterial
	Increased cost of materials	● Immaterial	● Immaterial	● Immaterial
	Increased climate awareness	● Immaterial	● Immaterial	● Immaterial
	Fulfilling environmental reporting and sustainability goals	● Immaterial	● Immaterial	● Immaterial

● Immaterial financial impact ● Low financial impact ● Medium financial impact ● High financial impact ● Catastrophic financial impact

Senior Management has concluded that the climate-related risks and opportunities could have an immaterial impact on the Group's revenues and costs in scenario "Orderly" and immaterial or low impact in scenario "Disorderly". Under the scenario "Hot house world", physical risks could have a medium financial impact.

Given the "Hot house world" scenario assumptions, Management believes that increased severity of extreme weather events due to accelerating global warming may have a medium financial impact on capital expenditures, operating costs and revenues:

- extreme weather events may cause floodings in the areas of our data centres, that would disrupt the operation of our servers and temporarily affect revenues, operating costs and capital expenditures;
- extreme weather events may disrupt the internet connection and temporarily affect the availability of our websites, leading to financial impact on revenues; and
- extreme weather events may temporarily impact commercial customers' behaviour during such events, leading to fewer new ads on our websites and a decrease in revenue.

Management has considered the potential impact on financial planning that may arise in the future. For the next financial year, Management does not foresee any material impact on the financial planning that may arise from climate-related issues.

Given the uncertainty of the transition to a low-carbon economy and the temperature increase limits achieved, the results of the scenario analysis enable us to better understand, build resilience and to prepare for the potential worst case impacts of climate change. From our analysis we know that transition risks could potentially be most significant under Scenario 1 "Orderly" and Scenario 2 "Disorderly" though there are differences in their timings and materiality of financial impacts. On the other hand, Scenario 3 "Hot house world" could have the biggest financial impact due to the physical climate-related risks. To ensure we are building long-term resilience as a business, we will use the outputs of this phase of the TCFD programme to improve our strategies and decision making.

The ESG working group will continue to monitor and analyse climate-related risks with the oversight of the Board.

Climate-related risk management

The Board has overall responsibility for risk management and the ESG working group is responsible for identifying, analysing and agreeing the mitigation, transfer, acceptance or control of climate-related risks.

We continually develop our capacity and capability to manage risk and uncertainty to build and maintain long-term resilience. Climate-related risks are identified, assessed and managed according to our Risk Management framework (page 46). Risks are assessed based on their likelihood and potential impact with the combination of the two measures defining the overall score of each risk so that they could be rated. Climate-related risks are captured and documented in the Group's Risk Register, identifying the risk category, the likelihood of the risk occurring, the impact if it does occur, a specific owner, the risk trend and the mitigation plan for each risk.

During 2023, we reviewed and updated the Group's risk register with climate-related risks and opportunities. These risks and opportunities are disclosed in the Strategy section of this Sustainability Report. Each member of the Senior Management has endorsed the risk management framework and, as risk owners, are responsible for assessing and managing climate-related risks for their respective business areas. The ESG working group is responsible for assessing and managing climate-related risks that are general to the Group and monitoring emerging regulatory requirements.

Energy and Greenhouse Gas Report

We recognise that businesses have a responsibility to protect the environment and understand the impact their operations have. In order to better evaluate the impact our Company has on the environment we have started reporting GHG emissions.

The following table summarises the Group's GHG emissions for this financial year.

		2023[1]	2022[1] restated	Units
Scope 1 direct emissions	Combustion of fuel and operation of facilities	43.7	48.6	Tonnes CO_2e
Scope 2 indirect emissions[2]	Purchased electricity, heating and cooling (location-based)	151.4	324.3	Tonnes CO_2e
	Purchased electricity, heat and cooling (market-based)	56.8	134.2[3]	Tonnes CO_2e
Scope 1 & 2 total CO_2e (location-based)		195.1	372.9	Tonnes CO_2e
Scope 1 & 2 total CO_2e (market-based)		**100.5**	**182.8[3]**	**Tonnes CO_2e**
CO_2e per employee[4] (location based)		1.5	3.0	Tonnes CO_2e
CO_2e per million revenue[5] (location-based)		3.2	7.3	Tonnes CO_2e
CO_2e per employee[4] (market-based)		0.8	1.5	Tonnes CO_2e
CO_2e per million revenue[5] (market-based)		1.7	3.6	Tonnes CO_2e
Global energy consumption		670.6	692.8	MWh

Methodologies

The calculations of GHG emissions align with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'. The GHG reporting period is aligned to this financial reporting year. The methodology used to calculate emissions is based on the financial consolidation approach, as defined in the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard.

Direct emissions data have been converted into CO_2 equivalent using 2022 emission conversion factors published by the Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS) (2021 emission conversion factors were used for emission calculations in 2022). Indirect location-based electricity emissions data was converted into CO_2 equivalent using conversion factors published by The Joint Research Centre (JRC) - the European Commission's science and knowledge service (v. 2020) (v. 2018 was used for emission calculations in 2022). Indirect market-based electricity emissions data was converted into CO_2 equivalent using European Residual Mixes 2022 published by Association of Issuing Bodies (European Residual Mixes 2018 published by Association of Issuing Bodies was used for emission calculations in 2022).

Scope 1

Scope 1 emissions cover natural gas combustion within boilers and road fuel combustion within owned/leased vehicles across all the Group companies. During 2023, we reported road fuel combustion from 9 Company owned/leased vehicles (2022 - 11 owned/leased vehicles).

Scope 2

Scope 2 emissions cover purchased electricity, heat and cooling for own use across all the Group offices located in Vilnius, Tallinn, Tartu and Riga, as well as electricity from data centres falling under Scope 2. In accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance', location-based and market-based methods for purchased electricity emissions were used. All electricity, heat and cooling purchased was outside of the UK: in Lithuania, Latvia, Estonia and Poland.

[1] All emissions incurred by the Group were Global, there were no emissions incurred in the UK.
[2] Including the electricity of data centres.
[3] 2022 amounts restarted after receiving green electricity certificates for 2022.
[4] Carbon emissions divided by average number of FTEs during the year - 131 (2022 - 126).
[5] Carbon emissions divided by revenue in millions - €60.8 million (2022 - €51.0 million).

Intensity ratio

Emissions have also been calculated using an 'intensity metric', which will enable the Group to monitor how well we are controlling emissions on an annual basis, independent of fluctuations in the levels of their activity. In respect of Scope 1 and 2, our use of energy is driven by our people and therefore we consider 'Emissions per employee' to be the most suitable metric, based on the average number of FTEs during the year. The emissions have also been calculated in relation to our turnover – 'Emissions per million revenue', which determines cost efficiency based on comparing carbon emissions to overall business revenue. The reduction in emissions helped us to decrease emissions per employee to 0.8 tonnes of CO_2e (2022: 1.5 tonnes of CO_2e) and emissions per million revenue to 1.7 tonnes of CO_2e (2022: 3.6 tonnes of CO_2e).

Electricity consumption

The total electricity consumption in 2023, for Scope 2 was 363.0 MWh (2022 - 336.3 MWh). In 2023, we had no energy supply agreements for which we were directly responsible. However, we continuously lead a conversation with our service providers to find possibilities to switch to more sustainable energy. Towards the end of the year 2023 our data centre in Poland started using 100% electricity from renewable sources, while the office in Tallinn switched to renewable electricity at the end of 2022.

We are proud to announce that we increased the amount of renewable energy used in our offices and data centres to 73% from 63% in 2022. 49% of electricity used in our data centres is from renewable energy (76% is emission-free) and 98% of electricity used in our offices is from renewable energy (98% is emission-free). 100% electricity used was from the grid.

Energy efficiency

We are conscious of the energy consumption in our offices and thus we try to make energy consumption as efficient as possible. The year we moved into our Vilnius office we installed smart lighting with motion detectors to keep the light on only when employees are around. Also, during 2021 and 2022, we replaced the vast majority of our stationary computers with newer and more efficient laptops that use less energy for employees working both in offices and at home.

Water

Our total water consumption during 2023 increased to 471 cubic metres due to a higher number of days of employees working from the offices (2022 - 323 cubic metres). The water usage is derived from our offices in Vilnius, Tallinn, Tartu and Riga.

> *We are proud to announce that we increased the amount of renewable energy used in our offices and data centres to 73% from 63% in 2022. 49% of electricity used in our data centres is from renewable energy (76% is emission-free) and 98% of electricity used in our offices is from renewable energy (98% is emission-free).*

Carbon neutrality

Last year we set a goal to be carbon neutral across our direct operations and achieved it in 2023 and 2022 by offsetting our carbon footprint through UNFCCC-certified climate friendly projects that reduce, avoid or remove GHG emissions from the atmosphere.

In collaboration with the United Nation Carbon offset platform, we offset 106 tCO_2e to neutralise our 2023 carbon footprint, including our Scope 1, Scope 2 and additional 5% of our total emissions. To achieve carbon neutrality across scope 1 and 2 we have funded a wind park in Asia, which contributes to the global effort of GHG emission reduction.

Science Based Targets initiative

During the year we submitted our near term target to the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C, which was approved in June 2023. The targets committed us to reduce our absolute emissions by at least 42% by 2030. Because we are using more renewable electricity in our offices and data centres, we were able to exceed the target and reduce our emissions in direct operations by 45% during 2023. Our other near term targets involve making our company fleet ultra-low emission by 2028 and increasing the percentage of electricity derived from renewable sources to 80% by 2025 and 100% by 2030, which will allow us to further reduce our emissions.

> *During the year we submitted our near term targets to the Science Based Targets initiative (SBTi). Because we are using more renewable electricity in our offices and data centres, we were able to exceed the 42% target and reduce our emissions in direct operations by 45% during 2023.*

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Environmental targets

Target	*Status*	*Description and progress towards our goals*
Scope 1. All company vehicles to be EV or ultra low emission by 2028	Initiated	All new company vehicles will be EVs or ultra low emission vehicles (ULEVs), emitting 75g/km emissions or less.
Scope 2. At least 80% electricity to be from renewable energy sources by 2025 and 100% by 2030	On track	73% of our Scope 2 electricity in 2023 is from renewable energy and 87% is emission-free. 98% of electricity used in our offices is from renewable energy, 49% of electricity used in our data centres is from renewable energy.
Reduce our emissions by at least 42% by 2030	Achieved	We succeeded in meeting the Science Based Targets initiative's requirement that we cut our absolute emissions by 42% from the base year of 2022. Because we are using more renewable electricity in our offices and data centres, we have reduced the amount of emissions. We can continue to cut our emissions by increasing the amount of emission-free electricity and moving to EVs.
To be carbon neutral[1] across our direct operations	Achieved	We offset our Scope 1 and 2 emissions through environmental initiatives.
Net zero[2] by 2050	On track	We will reach net zero by 2050 by reducing our emissions by at least 90% and neutralising any residual emissions.

[1] Carbon neutrality is achieved by measures that companies take to remove carbon from the atmosphere and permanently store it to counterbalance the impact of emissions that remain unabated (source: Science Based Targets initiative).

[2] Setting corporate net-zero targets aligned with meeting societal climate goals means: (a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralising any residual emissions at the netzero target date – and any GHG emissions released into the atmosphere thereafter (source: Science Based Targets initiative).

People and culture

Culture and values

Our culture is a big part of our success story. Our people are our superpower. Supported by our recent engagement survey, we know that our employees also love working with us. We're proud of the dedication, ambition and motivation of our employees and we strive to create an inclusive environment where everyone can feel listened to and are supported in contributing to the long-term sustainable success of the Group.

Diversity and inclusion

We are highly focused on providing a safe, happy, and supportive working environment. For this reason, we do not tolerate any discrimination related to gender, age, sexual orientation, social status, disability, race, ethnicity, religion, or personal beliefs in our workplace.

> *We are highly focused on providing a safe, happy, and supportive working environment.*

The Group is committed to recruiting employees based only on experience, competence, qualification, and the right abilities for the position and seeks to provide equal opportunities to work conditions, including, training, recruitment and redundancy, security, and equal pay. Applications for employment by people with disabilities are given full and fair consideration bearing in mind the respective aptitudes and abilities of the applicant concerned and our ability to make reasonable adjustments to the role and the work environment. In the event of existing employees becoming disabled, all reasonable effort is made to ensure that appropriate training is given and their employment within the Group continues. Training, career development and promotion of a disabled person is, as far as possible, identical to that of an able bodied person.

Gender diversity

The Group also believes in the power of diversity to establish a creative workplace. The Group actively supports women choosing careers in the technology industry.

The Board is keen to strengthen and maintain female representation in senior roles and BCG has been a contributor to the FTSE Women Leaders Review, an initiative which aims to increase female leadership within the FTSE 350. We are proud to be acknowledged and ranked as 18th of the best performers within the FTSE 250 and to be number two within the technology sector of the FTSE 350 with 45% of women in leadership positions.

Ethnic diversity

BCG cares about creating a diverse and inclusive work community. In order to better understand the ethnic diversity across our workforce, this year we conducted a diversity and inclusion survey which gave us a better understanding of ethnicity across our workforce.

Given that national minorities are recognised in Lithuania, Estonia and Latvia and the Office for National Statistics states that Nationality is an aspect of ethnicity, this is the distribution of our people across different ethnic groups relevant to the Baltics. Please see the current ethnicity distribution of total population in each of Lithuania, Latvia and Estonia on page 74.

Talent attraction and retention

The competence and commitment of the Group's employees are important factors for the Group's success. Our success also depends on the ability to attract, train, motivate and retain highly qualified individuals, whilst building our corporate culture. The Group faces significant and increasing competition for qualified personnel, including those in information technology positions. The Group has historically offered the Senior Management and key employees investment opportunities in the Group in order to attract and retain highly qualified individuals. As of 30 April 2023, we had an average of 8 years of tenure per employee and average 14 years of tenure per Senior Management employee.

Employee engagement and wellbeing

We are continuously looking for ways to improve internal communications to ensure our employees stay connected and feel engaged.

Currently we are still applying a hybrid working model in some of our offices. Therefore, it is crucial for us to keep in touch over virtual channels. Our employees use Skype, Zoom and Slack applications for our internal communications and these have proved to be great and efficiency improving tools for people to communicate.

In addition, we organise different activities for employees to stay connected. During the year, we introduced a games night for employees every last Tuesday of the month.

We hold CEO-led virtual updates whenever we have news for employees to ensure our people are updated on key business activities, business performance or any strategic changes.

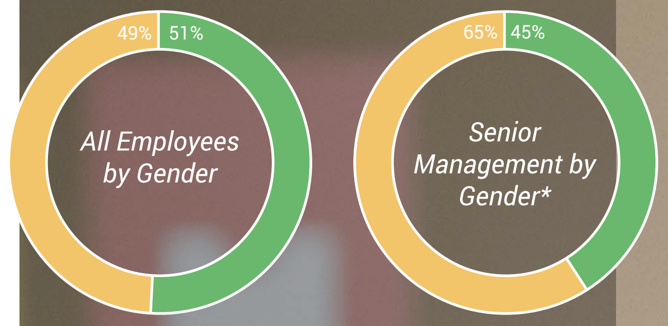
In order to contribute to our employees' health and wellbeing, the vast majority of our employees are awarded with a healthcare plan scheme for employees' medical needs. Also, employees in our biggest offices in Lithuania and Estonia are given a free yearly gym subscription.

To keep the Board informed on workforce related issues, the CEO, CFO and COO provide updates at every Board meeting which includes relevant workforce updates. This engagement method is effective due to the management structure of the Group. The Board is particularly hands-on, engaged and committed to ensuring that it understands the composition and views of employees. During the year, designated Non-Executive Board members met with employees where people could ask questions or express relevant concerns. We are planning to hold these meetings regularly.

Employee engagement survey

In order to get a better understanding of the current employee morale, satisfaction, and engagement at BCG, we conducted an employee engagement survey in 2023. We welcome open and honest feedback from our employees and will be conducting employee surveys on a regular basis.

Gender diversity of employees



Male
Female

*Based on the figures for the FTSE Women Leaders Review 2022

→ For gender figures for the Board and the Senior Management see page 68

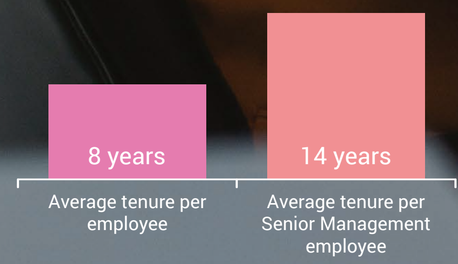
Ethnic diversity of employees

- Lithuanian 55%
- Estonian 32%
- Latvian 8%
- Russian 2%
- Polish 2%
- Other 1%

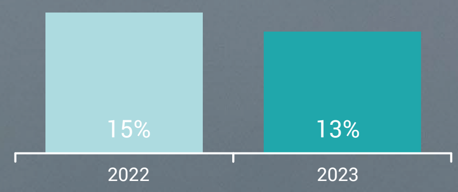
- Lithuanian 59%
- Estonian 25%
- Latvian 8%
- Russian/Jewish 8%

*except Senior Management by ethnicity

Average Employee Tenure



Average Salary Increase



We were pleased that in the 2023 survey more than 95% of our employees answered YES to both questions: "Do you feel proud to be part of the BCG team?" and "Would you recommend your friends to work here?".

In the 2023 survey more than 95% of our employees answered YES to both questions: "Do you feel proud to be part of the BCG team?" and "Would you recommend your friends to work here?".

Summary results were presented to the Board and were made available to employees. The feedback from employees enabled Senior Management to make the necessary conclusions on the employee morale, satisfaction and engagement, which will help to make positive improvement in each of these areas.

Employee share incentive scheme

We want our employees to benefit directly from their contribution to the Group's success. The Group currently operates a Performance Share Plan ("PSP") that is subject to service and performance conditions. The PSP scheme consists of share options for Executive Directors and certain key employees with a vesting period of three years. The Group awarded 1,221,592 share options under the PSP scheme in 2023 and 1,041,475 share options in 2022. During 2023, the Group also granted a retention award in the form of 244,318 share options to two new joiners as part of GetaPro acquisition. These awards have a vesting period of one year. For more information on PSP, see Remuneration Committee Report on page 85.

→ See more on the Employee share incentive scheme in the Notes to the consolidated financial statements on pages 135 to 136.

Fair pay

Since we are operating in a highly competitive labour market segment, it is crucial to us that our employees receive a competitive salary for the work they perform. All employees receive fair pay according to their qualification, level of responsibility, work results, experience, and other objective criteria. To make sure the salaries of our employees stay competitive, they are reviewed yearly, taking into account market data, the skill set and experience of employees. The salaries on average increased by 13% during 2023 and 15% during 2022.

As opposed to the UK, the Baltics lack a generally recognised real living wage standard. However, all our employees are paid significantly above the national minimum wage and we are committed to paying a fair salary for all our employees.

Access and affordability

On average each resident in the Baltics visited BCG sites 11 times per month during 2023, making BCG the leading online classifieds group in the Baltics. It is important for us to ensure that the most needy parts of our society can access affordable services on our site in a convenient and free way.

Currently, the Group's portals offer consumers free access to search for a wide range of products and services listed by B2C and C2C listers, portal-specific ancillary services, such as financial intermediation and data services (such as vehicle history and fraud checks on the Group's Auto portals, salary data per different job category on the Jobs portal). Consumers can search the portal with or without prior registration and have access to a large volume of listings across the portals in numerous categories including real estate, automotive, jobs (blue and white collar), home furnishing, clothing, construction materials, agricultural equipment and pets.

Our Generalist platforms allow private users to list general items for sale entirely for free. Applying for a job on our Jobs platform is also free of charge. Our vertical platforms offer private users ad listing fees that relate to the value of the item listed - as a result, people who list lower value items, can list them for a significantly lower price. Searching for an employee on our job portal varies by location, so it costs less in smaller cities where the average salary is lower.

Sustainability Report continued

STRATEGIC REPORT

Social and community issues

Since the beginning of the war in Ukraine, the Group has donated €0.3 million to support the struggle of Ukrainians. €0.1 million was donated to the Red Cross and €0.1 million was donated to a local non-government organisation "Blue&Yellow" which provides nonlethal supplies to Ukraine. An additional €0.1 million was donated to other initiatives, that help civilians who are forced to leave their homeland and flee from the war zone.

Since the beginning of the war in Ukraine the Group has donated €0.3 million to support the struggle of Ukrainians.

In addition to these donations, we try to ease the challenges faced by Ukrainian refugees and the people of Ukraine in any other ways that we can, especially because since the start of the war, tens of thousands of Ukrainian refugees have become part of our local communities in the Baltics.

Some of the developments done in order to ease the challenges faced by Ukrainian refugees:

- In order to make the accommodation search easier for Ukrainians, our Real Estate portal Aruodas.lt has implemented the label "Help for Ukrainians". This label allows customers to advertise that they offer more flexible conditions to refugees and also enables Ukrainians to find the ads they need more easily.
- Due to the scarcity of housing available for rent, we took a step further and organised promotional campaigns for real estate owners to allocate their vacant houses and apartments for the accommodation of Ukrainians, if possible.
- Together with the legal consultancy, we prepared an overview and basic recommendations for real estate owners on renting houses and apartments to Ukrainian refugees, integrated rental agreement templates and translated them into English, Ukrainian and Russian languages.
- Another issue Ukrainian refugees face in our communities is finding jobs. We try to make it easier for them by introducing a new feature in our Jobs port - a label "Ukrainians are welcome" that employers can add to their ads. The label means that for that particular job position, Lithuanian language is not necessary and it is suitable for refugees from Ukraine. These ads can be filtered through job search which is helpful for Ukrainians to find jobs more easily.
- Our Jobs portal CVbankas.lt was translated into Ukrainian language so that site visitors may view the portal's content, including job ads information in Ukrainian language. This makes job search even easier. Applicants' resumes can also be created in Ukrainian language.
- Our services portal Paslaugos.lt offers free placement of ads for professional services offered by Ukrainians, helping them to find clients in Lithuania and earn money for the services provided.
- Another Service portal, Getapro.lv gives a €20 bonus for each registered Ukrainian who has been verified with Ukrainian ID.
- To help Ukrainian refugees find items needed for settling in, we created a dedicated category "For Ukraine" in our Generalist portal Skelbiu.lt. People can list clothes, furniture, appliances or any other items free of charge to give away for free.
- Our portal Osta.ee was also involved in a lot of charity auctions during the year, where the portal users could donate the total or a portion of the value of sold items to helping Ukrainian refugees. In total, more than €30 thousand were collected and sent to charity organisations.

Social targets

Target	*Status*	*Description and progress towards our goals*
Maintain average employee tenure above 5 years	Achieved	In 2023 the average employee tenure was 8 years.
Maintain employee engagement above 90%	Achieved	In 2023 we conducted our first employee engagement survey which showed that more than 95% of employees are proud to work at BCG.

Governance and compliance

Data security

In order to ensure that our portals are secure, we have implemented technical measures, including distributed denial-of-service (DDoS) protection, bot management and strict firewall rules. All critical parts of the infrastructure are secured from the public and our software is up-to-date with critical security patches applied. We conduct penetration testing and content moderation to ensure security and mitigation of cyber crime risk.

Security incidents are detected via security tools such as Cloudflare WAF and internal monitoring systems. Additionally, we implement public media monitoring and react to feedback from customers to ensure we are proactive in dealing with cyber threats.

Data privacy

We are committed to ensuring that the personal information we collect and use is appropriate for the purpose, does not constitute an invasion of privacy and is held securely, responsibly and transparently. We have adopted the EU and UK Data Protection Act 2018 as our benchmark for data protection. Where required, users have to consent with our terms of services, Privacy Policy and Cookies consent management platform.

To protect the personal data of the sellers who advertise on our platforms we hide part of their contact data and provide virtual numbers. In addition, all of our employees and all Board members have been trained for GDPR. We are planning to run additional training in autumn 2023.

In the summer of 2022, we introduced a Group-wide GDPR policy covering all jurisdictions, rather than having separate documents for each country. We intend to centralise the most important processes and guarantee that the fundamental rights and interests of each person are equally secured and respected across the BCG Group.

Human rights

BCG is committed to acting in an ethical manner with integrity and transparency in all business dealings and to investing in the creation of effective systems and controls across the Group to safeguard against adverse human rights impacts. BCG's policy is to engage only with suppliers who meet our ethical standards. Potential suppliers are assessed based on their geographical location, nature of services provided and their reputation. We safeguard our employees through a framework of policies and statements including Modern Slavery, Whistle-Blowing, Privacy, Document Retention and GDPR policies.

Modern slavery

We are committed to addressing the potential risks of modern slavery and human rights abuses within the Group and in its supply chain and we will take steps to review and, where appropriate, further improve our processes to ensure that we mitigate these risks appropriately. Should any instances of modern slavery be identified, we believe the Group is well positioned to deal with and address these.

Anti-bribery and anti-corruption

The Group has an employee handbook to ensure a consistent standard of behaviour across the Group which includes its Mission Statement and Values and an Anti-Bribery and Corruption Policy (among other policies). All employees and Board members are trained to identify and avoid the risks related to corruption and bribery.

We introduced a Group-wide GDPR policy covering all jurisdictions, rather than having separate documents for each country.

Whistle-blowing

BCG has adopted a Group-wide Whistle-Blowing Policy designed to provide our employees with an effective and available mechanism to help prevent malpractice occurring across our working environment, which includes a way for employees to raise their concerns anonymously.

Employees can express a problem via a local inbox set up in the office, their manager, the Executive Team, or the General Counsel if they have any. An employee can get in touch with the Chair of the Audit Committee if they want to talk to someone outside of BCG. Every effort will be made to keep the identity of an individual who makes a disclosure under this Policy confidential. All BCG employees have access to all contact details and information on the whistle-blowing procedure.

The CFO of Baltic Classifieds Group has Board responsibility for monitoring and evaluating whistle-blowing arrangements. The CFO will update the Audit Committee as and when whistle-blowing concerns have been received, the investigations completed and any actions arising as a result. From time to time, the CFO will also review the organisation's whistle-blowing arrangements and ensure they are subject to independent retrospective review. There were no whistle-blowing reports made during the financial year. The implementation and effectiveness of the Group's compliance function and policies is reviewed periodically by the Audit Committee and is supported by periodic reviews and risk assessments performed by the Group's finance and legal teams.

Competitive behaviour

BCG competes in highly competitive markets with low entry barriers. Due to rapid technological change, evolving industry standards and changing needs and preferences of customers and users, the competitive landscape is extremely dynamic. Our portals face intense competition from both traditional and new online classified portals such as Facebook Marketplace and Linkedin.

We also put a strong focus on compliance with competition laws. Our pricing strategy includes the assessment of whether the planned pricing is fair and reflects the economic value of the product offered. This was once verified by the competent authorities in Lithuania, whereby Group real-estate portal was accused of adopting unfair prices. Lithuanian Competition Council and later the court confirmed that prices were fair compared to selected benchmarks. It gives the credibility to assess the pricing limits and the legality of the planned actions.

Governance targets

Target	*Status*	*Description and progress towards our targets*
Complying with tax, data protection, human rights, bribery, corruption and other related rules and regulations in Lithuania, Latvia and Estonia	Achieved	BCG is committed to paying its fair share of tax. The Group's effective tax rate for 2023 was 12% (2022: 55%) with income tax of €3.2m (2022: €1.4m). We had no reportable data protection incidents or bribery and corruption breaches during 2023 and 2022.

Sustainability Accounting Standards Board (SASB) disclosure topics & accounting metrics

Disclosure index

SASB standards enable businesses around the world to identify, manage and communicate financially material sustainability information to their investors. The SASB standards are industry specific and identify the minimum set of financially material sustainability topics and their associated metrics for the typical company in an industry. SASB assigns BCG to the Internet & Media Services sector and the following disclosure sets out our progress according to the SASB standard for that sector.

The table below summarises the recommended SASB disclosures. Where we have provided the information, the location in the Annual Report is indicated below.

Topic	*Accounting metric*	*Location*
Environmental footprint of hardware infrastructure	• Total energy consumed • Percentage grid electricity • Percentage renewable • Total water consumed • Discussion of the integration of environmental considerations into strategic planning for data centre needs	• Total energy consumed, percentage grid electricity and percentage renewable are disclosed in the Greenhouse Gas report on pages 35 to 36. • Water usage disclosed in Greenhouse Gas report on page 36. • We have raised a goal to move to 100% renewable electricity by 2030 including our data centres. Please see page 37.
Data privacy, advertising standards and freedom of expression	• Description of policies and practices relating to behavioural advertising and user privacy • Total amount of monetary losses as a result of legal proceedings associated with user privacy	• Governance and compliance – our data security and data privacy sections of the Sustainability Report on page 42. • In 2023 we had no monetary losses as a result of legal proceedings associated with user privacy.
Data security	• Number of data breaches • Description of approach to identifying and addressing data security risks	• In 2023 we had no reportable data breaches. • Information on data security can be found in the Sustainability Report on page 42 and Principal risks and uncertainties section on page 48.
Employee recruitment, inclusion and performance	• Employee engagement as a percentage • Gender and ethnic group representation	• Information on employee engagement, gender diversity and ethnicity can be found in the Sustainability Report on pages 38 to 40.
Intellectual property protection and competitive behaviour	• Total amount of monetary losses as a result of legal proceedings associated with anti competitive behaviour regulations	• In 2023 we had no monetary losses as a result of legal proceedings associated with anti competitive behaviour regulations.

Non-financial and sustainability information statement

Disclosure index

The following table sets out where Stakeholders can find relevant non-financial information within this Annual Report, further to the Financial Reporting Directive requirements contained in Sections 414CA and 414CB of the Companies Act 2006. Where possible, it also states where additional information can be found that supports these requirements

Reporting topic	*Policies and standards which govern our approach*	*Annual Report and Accounts section reference*	*Page*
Environmental matters, including the impact of the business on the environment and climate related disclosures	• N/A	→ Sustainability Report → TCFD Report → Principal risks and uncertainties → Engagement with our Stakeholders	26 30 46 58
Employees	• Whistle-Blowing Policy • Disciplinary Rules and Procedures Policy	→ Sustainability Report → Engagement with our Stakeholders → Directors' Remuneration Report	26 58 82
Social and community matters	• Modern Slavery Statement • Diversity Policy	→ Sustainability Report → Engagement with our Stakeholders	26 58
Respect for human rights	• Modern Slavery Statement • Privacy Policy • Document Retention Policy • GDPR Policy	→ Sustainability Report → Engagement with our Stakeholders	26 58
Anti-bribery and corruption	• Anti-Bribery and Corruption Policy • Gifts and Entertainment Policy	→ Sustainability Report → Board Leadership and Company Purpose → Audit Committee Report	26 56 76
Business model	• N/A	→ Our Business at a Glance	16
Principal risks and uncertainties	• Risk register	→ Principal risks and uncertainties	46
Non-financial KPIs		→ Strategic Highlights → Our Business at a Glance → Sustainability Report	3 16 26

Risk Management

Risk management framework

The Company does not have a separate risk committee and the Board has overall responsibility for determining the nature and extent of the principal risks it is willing to take and for ensuring that risks are effectively managed across the Group. The Group operates a cautious attitude to risk and its risk appetite is low.

The Board performs a robust review and assessment of the risks, and considers potential emerging risks. Risks are then assessed based on their likelihood and potential impact with the combination of the two measures defining the overall score of each risk so they can be rated.

Risks are all captured and documented in a Risk Register, identifying the risk category, the likelihood of the risk occurring, the impact if it does occur, a specific owner for each risk, the risk trend and the mitigation plan for each risk. The CFO is ultimately responsible for maintaining this register, with inputs from the CEO and the COO. The register forms the basis for monitoring risks and ongoing risk discussions within the Board. The Board reviewed the Risk Register in December 2022 and April 2023.

The Company's internal control framework is based on a three lines of defence model. The first line of defence comprises operational management, which is responsible for the direct management of risk. This includes ensuring appropriate mitigating controls are in place and that they are operating effectively. The second line of defence is made up of the Company's internal compliance and oversight functions such as company secretarial, finance and legal. The third line of defence includes internal auditors' reporting to the Audit Committee.

Principal risks and uncertainties

The Board has carried out a robust assessment of the emerging and principal risks facing the Group. This included an assessment of the likelihood and impact of each risk identified, and the mitigating actions being taken. The principal risks and uncertainties identified, along with the potential impact and key mitigations, are detailed in this section. We recognise that the Group is exposed to risks wider than those listed, however we have disclosed those that we believe are likely to have the greatest impact on the Group's performance and those that have been the subject of discussion at Board meetings this year.

Emerging and principal 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.

An explanation of how the Company manages financial risks is also provided in note 22 to the consolidated financial statements.

Geopolitical risk ⟷

Description & impact

Further escalation of the war in Ukraine could result in the unrest and instability in the Baltic countries. Such situations could impact consumer behaviour (e.g. reducing spending / investing), seller activity (e.g. disruption in retailing), or impact investor perception of the business.

Mitigation

- Monitoring the situation in the region and changes in consumer behaviour
- Maintaining a flexible cost base that can respond to changing conditions

Developments in 2023

The temporary drop in the traffic of the Group's portals at the start of the war in 2022 has not repeated again and the Group's results in 2023 exceeded pre-invasion levels. This shows that our Company as well as Baltic economies in general are resilient to the increased geopolitical tension in the region.

Political and macroeconomic situation ↑

Description & impact

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

Mitigation

- Monitoring economic situation and economic forecasts for the region
- Maintaining a flexible cost base that can respond to changing conditions

Developments in 2023

Inflation remained high through the year and the speed of sales have normalised, both of which had a positive impact on the Group's performance due to higher commission pool and an increase of active ads or our portals.

Key ⟷ Stable risk trend ↓ Decreasing risk trend ↑ Increasing risk trend

Disruption to our customer and / or supplier operations ⟷

Description & impact

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

Mitigation

- Remaining market leaders in respective verticals while offering value-adding products and packages
- Continual improvements to our platforms
- Developing our product proposition to continue meeting our customers' needs and evolving business models
- Maintaining a healthy liquidity headroom with the yet unused revolving credit facility of €10 million as at 30 April 2023, together with a significant forecast headroom versus its covenant
- Diversifying revenue streams through acquisition of classifieds portals

Developments in 2023

The Group continued to strengthen its offering as well as entered the Services classifieds market in Estonia and Latvia through the acquisition of GetaPro portals which further diversifies our customer base.

Competition ⟷

Description & impact

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

Mitigation

- Constant monitoring of major competitors in adjacent business areas
- Continuous investment into customer experience
- Continuous development of cross-linkages between Group's horizontals and verticals
- Continuous development of our offering to provide value-for-money and differentiated service to listers

Developments in 2023

During 2023 Group's leading portal's overall position continued to strengthen against the closest competitors. The number of listers was increasing year on year except for Jobs, where the number of business clients have slightly decreased after very significant growth last year.

Laws & regulations ⟷

Description & impact

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.

Mitigation

- 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 external specialists where necessary

Developments in 2023

In addition to the two ongoing supervisory proceedings, the Estonian Competition Authority initiated supervisory proceedings in relation to the pricing of the Group's automotive portal in Estonia. The proceedings cannot lead to imposition of fines to any Group company, however, a precept ordering the Group companies to end any ongoing infringements could be imposed or the Estonian Competition Authority could potentially initiate misdemeanour proceedings that would entitle the imposition of a fine of up to €400 thousand per case. See note 26 to the consolidated financial statements for further detail.

At the end of May, 2023, Estonian Ministry of Justice registered 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 companies. Under §12 of the draft, if passed, it would enter into force on 1 July 2024. Per § 871(4) of the draft the supervisory proceedings ongoing on 1 June 2024 concerning a potential competition infringement will continue as competition supervision proceedings (new administrative fine proceedings). This means that if the relevant proceedings against Allepal are still ongoing on 1 June 2024, the Competition Authority could (together with the precept) have the power to impose a fine of up to 10% of the whole Group's turnover. At the same time, not all of the evidence collected during the proceedings up to that moment would continue to be admissible and given the delays in the procedure, it is questionable if the Estonian Competition Authority would attempt to impose a fine under the new procedural rules.

Key ⟷ Stable risk trend ↓ Decreasing risk trend ↑ Increasing risk trend

Technology

Description & impact

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

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

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

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

Mitigation

- Ongoing investment in security systems to ensure our systems remain robust
- Ongoing monitoring of external threats
- Regular testing of the security of the IT systems and platforms including penetration testing
- Disaster recovery and business continuity plan in place and reviewed and tested regularly
- Internal audit review of cyber security

Developments in 2023

Two years ago, the Group performed a review of its technology systems, data protection environment and disaster recovery plans. Following this review, the Group significantly improved its cybersecurity by implementing DDOS protection and bot management systems, migrated all services to a revised infrastructure and set up a new infrastructure to accommodate a disaster recovery site.

During the 2023 cyber security assessment was performed by the Group's outsourced internal auditors. The Group continues to work on the recommendations of the auditors to further improve its systems and processes.

Acquisition risk

Description & impact

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

Mitigation

- Acquisitions are focused on those businesses which operate in known sectors where the Group has or can develop competitive advantage and have good growth opportunities
- Detailed pre-acquisition due diligence by in house personnel as well as external advisers
- Retention and motivation of key personnel

Developments in 2023

The automotive portal acquired in 2020 as well as the Services business acquired this year are performing in line with expectations.

Climate change

Description & impact

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

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

Mitigation

- The Group is committed to contributing to the climate change cause by being environmentally responsible, reducing carbon emissions, shifting to renewable energy and offsetting carbon emissions
- We are already taking actions to adapt to the increasing customer climate change awareness and are ready to adjust if new environmental regulations arise: adopt the platforms for eco-friendly products, introduce necessary filters, educate visitors, enrich ad data with environmental impact related information

Developments in 2023

In 2023, we set clear targets in our net zero journey, submitted our near-term targets for Science Based Targets initiative (SBTi) Business Ambition for 1.5°C, increased the percentage of electricity from renewable sources to 73%, carbon-free electricity to 87% and reduced our total emissions by 45%.

Key ⟷ Stable risk trend ↓ Decreasing risk trend ↑ Increasing risk trend

Viability Statement

Based on the going concern assessment discussed in note 2 of the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of the financial statements. For this reason, we continue to adopt the going concern basis in preparing the financial statements.

As required by the UK Corporate Governance Code 2018 (the "Code"), the Directors have assessed the long-term viability of the Group over a period significantly longer than 12 months from the approval of these financial statements. The Directors have assessed the Group's prospects considering its current financial position, its recent historical financial performance and the principal and emerging risks and uncertainties on pages 46 to 48.

The Directors have determined that a period of five years to April 2028, which was previously a period of three years, is the most appropriate period over which to provide its viability statement as it allows consideration of the longer-term viability of the Group and reflects reasonable expectations in terms of the reliability and accuracy of operational forecasts. This process includes an annual review of the ongoing plan, led by the Group Executive directors in conjunction with the Group portal managers. The latest updates to the plan were finalised in April 2023. The base case financial projections start with the Group's 2024 budget and look ahead over the assessment period to include an expected level of growth. The Group's funding position is also considered, with focus on the ongoing compliance with the covenants attached to the Group's external debt.

The strategic plan has been subject to robust downside stress testing which involved flexing several main assumptions underlying the plan to assess the impact of severe but plausible scenarios. Analysis was performed to evaluate the potential financial impact over the period of the Group's principal risks occurring, including:

- the impact of any major data breach as a result of a cyber-attack;
- adverse changes to the business environment including due to competition or disruption to our customer and / or supplier operations; and
- a continuing geopolitical tension in the neighbouring countries.

Specific scenarios that have been modelled include downside scenarios in relation to:

- growth of revenues: either limited or flat growth rate; and
- effect on operating costs: data breach related fines, increased marketing costs.

A plausible combination of these scenarios was also assessed.

The objective of the scenario modelling was to project cash flows generated by the Group to ensure the Group remains cash positive during the assessment period and to project a total leverage ratio to make sure a healthy covenant headroom is maintained during this period. It was taken into account that the Group's term loan of €70 million is due in July 2026 and the Group has access to a revolving credit facility that amounts to €10 million which is available until July 2026. Even after repayment of external debt in all scenarios tested, the Group remained cash positive and with a significant covenant headroom over the five-year period.

Other factors providing comfort to the Directors about the Group's long-term viability in the face of adverse economic conditions include that the Group has high margins, significant free cash flow generation and an ability to adjust the discretionary dividend to enhance liquidity. Therefore the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

The Company's Strategic report, set out on pages 2 to 49, was approved by the Board on 28 June 2023 and signed on its behalf by:

Justinas Šimkus
Chief Executive Officer
28 June 2023

GOVERNANCE REPORT

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Corporate Governance Report

During the year the Group increased its female gender representation on the Board from 28.5% to 37.5%. We are also proud to have had a female Chief Financial Officer in situ since before the IPO.

Trevor Mather
Chair

Governance Highlights

- Appointed Jurgita Kirvaitienė as Independent Non-Executive Director
- Board succession planning
- Setting strategic objectives
- Robust assessment of the Group's internal systems of controls

Introduction by the Chair of the Board Trevor Mather

Dear Shareholder

On behalf of the Board, I am pleased to present the Group's Corporate Governance Report.

This Corporate Governance Report explains the key features of the Group's governance framework and how it complies with the Financial Reporting Council's UK Corporate Governance Code 2018 (the "Code").

The Board recognises that a good governance structure is not static but allows the Group to grow and develop. In the time since our listing on the London Stock Exchange, the Board has been committed to raising the standards of its governance framework and to ensuring that the Company Purpose is at the heart of its decision making. Our business and its success is inextricably linked with its people and its culture and the motto of "we love transactions" is evident across the Group.

UK Corporate Governance Code 2018 (the "Code")

In the following pages we are pleased to disclose how the Group complies with the principles and provisions of the Code. As such, the Governance report is laid out in the following sections:

	Page
Board leadership and Company purpose	56
Division of responsibilities	62
Composition, succession and evaluation	67
Audit, risk and internal control	71
Remuneration	71

Strategy

The Board held its inaugural strategy away day during the year in which it focused on the Company's strategic objectives and in particular **driving monetisation of core services**. Through various means including pricing actions, product and packaging developing, enabling upsell and cross-sell. During the year, the Company built upon its five strategic objectives by adding a sixth objective with more emphasis on ESG factors, namely: "Promote circular economy and minimise our own impact on the environment".

Board effectiveness review

The Board participated in its first externally facilitated Board Effectiveness Review earlier in the year. The focus was very much on the Code and FCA requirements of a listed Board and had a practical focus. The Board has approved an action plan against the recommendations and will report on the outcome of these in the next financial year. For more on this process and recommendations see page 75.

Group's internal systems of controls

During the year, the Audit Committee spent its time focusing on the Group's internal systems of controls, including developing and implementing a formal policy on the engagement of the external auditor to supply non-audit services; reviewing the effectiveness of the external audit process and the internal audit function and reviewing the Group's internal controls systems, compliance function, anti-money laundering systems and controls, as well as procedures for detecting fraud and whistle-blowing procedures, see page 43 for further details.

Future outlook

The Board believes in the value of a sound governance framework from which it can operate and ensure the long-term sustainable success of the business. As we continue our journey of formalising policies and practices, the Board is committed to establishing an annual cycle of review and monitoring to ensure our governance evolves alongside our business.

2023 Annual General Meeting

Our 2023 Annual General Meeting ("AGM") will be held at 11:00 am local time on 27 September 2023 in the headquarters of Baltic Classifieds Group at Saltoniškių 9B, Vilnius, LT-08105 Lithuania. Myself and other Directors will join the meeting either in person or via teleconference. We strongly encourage all Shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to cosec@balticclassifieds.com.

Trevor Mather
Chair
28 June 2023

Corporate Governance Statement 2023

This Corporate Governance Statement as required by the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules 7.2 ("DTR 7.2"), together with the rest of the Corporate Governance Report and the Committee Reports forms part of the Directors' Report and has been prepared in accordance with the principles of the Financial Reporting Council's UK Corporate Governance Code 2018 (the "Code").

A copy of the Code can be found on the Financial Reporting Council's website: www.frc.org.uk.

Additional requirements under the DTR 7.2 are covered in greater detail throughout the Annual Report for which we provide reference as follows:

- The Group's Risk management and internal control are found on pages 46 to 48
- Information with regards to share capital is presented in the Directors' Report on page 93
- Information on Board and Committee composition can be found on pages 54 to 55
- Information on Board diversity including the Board diversity policy can be found on pages 68 to 69

The Company's obligation is to state whether it has complied with the relevant principles and provisions of the Code, or to explain why it has not done so up to the date of this Annual Report.

The Company has applied the principles of the Code and has complied with the Principles and Provisions of the Code during the financial year, except for as outlined below:

Code Principle and Provision	*Area*	*Explanation*
Provision 11	At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent	During the year and on 17 May 2022, the Board appointed Jurgita Kirvaitienė as an additional Independent Non-Executive Director. Following this appointment, the Company has one Chair, three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and three Executive Directors. Excluding the Chair, 42.9% of the Board is independent. The Company continually reviews the skills, experience and diversity of its Board and believes that the Board composition is optimum for its current strategy and does not think it is in the best interest of the Company to recruit an additional Director at this point in time.
Provision 24	Audit Committee with minimum membership of three	During the year and on 17 May 2022, the Board appointed Jurgita Kirvaitienė as an additional Independent Non-Executive Director and invited her to join all Board Committees, including the Audit Committee. Following this appointment, the Company is compliant with Provision 24.

The FCA Listing Rule 9.8.6 requires companies to provide a statement as to whether it meets the following targets:

Target	*Comply or Explain*
At least 40% of the board should be women	The Board currently has 37.5% female representation. Please see the Nomination Committee report on pages 73 to 74 for a detailed explanation of this.
At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Senior Independent Director (SID)) should be a woman	The Group is pleased to have a female CFO, Lina Mačienė.
At least one member of the board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics)	The current Board does not have one Board member from an ethnic minority group (excluding white ethnic groups). Please see the Nomination Committee report on pages 73 to 74 for a detailed explanation of this.

Board of Directors

The Directors have skills and experience relevant to the sector in which the Group operates in order to effectively set the strategic direction and purpose of the Group.

Trevor Mather

Chair

Appointed: 2021

Nationality: British

Independent: Independent on appointment

Experience: Trevor was Chief Executive of Autotrader from June 2013 until February 2020. Previously, Trevor was President and CEO of ThoughtWorks, a global IT and software consulting company. Before his time at ThoughtWorks, Trevor spent almost ten years at Andersen Consulting (now Accenture). Trevor holds an M.Eng. in Aeronautics and Astronautics from Southampton University.

Key external appointments: Trevor holds directorships in the following companies: Mather Property Limited; Mather Consultancy Services Limited; and Mather Charitable Foundation.

Committee membership: Nomination Committee (Committee Chair), Remuneration Committee (until 17 March 2023).

Justinas Šimkus

Chief Executive Officer

Appointed: 2021

Nationality: Lithuanian

Independent: No

Experience: Justinas joined the Group in 2005 as CEO of Diginet LTU. Justinas holds a BSc in Management and Business administration from Vilnius University and an MSc in International Business from Vilnius University.

Key external appointments: Justinas holds directorships in the following companies: UAB EIKA Real Estate Fund; UAB EIKA Development Fund; and UAB EIKA Residential Fund.

Committee membership: None

Lina Mačienė

Chief Financial Officer

Appointed: 2021

Nationality: Lithuanian

Independent: No

Experience: Lina joined the Group in 2017 as CFO. She previously worked at PwC in its audit and assurance services department from 2010 until 2017. Lina holds a BSc in Economics from Kaunas University of Technology and an MSc in Management and Business Administration from ISM University of Management and Economics.

Key external appointments: None

Committee membership: None

Simonas Orkinas

Chief Operating Officer

Appointed: 2021

Nationality: Lithuanian

Independent: No

Experience: Simonas joined the Group in 2007 as Skelbiu.lt Portal Manager, in 2009 was appointed COO of the Group and was appointed CEO of Diginet LTU in August 2019. Simonas holds a BSc in Business Management from Vilnius University.

Key external appointments: None

Committee membership: None

Senior Management

In addition to the three Executive Directors, the Senior Management is made up of the following individuals:

Artūras Mizeras
Head of Autoplius.lt

Viktorija Steponavičiūtė
Head of Aruodas.lt

Tomas Toleikis
Head of CVbankas.lt

Daumantas Kirkutis
Head of Kainos.lt and Paslaugos.lt
(until May 2023)

Gvidas Borisas
Head of Kainos.lt and Paslaugos.lt
(from May 2023)

Ed Williams

Senior Independent Non-Executive Director

Appointed: 2021

Nationality: British

Independent: Yes

Experience: Ed was appointed Chair of Autotrader prior to its flotation on the London Stock Exchange in March 2015. He served as an independent director of idealista, the privately owned Spanish property portal from 2015 to 2020. Ed was founding Chief Executive of Rightmove, serving in that capacity from 2000 until his retirement from the business in 2013.

Key external appointments: Chair of the Board of Autotrader Group PLC

Committee membership: Remuneration Committee (Committee Chair) Audit Committee, Nomination Committee

Tom Hall

Non-Executive Director

Appointed: 2021

Nationality: British

Independent: No

Experience: Tom joined the Group in July 2019. He leads the Internet/Consumer team in Europe for Apax, where he has worked for over 20 years. He has led many of Apax's marketplace investments, including Autotrader, idealista and SouFun.

Key external appointments: Tom holds directorships in the following companies: Apax Partners LLP, idealista Global S.A., NEXT plc, MF Midco Limited, MF Topco Limited, Takko Fashion GmbH, Wehkamp Management Pooling Company BV, Wehkamp Holding BV, Stichting Administratiekantoor Co-Investment STAK, Stichting Administratiekantoor Sweet Equity STAK, and Tinka Holding BV.

Committee membership: Nomination Committee.

Kristel Volver

Non-Executive Director

Appointed: 2021

Nationality: Estonian

Independent: Yes

Experience: Kristel worked in the audit department at KPMG from 2012 to 2015, was deputy head of Group Finance Estonia for Nordea from 2015 to 2017 and from 2017 to 2019 Group CFO for Eesti Meedia (Postimees Grupp). Since 2019 she has been a board member at MM Grupp, one of the largest Estonian private equity investment companies. She holds a BSc and MSc in Finance from the University of Tartu and has been a certified auditor since 2016.

Key external appointments: Since 2019, Kristel has been a board member of MM Grupp OÜ and is currently a member of the supervisory boards of Postimees Grupp AS, Magnum AS, Apollo Group OÜ, iDeal Group AS, 15min UAB, AS Kroonpress and TVNET Latvia. Kristel also holds directorships in the following companies: Semetron AS; Beinita Kodu AS; Leta SIA; Balti Meediamonitooringu Grupp OÜ; Linnamäe Lihatööstus AS, Skeleton Technologies Group OÜ and Confido Healthcare Group.

Committee membership: Audit Committee (Committee Chair), Remuneration Committee, Nomination Committee

Jurgita Kirvaitienė

Non-Executive Director

Appointed: 2022

Nationality: Lithuanian

Independent: Yes

Experience: Jurgita joined the Group in 2022 as an independent Non-Executive Director. Jurgita built her career at PwC from 1997 to 2015 where she progressed to become a Director and a member of the Management Board for Lithuania. Subsequently she became General Manager, and Board member, of a FinTech startup, and supplemented this with being a member of the Audit Committee at Maxima Grupe. Jurgita has experience in provision of outsourced internal audit services to FinTech companies. Jurgita has a BSc in Business Administration and an MSc in International Business from Vilnius University, completed an International EMBA at the Baltic Management Institute, is a fellow member of ACCA, is a Certified Internal Auditor, has been a certified statutory auditor since 2003 and was President of the Lithuanian Chamber of Auditors from 2010 to 2014.

Key external appointments: None

Committee membership: Audit Committee, Remuneration Committee, Nomination Committee

→ More information see on our corporate website at: balticclassifieds.com

Tarvo Teslon
Head of KV.ee, Osta.ee and KuldneBörs.ee

Karin Noppel-kokerov
Head of City24.ee

Maksis Karlins
Head of City24.lv

Daniel Skornjakov
Head of Auto24.ee

Jurijs Fridkins
Head of GetaPro.lv and GetaPro.ee

Board Leadership and Company Purpose

Code Principle		
A	Effective Board	56
B	Purpose, strategy, values and culture	56
C	Prudent and effective controls and Board resources	57
D	Stakeholder engagement	57
E	Workforce policies and practices	61

Effective Board

The Board understands that a successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the Company, generating value for Shareholders and contributing to wider society. Entrepreneurs Justinas Šimkus (CEO) and Simonas Orkinas (COO) and their long-standing team have spent over 10 years building a collection of market-leading businesses and strong brands.

Composed of industry stalwarts, the Board is formed of Executive and Non-Executive Directors whose impressive breadth of industry experience and knowledge complements each other. Each Director operates with the utmost of respect for the others and each holds a clear vision of the purpose of the Company.

The Board was subject to an external Board Effectiveness Review during the year and was found to be a high-performing and effective Board which acts with great integrity. The Board recognises that a good governance structure is not static but allows the Group to grow and develop.

Most Board members are also investors in the Company, therefore promoting success is in their best interest.

Purpose, strategy, values and culture

The Group has an entrepreneurial, team-focused and ambitious culture, firmly based in principles of equality and inclusivity. The Board recognises the contribution of this culture to the success of the business and is satisfied that it is aligned with the Company's purpose, values and strategy. Indeed, the Board describes this as the Company's "super-power".

The Board is responsible for setting the Group's strategy and for determining the Group's purpose which is to connect consumers with listers and help them transact more easily. For more on the Board's in-depth strategy session held in September 2022 see page 52. The Board has committed to an annual review of its vertical strategies (namely Real Estate, Auto and Jobs & Services).

The digital marketplaces we operate promote trust, fairness and efficiency which is a clear message conveyed by the Board.

Company values:

Our values shape our culture and embody what we stand for. Our culture is an important part of our strategy and we believe that these values support our priority to be a responsible business.

- Trustworthiness
- Entrepreneurship
- Less is more
- Getting things done
- Marketplace is our hobby
- Work is fun

The Board monitors the culture of the Group through updates at each Board meeting from the CEO, CFO and COO who are directly responsible for workforce issues. These updates cover people, culture, inclusivity and talent.

→ For more information on Board Activity and Culture see page 65.

Prudent and effective controls and Board resources

The Board provides leadership within a framework of prudent and effective controls. The Board has clear Board roles and divisions of responsibility. The framework of the Board and its Committees provides clearly-stated duties and responsibilities and clear lines of accountability and effective oversight. These controls ensure timely decision-making at the correct level. The Board continues to monitor the framework so it remains appropriate to the business.

During the year, the Board participated in an external board effectiveness review. The Committee Terms of Reference were reviewed as was the role and function of each Committee.

The Board provides support to Senior Management in implementing strategic priorities, as well as oversight and constructive challenge.

Board materials, quality of information and resources as a whole were discussed by the Board during the year and it was identified that whilst the Board and Committee papers provide a solid grounding for their respective meetings, there is now scope to further build upon the detail within the agendas.

All of the Directors have the right to have their opposition to, or concerns over, any Board decision noted in the minutes. Directors are entitled to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

During the year, no Director raised any concerns about the operation of the Board or the management of the Company.

Stakeholder engagement

The Board recognises the importance of understanding the Company's different Stakeholder groups. Through understanding them, the Board can make sure that it represents them both on the Board and throughout the workforce. During the year, the Executive Directors carried out a review of the Company's Stakeholders with a particular emphasis on understanding what matters are important to them and understanding how the Board engages with them.

Stakeholders and S172(1) considerations

By thoroughly understanding our key Stakeholder groups, the Board can factor their needs and concerns into boardroom discussions.

The following table, which should be read in conjunction with the Section 172(1) Statement on page 19, the Statement of Engagement with Employees on page 94 and the Statement of Engagement with Other Business Relationships on page 94, summarises the key Stakeholder groups and matters that are of the most importance to them.

The Stakeholder analysis workshop:

- The Executive determined that there had been no significant change to the Stakeholder base.
- The workshop drilled down into material interests, engagement methods and Board decisions relating to each recognised Stakeholder group.
- The resulting Stakeholder matrix was reviewed and approved by the Board.
- The Stakeholder analysis provides the Board with assurance that the potential impacts on our Stakeholders are being carefully considered by Management when developing plans for Board approval.

Key Stakeholder groups:

Investors: Allow us to strive to be the best for all our Stakeholder groups

Consumers and Advertisers: Are at the heart of our purpose

Our People: We all work together to ensure the long-term success of our business

Suppliers: We view our suppliers as partners who help us deliver our purpose

Regulatory bodies: We prioritise ensuring that we meet all regulatory requirements

Environment and Community: We think about the future and what condition we leave the Earth in for future generations

Engagement with our Stakeholders

The following table summarises the Group's key stakeholders and highlights what issues matter the most to them. It goes on to further illustrate how the Board engages with each stakeholder group and ties in Principle decision making against the Section 172(1) factors a) to f).

This should be read in conjunction with the Section 172(1) Statement on page 19.

Companies Act 2006, Section 172(1)

"A director of a company must act in the way, he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company."

Stakeholder	Principal issues that matter to the Stakeholder	Board oversight and engagement mechanisms	Principal decision S172(1)(a) to (f)
INVESTORS *What we value the most* Knowledge and support Ongoing investment Key driver of our strategy	• Business operations • Sustainable, profitable growth runway • Returns on their investment • Dividend and capital policies • Share price • Risks to the business • Risk management • Transparency • Responsible business (demonstrated through Environmental, Social and Corporate Governance) • Values and culture of the Company • Internal and external audit processes	• Investor Roadshows • Regular personal meetings with potential investors in response • Fireside chats with brokers • RNS newswires • Annual Report and Accounts • Relevant updates on corporate website • Annual General Meeting • Electronic communications to Shareholders • Views of voting agencies	• Agreed a 6th Company strategic objectives (a), (b), (c), (d), (e), (f) • Approved the declaration of a dividend (a), (b), (e), (f) • Approved the return of capital to shareholders via the share buyback programme (a), (b), (e), (f) • Reviewed the ESG strategy (a), (b), (d)
Difficulties and considerations	• The Company spoke to Investors about potential expansion towards ancillary business, having considered the views of the Investors, the Board made the decision not to pursue this expansion at this moment. • Views of voting agencies has led to a greater understanding of Shareholder interest and has fed into key policies such as our Board diversity policy. • The Board balances the expectations of long term investors on dividends and the return of capital to shareholders via the share buyback programme with the need for capital expenditure for operational expenses; potential investments and value adding M&As.		
ENVIRONMENT AND COMMUNITY *What we value the most* Having a positive environmental and social impact	• Recognised environmental and societal standards • Environmental and social issues, including climate change, carbon emissions, human rights, waste management, and recycling • Having a positive impact on the community • Environmental and socially responsible business practices and credentials	• ESG working group • Board involvement in the preparation of the ESG reporting in the Annual Report and Accounts • Senior Management reports to the Board on social and environmental concerns arising within their business units • Bi-lateral cooperation agreement	• Materiality assessment for sustainability completed (a), (b), (c), (d), (e) • Agreed to focus on eight ESG targets (a), (b), (c), (d), (e) • Agreed to widen the remit and membership of the ESG working group (a), (c), (d), (e) • Agreed the sixth Strategic objective with an ESG focus (a), (b), (c), (d), (e)
Difficulties	• Following both European and United Kingdom legislation • Ethnicity reporting requirements		

Stakeholder	Principal issues that matter to the Stakeholder	Board oversight and engagement mechanisms	Principal decision S172(1)(a) to (f)
CONSUMERS (C) AND ADVERTISERS (A) *What we value the most* Drive growth and reputation Are the foundation of our purpose	• Market reach (A) • Breadth of network • Competitive rates (A) • Functionality and intuition of sites • Reputation • Pragmatism • Customer service (A) • Training on new functionalities (A) • Credibility of sellers (C) • Measures to protect customers (C) • Data protection • Health and safety standards • C2C or B2C price rise (primary effect on advertisers and a secondary on consumers)	• Access to portal manager • Portal managers engage with Executive Directors daily • Portal Managers feed customer relationship information back to the Board • Portal Managers rotate attending Board meetings • The Board intentionally drive strategy and decision-making to improve the customer experience • C2C and B2C pricing events • Informal feedback from customers which is then fed back to the Board in meetings	• Board focus is on improving the customer experience in all of its decision making (a), (c) • Reviewed and approved new products or changes to existing ones (a), (c)
Difficulties and considerations	• Supply chain issues - particularly in the auto business line • Balancing customer needs and expectations • Being alert to data protection risks and challenges on a consistent basis • Customer protection (e.g. protection against third-party fraud)		
OUR PEOPLE *What we value the most* Bring ambition, expertise and fresh perspectives Contribute to the values and culture Essential for the delivery of strategic objectives	• The impacts of the war in Ukraine • How the Board of a listed company operates • An inclusive and diverse working environment • Positive culture, team spirit • Opportunities for career and personal development • Having a voice • A safe and secure workplace • Good pay and benefits • Gender equal pay • Whistle-Blowing Policy and procedure for raising concerns • Good working practices • Safe working environment • Modern slavery policy	• Initial "Meet the Board" session • Employee engagement questionnaire • Regular and scheduled meetings within Business Units where employees have the opportunity to ask questions of Senior Management; the feedback from these sessions is fed back to the Board during vertical strategy sessions • CEO, CFO and COO update at every board meeting which includes relevant workforce updates • Regular social activities for example, virtual beer tasting, a Christmas party	• Reviewed and approved the updated Whistleblowing procedures (b) • Reviewed and approved the Performance Share Plan (a), (b)
Difficulties and considerations	• Jurisdictional difficulties for the Non-Executive Directors to spend significant time with its employees. Face to face time is being factored into the Board's annual schedule where opportunities arise.		
SUPPLIERS *What we value the most* Support our business infrastructure Smooth operational performance	• Prompt and accurate payment • Long-term partnerships • Collaboration • Responsible sourcing • Regulatory compliance • The company's financial performance • Growth prospects • Reputation	• Performance reports discussed and considered at Board • Continuous development of our supplier management framework to strengthen our collaboration with strategic suppliers who are instrumental in enabling the realisation of our strategic objectives	• Reviewed and approved larger supplier contracts based on authority matrix (for example Financial intermediation contracts - Auto portals) (c), (e)
Difficulties	• Supplier cost increases		

Stakeholder	Principal issues that matter to the Stakeholder	Board oversight and engagement mechanisms	Principal decision S172(1)(a) to (f)
REGULATORY BODIES *What we value the most* Ensure we understand changing regulatory requirements	• Legal and safe operations with compliance with relevant regulations • Worker pay and conditions • Waste management and environmentally sound practices • Consumer protection • Product safety • Health and safety • Privacy and security • Gender equal pay	• Board oversight and approval of filings with Companies House • Board receives updates on legal matters at Board meetings • Reviews communications with the FRC	• Reviewed and approved full and half-yearly results (a), (e), (f) • Board reviewed and responded to the FRC letter to the Chair of the Audit Committee and made a subsequent restatement (c), (d), (e), (f)
Difficulties and considerations	• The ongoing supervisory proceedings initiated by the Estonian Competition Authority		

The Board acknowledges that not every decision it makes will necessarily result in a positive outcome for all of our stakeholders. But by understanding our stakeholders, and by considering their diverse needs, the Board considers the potential impact of the decisions on the different stakeholder groups.

Further information as to how the Board has had regard to S172(1)(a) to (f) can be found in the following pages:

Section 172(1)(a) to (f)	*Where can you find more in our Annual Report*	*Page*
S172(1)(a) Consequence of any decision in the long-term	Moving our strategy forward	18
	Risk Management	46
	Board leadership and Company purpose	56
S172(1)(b) Interests of employees	Section 172(1) Statement	19
	Engagement with our Stakeholders	58
	Sustainability report	26
	Board leadership and Company purpose	56
	Statement of engagement with employees	94
	Board activity and culture	65
	Board activity throughout the year	64
	Non-financial and sustainability information statement	45
S172(1)(c) Fostering business relationships with suppliers, customers and others	Moving our strategy forward	18
	Section 172(1) Statement	19
	Engagement with our Stakeholders	58
	Board leadership and Company purpose	56
	Statement of engagement with other business relationships	94
	Non-financial and sustainability information statement	45
S172(1)(d) Impact of operations on the community and the environment	Moving our strategy forward	18
	Section 172(1) Statement	19
	Engagement with our Stakeholders	58
	Board leadership and Company purpose	56
	Non-financial and sustainability information statement	45
S172(1)(e) Maintaining high standard of business conduct	Moving our strategy forward	18
	Section 172(1) Statement	19
	Engagement with our Stakeholders	58
	Board leadership and Company purpose	56
	Non-financial and sustainability information statement	45
S172(1)(f) Acting fairly between members	Section 172(1) Statement	19
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Workforce policies and practices

The Board takes responsibility for all workforce policies and practices which are consistent with the Company values and supports its long-term sustainable success.

The Board reviews and approves all significant policies that impact our workforce. The Executive Directors take direct responsibility for all workforce related issues to ensure that they align with the Group's values and purpose.

The Board understands that a diverse range of experience, expertise and perspectives contributes to the success of the Company. In its workforce strategy, the Company set out that it aims to attract high potential, highly motivated employees and that upon appointment, these employees will be given the space to develop and grow. The workforce is currently 49% male and 51% female.

Policies are published on the Company intranet. Our employees are required to confirm their understanding of these policies upon recruitment and on a periodic basis. Where relevant, training is given to the workforce such as for whistle-blowing and anti-bribery and corruption.

All employees (and the Board) are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest. The register of potential conflicts of interest is regularly reviewed to ensure it remains up to date. The Board is satisfied that potential conflicts have been effectively managed throughout the year. For more on conflicts of interest see page 66.

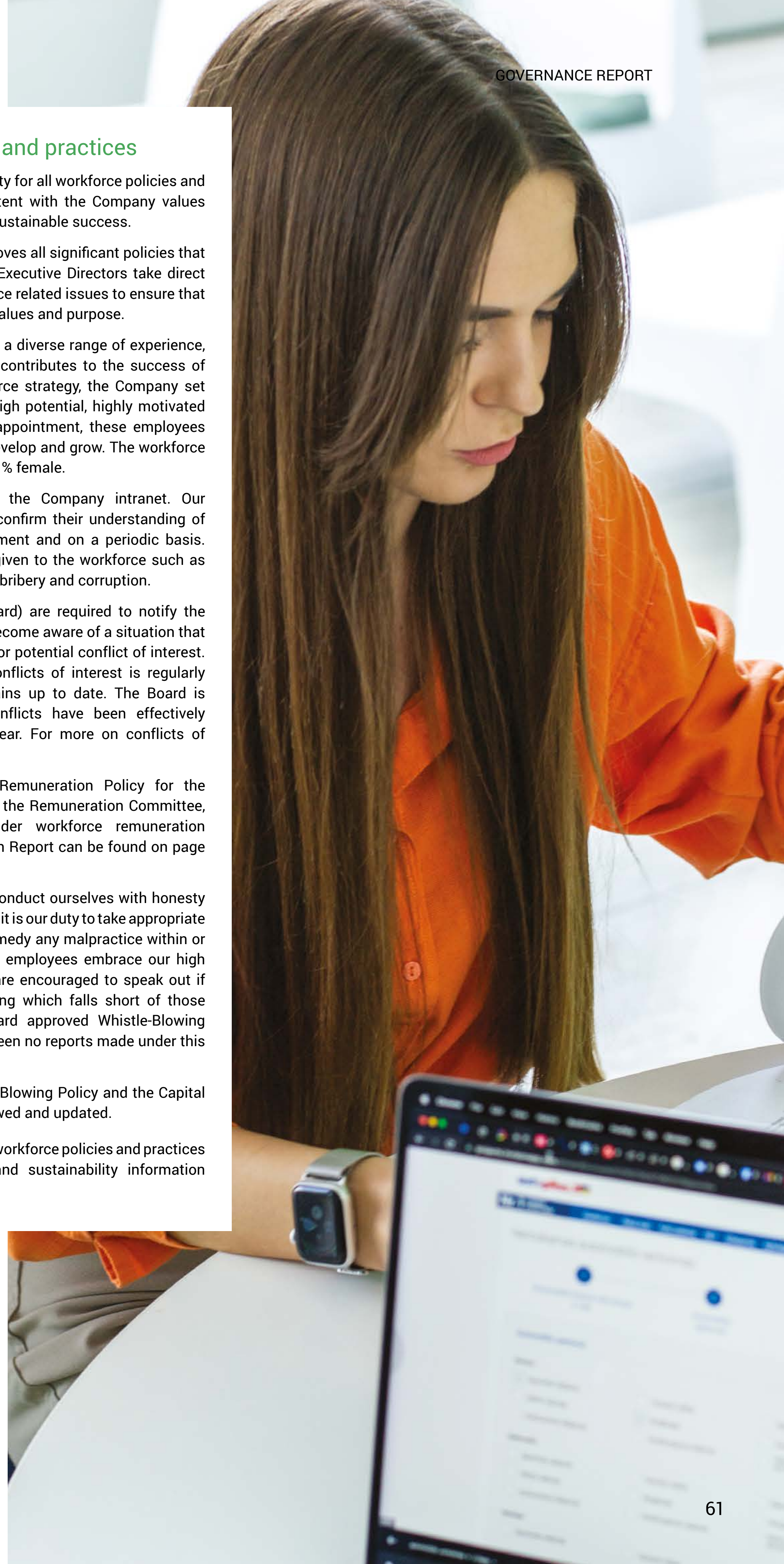
The Board approves the Remuneration Policy for the Executive Directors and, via the Remuneration Committee, has oversight of the wider workforce remuneration practices. The Remuneration Report can be found on page 82.

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any malpractice within or affecting the Company. Our employees embrace our high standards of conduct and are encouraged to speak out if they witness any wrongdoing which falls short of those standards. We have a Board approved Whistle-Blowing Policy. To date, there have been no reports made under this policy.

new

During the year, the Whistle-Blowing Policy and the Capital Allocation Policy were reviewed and updated.

→ For more information on workforce policies and practices see the Non-financial and sustainability information statement on page 45.



Division of Responsibilities

Code Principle

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H	External commitments	66
I	Board efficiency: Key Board activities	64

Responsibilities of the Board

The Board is committed to the highest standards of corporate governance. The Board is collectively responsible for the long-term success of the Group. The business of the Group is managed by the Board who may exercise all the powers of the Company. The Board delegates certain matters to the Board Committees and delegates the detailed implementation of matters approved by the Board and the day-to-day operational aspects of the business to its Executive Management.

The Board comprises the Chair, the CEO, the CFO, the COO, a Non-Executive Director appointed by the Major Shareholder (the "Nominee Director"), a Senior Independent Non-Executive Director ("SID") and two Independent Non-Executive Directors. See pages 54 to 55 for Board biographies.

The Board sets the Group's purpose, values and strategy and satisfies itself that these are aligned with culture; provides entrepreneurial leadership, promoting long-term sustainable success and Shareholder value creation; and oversees the Group's risk management processes and internal control environment.

The Board remains confident that individual members will continue to devote sufficient time to undertake their responsibilities effectively.

There is a clear division between Executive and Non-Executive responsibilities. The Statement of Division of Responsibilities between the Chair and the CEO and the role of the SID is available on the Company website. The Schedule of matters reserved for the Board is also available on the Company website. Both were reviewed during the year as part of the Board effectiveness process.

Board roles

Chair

- Leads the Board and is responsible for the overall effectiveness of Board governance
- Sets the Board's agenda, with emphasis on strategy, performance and value creation
- Ensures good governance
- Shapes the culture of the Board, promoting openness and debate

Chief Executive Officer

- Develops strategies, plans and objectives for proposing to the Board
- Leads the organisation to ensure the delivery of the strategy agreed by the Board

Chief Financial Officer

- Provides strategic financial leadership of the Group and runs the finance function on a day-to-day basis
- Runs the Group on a day-to-day basis and implements the Board's decisions

Chief Operating Officer

- Runs the Group on a day-to-day basis and implements the Board's decisions
- Heads the IT Team

Senior Independent Non-Executive Director

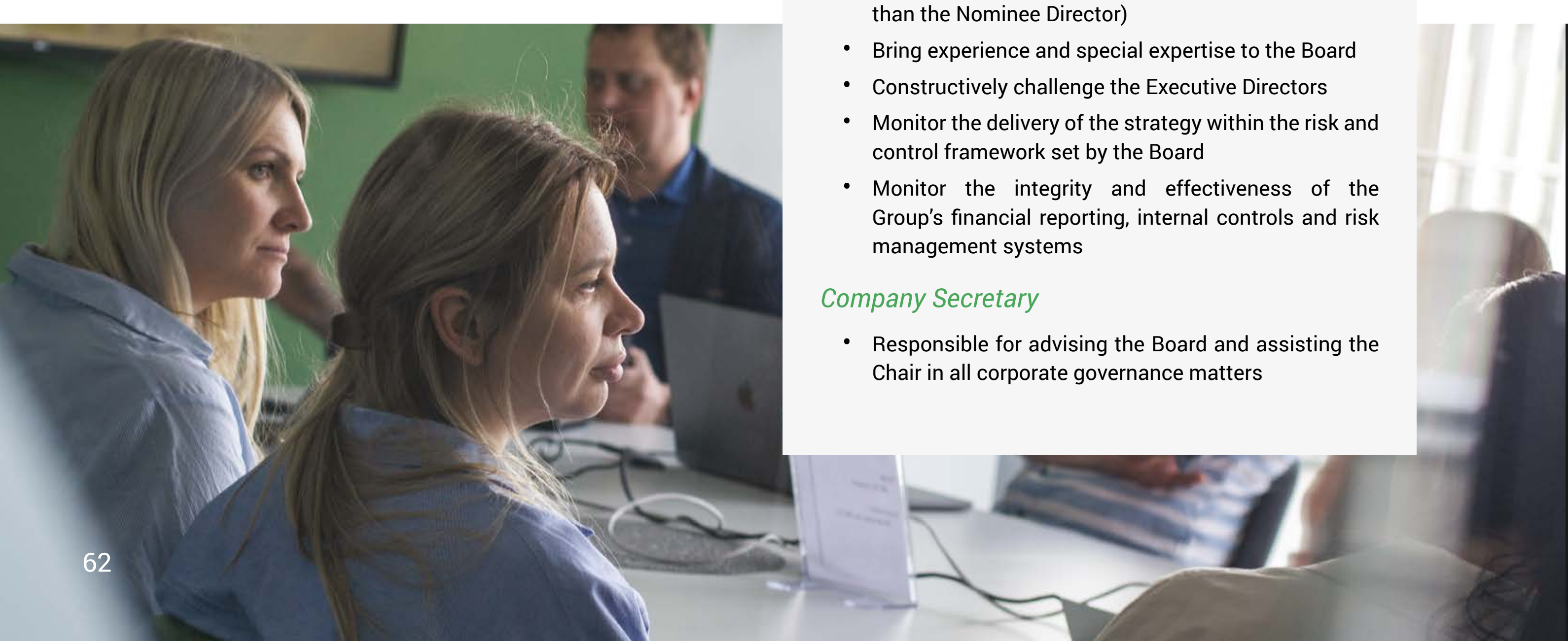
- Acts as a sounding board for the Chair
- Available to Shareholders if they require contact both generally and when the normal channels of Chair, CEO or CFO are not appropriate
- Leads the annual appraisal of the Chair's performance and the search for a new Chair, when necessary

Non-Executive Directors

- Demonstrate independence and impartiality (other than the Nominee Director)
- Bring experience and special expertise to the Board
- Constructively challenge the Executive Directors
- Monitor the delivery of the strategy within the risk and control framework set by the Board
- Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management systems

Company Secretary

- Responsible for advising the Board and assisting the Chair in all corporate governance matters



Leadership structure

The Board is responsible for providing leadership to the Group. The structure of the Board, its Committees and the Executive Management ensures controls and oversight with a balanced approach to risk aligned with the Group's culture.

The Board delegates certain matters to its three permanent Committees, the Terms of Reference of which are available on the Company website. The following shows the role of each of the Board Committees:

Board Committees

Audit Committee

- Assists the Board in discharging its financial reporting responsibilities
- External and internal audits and controls, including reviewing and monitoring the integrity of the Group's Annual and Interim financial statements
- Reviewing and monitoring the extent of the non-audit work undertaken by external auditors
- Advising on the appointment of external auditors
- Overseeing the Group's relationship with its external auditors
- Reviewing the effectiveness of the external audit process
- Reviewing the effectiveness of the Group's internal audit, internal controls, whistle-blowing and fraud systems

Remuneration Committee

- Assists the Board in determining its responsibilities in relation to Executive Directors' remuneration
- Makes recommendations to the Board on the Company's policy on Executive remuneration
- Determines the individual remuneration and benefits package of each of the Executive Directors, the Chair and members of the Executive Management team (being the first layer of management below the level of the Board and reporting to the CEO, including the Company Secretary)

Nomination Committee

- Assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board
- Responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members as the need may arise
- Ensuring a diverse pipeline

Executive Management

Executive Management (the three Executive Directors) is responsible for the day-to-day running of the business, carrying out and overseeing operational management and implementing the strategies the Board has set.

Senior Management

The Senior Management is small and agile and is made up of the three Executive Directors and nine portal managers. The Senior Management meets regularly and no less than weekly. Portal managers come to any Board meetings where their area is being discussed and are encouraged to stay for the whole Board meeting.

ESG working group

We have expanded the ESG working group this year to include two more employees and the group now consists of five members, the three Executive Directors and two other employees. The Chair, together with Non-Executive Director Jurgita Kirvaitiene, serve as sponsors to the ESG working group and are actively involved in its activities. The working group met five times during the year and the key areas of responsibility are:

- Climate change and business impact
- Energy management
- Environmental reporting requirements
- Culture and values
- Employee engagement and well-being
- Talent attraction and retention
- Diversity and Inclusion
- Access and affordability
- Local communities
- Data security
- Customer privacy
- Corporate governance and integrity

Board activities throughout the year

The following table sets out some of the Board's key activities during the financial year.

To be read in conjunction with the Section 172(1) table on page 19.

Area	Key Actions	Links to[1] S172(1)(a) to (f)	Stakeholder group
Strategy and operations	• Reviewed and approved the Company's purpose, motto, values and strategic aims • B2C and C2C pricing actions • Reviewed peer pricing model – implications for future price and packaging actions • Reviewed and approved M&A opportunities, including GetaPro acquisition	(a), (b), (e), (f)	Investors Suppliers Consumers and Advertisers Employees
Leadership and employees	• Appointed Independent Non-Executive Director	(b)	Employees
Finance and Investor Relations	• Approved the 2023 forecast • Approved the Group's Capital Allocation Policy • Received reports and updates on investor relations activities • Approved the report and financial statements for the year ending 2022 • Approved the final dividend payment for the year ending 2022 • Approved the interim dividend payment during 2023 • Approved the decision to enter into a Share buy-back programme • Voluntary lending repayments	(a), (c), (e)	Investors Suppliers Consumers and Advertisers
Risk management	• Reviewed the risk register and suggested an approach for embedding risk assessment into day-to-day thinking • Reviewed the effectiveness of the external audit process and the internal audit function • Reviewed the Group's internal controls systems, compliance function, anti-money laundering systems and controls, as well as procedures for detecting fraud and whistle-blowing procedures		
Business performance	• Reviewed strategic and operational performance • Reviewed financial performance against budget • Considered value-creating M&A opportunities	(a), (c) (d), (e)	Investors Suppliers Consumers and Advertisers
Governance	• Approved the Board effectiveness review action plan • Approved the appointment of Company Secretary Egle Sadauskiene • Reviewed and approved committees' Terms of Reference, Matters Reserved for the Board and Division of Responsibilities • Approved changes to Whistle-Blowing Policy	(b), (c), (e), (f)	Investors Employees Suppliers Consumers and Advertisers
ESG	• Approved six material areas of focus from the SASB Standards • Approved a sixth strategic aim based on ESG • Agreed to expand the remit and membership of the ESG working group • Approved the Modern Slavery Statement • Reviewed Gender Pay Gap	(a), (b), (c), (d), (e)	Employees Suppliers Consumers and Advertisers Investors

Companies Act 2006, Section 172(1)

A director of a company must act in the way, he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

(a) the likely consequences of any decision in the long-term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

[1] Except for Senior Management

The following table summarises some of the Board activity and how it links to the culture of the organisation. For more information on Board activity, Stakeholders and Section 172(1) Statement see page 19:

Board activity	Link to culture
new Employee engagement survey	To gain a deeper understanding of the perspective of the employees and to learn more on what matters the most to them.
new Chair and NED engagement sessions	The Chair and NEDs attended an in person employee engagement session during the year and answered questions set by the employees.
CEO, CFO and COO directly responsible for workforce issues	Ensuring the Board is intrinsically connected to the employees. The Executive Directors work alongside the workforce who have a direct connection to the Board and understand that the culture is set from the top.
Employee matters including recruitment, retention, well-being and diversity	Enables the Board to gauge the culture and to identify areas where change is necessary to improve the culture.
Employee remuneration and rewards	Discussions in the Remuneration Committee enables assessment and oversight to ensure that employees remuneration and rewards are supportive of employees' motivation.
Purpose and values	Working with the team to build a collection of market-leading businesses and strong brands. The digital marketplaces we operate promote trust, fairness and efficiency.
Open culture	The Board supports an open culture. BCG has a dynamic and motivated team. We like to have fun and enjoy working together and that is our superpower.
Strategy of each of the four vertical business areas	Gives the Board a chance to engage with the portal managers directly to discuss all things in their business areas including their markets, customer and employee needs which enables knowledge sharing, motivation and team building.
Modern Slavery Statement and monitors the Gender Pay Gap	Enables assessment of the broader culture of the Group and its relationships with suppliers and employees.
Key workforce-related policies including whistle-blowing and conflicts of interest	Gives the Board oversight to ensure that policies reflect the values and desired behaviours of employees.

→ For more on purpose, values and strategy see the Strategic Report pages 17 to 18.

→ For more on engagement with the workforce see Engagement with our Stakeholders on page 59 and the Statement of Engagement with employees on page 94.

Board and Committee meetings and attendance

Board and Committee meetings are held either in person or virtually.

The table below sets out attendance at the scheduled meetings during the year. Attendance is expressed as the number of scheduled meetings attended out of the number of such meetings possible or applicable for the Director to attend.

Board Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Trevor Mather	10 / 10	5 / 5[1]	3 / 3	4/ 4
Justinas Šimkus	10 / 10	5/ 5[1]	3 / 3[1]	4 / 4[1]
Lina Mačienė	10 / 10	5 / 5[1]	3 / 3[1]	4 / 4[1]
Simonas Orkinas	10 / 10	5 / 5[1]	3 / 3[1]	4/ 4[1]
Ed Williams	10 / 10	5 / 5	3 / 3	4 / 4
Tom Hall	9 / 10	5 / 5[1]	2 / 3	4 / 4[1]
Kristel Volver	10 / 10	5 / 5	3 / 3	4 / 4
Jurgita Kirvaitienė	9 / 9[2]	5 / 5	2 / 2[2]	4 / 4

During the period, the Non-Executive Directors held a number of informal get togethers. In the event a Director was unable to attend a meeting they still received all the papers for the meeting and were updated on matters discussed at the meeting.

External commitments

The Company is mindful of the time commitment required from Non-Executive Directors in order to effectively fulfil their responsibilities on the Board, particularly providing constructive challenge and holding Management to account and utilising their diverse skills and experience to benefit the Company and provide strategic guidance.

As part of any appointment process, prospective Directors are asked to provide details of any other roles or significant obligations that may affect the time they are able to commit to the Company. Each Director is responsible for informing the Board of any external appointments or significant commitments as they arise and these are considered and monitored by the Chair.

The Chair's approval is required prior to a Director taking on any additional external appointment. The Chair's approval will only be given once the Chair is satisfied and the Director confirms that, as far as they are aware, there are no conflicts of interest.

Non-Executive Director Tom Hall is a partner of Apax Partners and a director of other entities in which the funds advised by Apax Partners have an interest. The Major Shareholder is controlled by funds advised by Apax Partners.

Each Director's biographical details and significant time commitments outside of the Company are set out in the Board biographies on pages 54 to 55.

Change in Directors' commitments

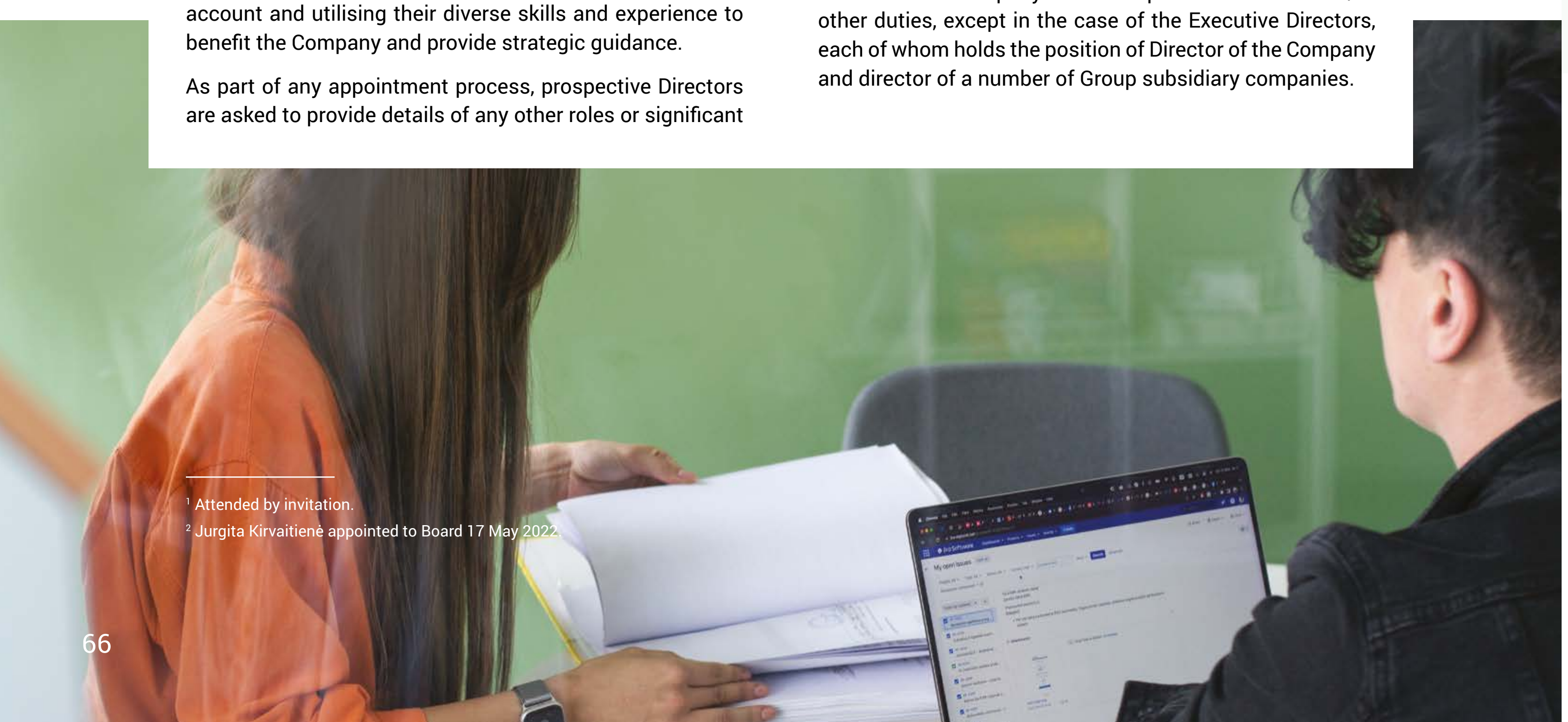
Jurgita ceased working as an Internal Audit Consultant at Baltic Economist UAB on 17 February 2023.

Conflicts of interest

The Companies Act 2006 provides that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Boards of public companies may authorise actual and potential conflicts, where appropriate, if their company's articles of association permit, which the Articles do.

The Board has established formal procedures for the declaration, review and authorisation of any conflicts of interest of Board members. As part of the induction process, a newly appointed Director will be required to disclose any conflicts of interest to the Company. Thereafter, each Director has an opportunity to disclose conflicts at the beginning of each Board and Committee meeting and as part of an annual effectiveness review.

During the year, no Directors declared to the Company any actual or potential conflicts of interest between any of their duties to the Company and their private interests and/or other duties, except in the case of the Executive Directors, each of whom holds the position of Director of the Company and director of a number of Group subsidiary companies.



[1] Attended by invitation.
[2] Jurgita Kirvaitienė appointed to Board 17 May 2022.

Board Composition, Succession and Evaluation

Appointments to the Board

The Board is collectively responsible for the long-term success of the Group. The business of the Group is managed by the Board who may exercise all the powers of the Company. The Board delegates certain matters to the Board Committees and delegates the detailed implementation of matters approved by the Board and the day-to-day operational aspects of the business to its Senior Management.

During the period under review, the Board was composed of three Executive Directors and five Non-Executive Directors. One Non-Executive Director represents a Major Shareholder, for details on this see page 68. Biographies for each Director are available on pages 54 to 55.

Code Principle		
J	Appointments to the Board	67
K	Board composition	67
L	Annual Board evaluation	70

Director appointment process:

During the year, the Board appointed Jurgita Kirvaitienė as Independent Non-Executive Director. The appointment process included the following stages:

Evaluate Board composition and determine ideal capabilities of proposed appointee
Evaluate the Board's skills, experience, independence, diversity and knowledge and utilise this to develop a specification which reflects the role and specific capabilities required.

Advertise role and determine long list of potential candidates
Advertise the role using open advertising and identify a long list of potential candidates based on, amongst other things, experience, merit and diversity.

Refine short list of potential candidates and complete interviews
Determine a short-list and invite the potential candidates to complete a formal interview process. Interview process facilitated by various Board members but specifically the Chair, Chief Executive Officer and Audit Committee Chair.

Consideration and approval by Nomination Committee
Nomination Committee to consider the short-listed candidates and feedback from the interview process from both interviewers and interviewee. Determine the preferred candidate and recommend their appointment to the Board for approval.

Consideration and approval by Board
Board to consider, and if thought fit, approve the proposed appointment of the preferred candidate. Market announcement is made by the end of the next working day following the Board's decision.

Succession planning

The Nomination Committee is responsible for succession planning and continues to focus both on the optimal composition of the Board and for emergency situation planning.

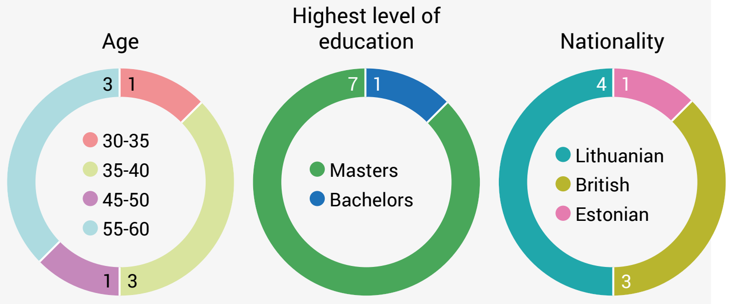
For more on the Nomination Committee's responsibilities to succession planning, see page 73.

Board composition

During the year, each Director participated in a diversity, skills and experience analysis as part of a process to ensure that the composition of the Board has the appropriate balance of skills and experience to support its strategy and purpose and to reflect its stakeholder base.

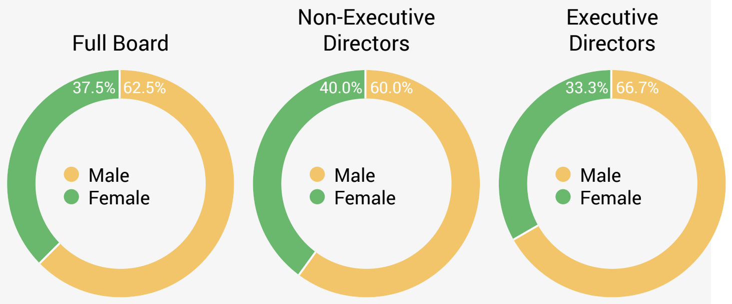
Factors that are taken into account when assessing the composition of the Board include a broad range of diversity characteristics as indicated below and particular skills and experience considered to be relevant to this particular Group in this sector. Board independence and tenure is also considered.

Diversity characteristics



Figures above taken as at 30 April 2023

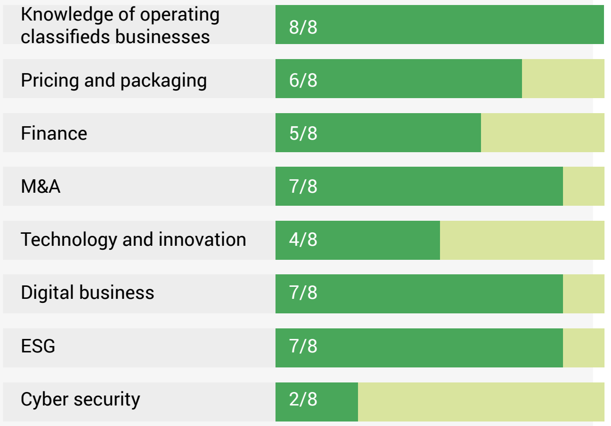
Gender Diversity



Figures above taken as at 30 April 2023

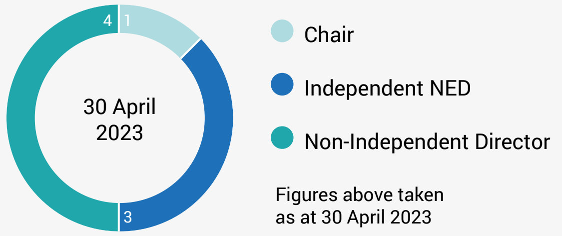
→ See page 69 for the Listing Rule LR 9.8.6R(10) table on the Diversity of the Board and Executive Management

Combination of skills and experience as identified by the Board



Figures above taken as at 30 April 2023

Independence



Figures above taken as at 30 April 2023

The Board is satisfied that it has the appropriate range of skills, experience, independence and knowledge of the Group to enable it to effectively discharge its duties and responsibilities.

The matrix below details some of the key skills and experience that the Board has identified as valuable to the effective oversight of the Group and execution of its strategy:

Board tenure

The Non-Executive Directors post IPO, were all appointed on 2 June 2021, and Jurgita Kirvaitienė was appointed on 17 May 2022. The Chair will continue to monitor the tenure of Board members and consider this as part of the broader succession planning.

Independence

The Code recommends that at least half the board of directors of a company, excluding the Chair, should comprise non-executive directors whom the board considers to be independent. Noting that the Chair is only independent upon appointment. As at the year-end date, the Company did not comply with the Code requirement to have at least half of the Board members as independent (Provision 11). We are confident that the current Board composition provides a solid basis for our Board and is sufficient for providing constructive challenge and an independent view on the running of the Company. We will continue to monitor the composition and diversity of the Board.

The balance of independence is in favour of the 'Non-Independent' due to the role of Non-Executive Director Tom Hall. Pursuant to the Relationship Agreement, the Major Shareholder may appoint one Non-Executive Director to the Board for so long as it (together with any of its Associates) holds voting rights over 10% or more of the Company's issued share capital. The Major Shareholder's first appointed representative Director is Tom Hall. Tom Hall is therefore not an Independent Non-Executive Director. If the Major Shareholder's shareholding fell below 10% then Tom Hall would no-longer serve on the Board and the Independent and Non-Independent Directors would equal 3 and 3 respectively plus the Chair.

The Major Shareholder will consult in advance with the Nomination Committee regarding the identity of any Director proposed to be nominated by it. In addition, for so long as the Major Shareholder (together with any of its Associates) holds voting rights over 10% or more of the Company's issued share capital, the Major Shareholder's representative Director shall be a member of the Nomination Committee and shall be entitled to attend as an observer, all meetings of the Audit Committee and the Remuneration Committee.

The Company has complied with the independence provisions included in the Relationship Agreement and, as far as the Company is aware, the Major Shareholder has complied with the independence provisions too.

Board diversity policy

Further to DTR 7.2.8A, the Board approved its Diversity Policy in April 2022. The main objectives are, that:

1. The Board composition is sufficiently diverse and reflects an appropriate balance of skills, knowledge, independence and experience to enable it to meet its responsibilities and duties and strategic objectives effectively.
2. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, nationalities, cognitive and personal strengths.
3. The Board will support workforce initiatives that promote a culture of inclusion and diversity.
4. The Board will support the Committee in identifying women and other underrepresented groups for promotion into senior management roles.

The following pages outline how the diversity policy has been implemented during the year and the progress made during this financial year.

Diversity and inclusion progress during the year

The Board considers a truly diverse Board, representative of its Stakeholders, leads to better outcomes and improved decision making. The Nomination Committee Report details the context behind challenges the Company faces around diversity and in particular, ethnic diversity. Please read this on pages 73 to 74.

During the year the Group increased its female gender representation on the Board from 28.5% to 37.5%.

We are also proud to have had a female Chief Financial Officer in situ since before the IPO.

→ For more on the Listing Rules comply or explain targets on diversity and the Parker review recommendations, see the Nomination Committee Report on pages 73 to 74.

During the year, the Company contributed to the FTSE Women Leaders Review 2022, an initiative which aims to increase female leadership within the FTSE 350. The Group is proud to be acknowledged and ranked as 18th of the Best Performers within the FTSE 250 and to be number two within the Technology sector of the FTSE 350.

We continue to be an equal opportunities employer and we recruit based on talent, skill and experience. For more on our approach to diversity and inclusion see the Nomination Committee Report on pages 73 to 74.

Board engagement with diversity and inclusion:

- Board skills and experience analysis and review
- Reviewed and approved the Board Diversity Policy
- Monitoring diversity levels across the organisation

→ For more information on diversity and inclusion in the workforce, see pages 38 to 39 in the Strategic Report.

Diversity of the Board and Executive Management[1] under Listing Rule LR 9.8.6R(10)

The following data was obtained by asking the Board and Executive Management targeted questions relating to gender and ethnicity.

Each individual was asked the same questions and was asked to identify which category applied to them from 'Table a) Gender' and from 'Table b) Ethnic background' below.

→ For more information on the Company and diversity targets, see the Nomination Committee report on pages 73 to 74.

The Board is satisfied that it has the appropriate range of skills, experience, independence, and knowledge of the Group to enable it to effectively discharge its duties and responsibilities.

	No of Board members	*Percentage of the Board*	*Number of senior positions on the Board (CEO, CFO, SID and Chair)*	*Number in Executive management[1]*	*Percentage of Executive Management[1]*
Gender					
Men	5	62.5	3	2	50
Women	3	37.5	1	2	50
Not specified/prefer not to say	0	0	0	0	0
Ethnic background					
White British or other White (including minority-white groups)	8	100	4	4	100
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	0	0	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/ prefer not to say	0	0	0	0	0

Figures above taken as at 30 April 2023

[1] Executive management is defined here as the three Executive Directors and the Company Secretary.

Board training and professional development

The Chair is responsible for ensuring that all of the Directors are appropriately briefed on matters arising at Board meetings and that they have full and timely access to accurate and relevant information.

To enable the Board to discharge its duties, all Directors receive sufficient information, including briefing papers distributed in advance of their meetings.

The Committees of the Board have access to sufficient resources to discharge their duties, including external advisers and access to internal resources and personnel.

Where they judge it to be necessary to discharge their responsibilities, Directors may obtain independent professional advice at the Company's expense.

All Directors also have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

Board Directors regularly receive updates to improve their understanding and knowledge about the business and the environment in which it operates. As part of the year end reporting process, each Director is asked to identify skills and experience areas where they excel and also those areas where they feel they would benefit from additional training. For more on this see page 68.

Board meetings generally include one or more presentations from Senior Management on areas of strategic focus. Specific business-related presentations are given to the Board by Senior Management and external advisors when appropriate. During the year the Board received Board defence training from BAML.

Chair effectiveness

The Code states that, led by the Senior Independent Director (the "SID"), the Non-Executive Directors should meet without the Chair present at least annually to appraise the Chair's performance, and on other occasions as necessary. During the year, the SID met with the Board members to discuss the performance of the Chair and found no areas of concern.

Board Committees

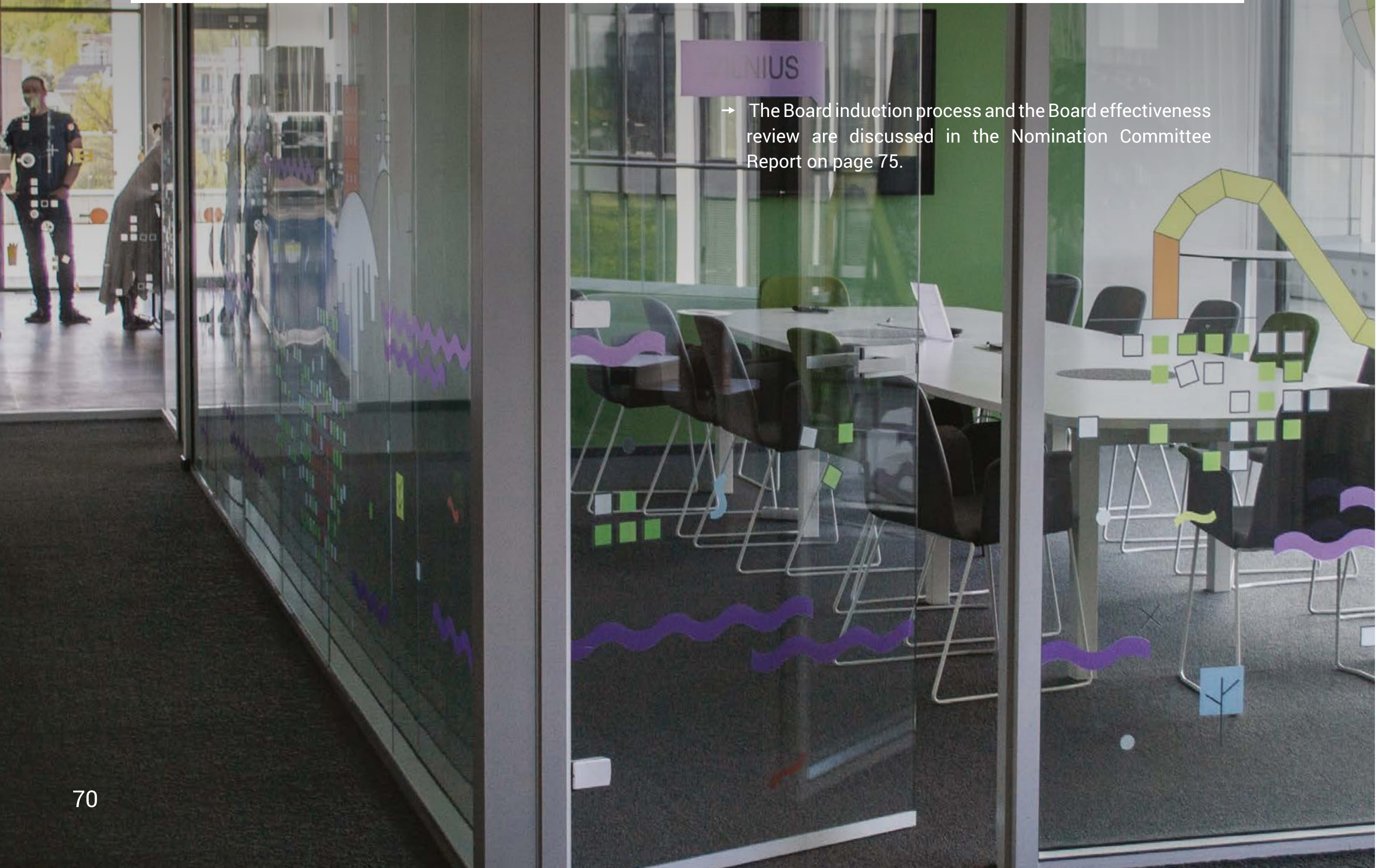
The evaluation of Board Committee performance found that all Committees were considered to be well chaired and operating effectively. Further details of the composition, role and activities of each Committee can be found on pages 54 to 55 and page 63.

Annual General Meeting and Director re-election

The Company's Articles of Association specify that a Director appointed by the Board must stand for election at the first AGM subsequent to such appointment and at each AGM thereafter, every Director shall retire from office and seek re-election by Shareholders. This is in line with the Code, which recommends that Directors should be subject to annual re-election.

All Directors, having been appointed during the period under review, will stand for election at the Company's 2023 AGM.

The Board therefore recommends that Shareholders approve the resolutions to be proposed at the Annual General Meeting 2023 relating to the election of the Directors.



→ The Board induction process and the Board effectiveness review are discussed in the Nomination Committee Report on page 75.

Audit, Risk and Internal Control

The Board's objective is to give Shareholders a fair, balanced and understandable assessment of the Group's position and prospects for the business model and strategy and it has responsibility for preparing the Annual Report. The Board is also responsible for maintaining adequate accounting records and seeks to ensure compliance with statutory and regulatory obligations. You can find an explanation from the Directors about their responsibility for preparing the financial statements in the Statement of Directors' responsibilities in the Directors' Report.

The Board, with the assistance of the Audit Committee, monitors and oversees the Group's risk management process. At least twice a year the Board reviews and approves the risks identified and the mitigation plan suggested by the Executive Management.

The Board has established a management structure with defined lines of responsibility and clear delegation of authority. This includes controls relating to the financial reporting process.

During the year, the main focus of the Audit Committee was on the review of the effectiveness of both the internal and external audit as well as reviewing the adequacy and effectiveness of certain controls and procedures within the Group.

Code Principle		
M	Effectiveness of external auditor and internal audit and integrity of accounts	80
N	Fair, balanced and understandable assessment of Company's prospects	49
O	Internal financial controls and Risk management	71

Key activities included:

- assessment of the Group's going concern and viability statements for 2022;
- reviewing and discussing key areas of financial judgement in both ARA 2022 and HY report 2023;
- approval of updated GDPR policies;
- developing and implementing a formal policy on the engagement of the external auditor to supply non-audit services;
- reviewing the effectiveness of the external audit process and the internal audit function; and
- reviewing the Group's internal controls systems, compliance function, anti-money laundering systems and controls, as well as procedures for detecting fraud and whistle-blowing procedures.

→ To see the full Audit Committee Report see page 76.

→ For more on how the Board has assessed the Group's longer-term viability see page 49.

→ For more on the Going Concern and Viability Statement see page 78.

→ For more on the Directors' assessment of whether the Annual Report and Accounts is fair, balanced and understandable, see page 79.

Remuneration

The Board is conscious that remuneration policies and practices must be designed to support strategy and promote the long-term sustainable success of the Group. It delegates responsibility to the Remuneration Committee to ensure that there are formal and transparent procedures for developing policy on Executive remuneration and determining Director and Executive Manager remuneration.

→ To see the full Remuneration Committee Report see page 82.

Code Principle		
P	Linking remuneration with purpose and strategy	82
Q	A formal and transparent procedure for developing policy	82
R	Independent judgment and discretion	82

Nomination Committee Report

We are pleased to have been ranked number two within the Technology sector by the 2022 FTSE Women Leaders Review.

Trevor Mather
Chair of the Nomination Committee

Nomination Committee membership

Trevor Mather - Chair - Appointed on 2 June 2021
Non-Executive Director

Kristel Volver - Appointed on 2 June 2021
Independent Non-Executive Director

Ed Williams - Appointed on 2 June 2021
Senior Independent Non-Executive Director

Tom Hall - Appointed on 2 June 2021
Non-Executive Director

Jurgita Kirvaitienė - Appointed on 17 May 2022
Independent Non-Executive Director

→ Committee meeting attendance can be found on page 66.

→ Committee Terms of Reference can be found on our corporate website at: balticclassifieds.com/corporate-governance.

Key responsibilities

Board and Executive Management Composition:

- review the structure, size and composition of the Board, its committees and the Senior Management; and
- evaluate the combination of skills, experience, diversity, independence and knowledge on the Board, its Committees and the Senior Management.

Succession planning:

- review the leadership needs of the organisation, both Executive and Non-Executive Directors with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- ensure plans are in place for orderly succession to the Board and the Senior Management positions, taking into account the challenges and opportunities facing the Group and the skills and expertise needed on the Board and in the Senior Management team in the future;
- have oversight over talent development with a view to monitoring and overseeing the development of a diverse pipeline within the Group; and
- identify and nominate potential candidates for Board vacancies as and when they arise, in line with succession planning.

Board effectiveness:

- review the independence and time commitment of the Non-Executive Directors;
- review and act upon the results of the Board performance evaluation process and assess how effectively members work together to achieve objectives; and
- review the interaction between the Board and its Committees.

Diversity and Inclusion:

- oversee diversity and inclusion across the Group and monitor progress made against objectives.

Main activities during the Year

During the year, the Committee has met three times and its key activities were:

- appointment and induction of a new Independent Non-Executive Director. For further detail about the principles and process of our new Director appointments, please see the 'Appointment to the Board' section of the Corporate Governance Report on page 67;
- to consider the external Board effectiveness review recommendations and create an action plan;
- succession planning for the Board;
- reviewing the gender and ethnic diversity of the Board and Senior Management;
- review and discussion of the gender pay gap and measures required to reduce the gap; and
- review and recommendation of the Committee's Terms of Reference for approval by the Board.

Planning for the year ahead:

- considering Senior Management ethnic diversity targets as proposed by the Parker Review;
- oversee the implementation of the selected Board effectiveness review recommendations;
- continued succession planning of Board and Senior Management team; and
- continued activities and monitoring around diversity.

Dear Shareholders

On behalf of the Board, I am pleased to present the Company's Nomination Committee Report, for the financial year ending 30 April 2023.

Board gender and ethnicity

The appointment of Jurgita Kirvaitienė during the year strengthened our female representation on the Board from 28.6% to 37.5%, including the Audit Chair, the CFO and one Non-Executive Director. Jurgita's appointment also brought the number of Independent Non-Executive Directors (excluding the Chair) from two to three. We feel this is a good foundation for offering constructive challenges and independent oversight of the running of the Company.

With the introduction of Listing Rule 9.8.6, the Group must comply or explain on three diversity targets. For more on our compliance with this please see the Governance Report on page 53 and specifically the table prescribed by LR 9.8.6R(10) on page 69. We are already familiar with the existing targets to have 40% female representation on the Board by 2025 (FTSE Women Leaders target) and to have one director from a minority ethnic group (as set out in categories used by the Office for National Statistics ("ONS") by 2024 (the Parker Review). These factors are at the forefront of our minds in terms of succession planning and recruitment.

At this point in time, the Board is satisfied that it has the appropriate range of skills, experience, independence, and knowledge of the Group to enable it to effectively discharge its duties and responsibilities. As we consider the potential expansion of the Board we also need to consider:

- The ethnicity of the Board and its Senior Management within the context of a Group which operates throughout the Baltic region
- The succession planning for the Directors over a longer period of time. We believe a small Board is appropriate for an organisation of this size, and ensuring that we induct new members at a rate that ensures we do not create a problem for ourselves in the future such that the tenure of Directors all come to an end at similar times.

The technology sector is traditionally one which has difficulty attracting female representation, and we are pleased to have been ranked number two within the Technology sector by the 2022 FTSE Women Leaders Review.

Senior Management and ethnic diversity

The Parker review 2023 has asked all FTSE 350 companies to set their own target for the percentage of their senior management group who self-identify as being in an ethnic minority group. Noting that the Parker review has asked for these targets to be disclosed outside of our current financial year in December 2023 and to be achieved in 2027, this subject will be on the Nomination Committee agenda over the coming months. Our aim is to report our intentions to the Parker review by 31 December 2023 and to provide further details in our Annual Report for the year ending 2024.

The breadth of Board and Senior Management representation has continued to be a focus for the Committee.

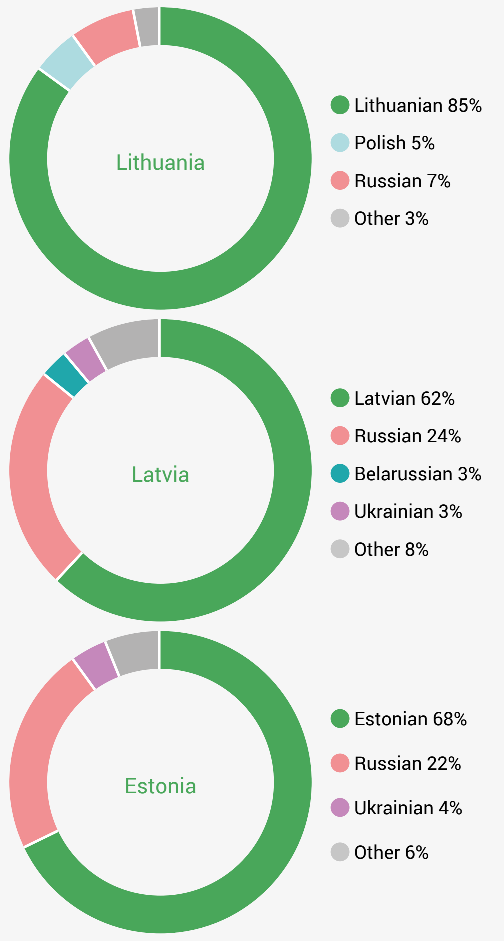
Ethnic diversity and the Baltic region: Context and explanation

Ethnic diversity is an identifier for a minority population sub-group which is broadly accepted to be a combination of national origin, racial origin, and cultural identity. It is clear that the minority or majority sub-groups of any population will vary by country and region. Given that the Group operates all business in the Baltic region, due consideration should be given to the differences between the population of the Baltic region and the diverse populations of the UK or the US, for example.

National minorities are recognised in Lithuania, Estonia and Latvia, and the ONS states that nationality is an aspect of ethnicity, especially where significant migration has taken place. See Figure 1 for the current ethnicity distribution in each of Lithuania, Latvia and Estonia which are countries relevant to the Group in terms of employees and Directors. Here we can clearly see the ethnic diversity of these countries includes principally white ethnic groups. In terms of openness and transparency of our diversity and inclusion, we feel this data is important to demonstrate both the context and the pool of resources available to the Group. Compliance with ethnic diversity targets is not as straight-forward for the Group as it might be for those entities located in the United Kingdom by comparison.

The Group will continue opening up the discussion around diversity as is relevant for the Baltic region and will continue to take into account its diversity targets when considering Board appointments and hiring or promoting to leadership positions.

Figure 1.
Population by ethnicity



Source: Official Statistics Portal in Lithuania, Official Statistics of Latvia, Statistics Estonia

→ For more on this appointment process, see page 69.

→ For information on the Board Diversity Policy, see page 69.

→ Biographies for each Director are available on pages 54 to 55.

→ For more information on the appointment of Jurgita Kirvaitienė see page 67.

→ Details of the key skills and experience that the Board has identified as valuable to the effective oversight of the Group and execution of its strategy can be found on page 68.

Board Independence

The FRC UK Corporate Governance Code 2018 (the "Code") recommends that at least half the board of directors of a company, excluding the Chair, should comprise Non-Executive Directors whom the board considers to be independent. At the year-end, excluding the Chair, our Board was composed of three Executive Directors and four Non-Executive Directors, three of whom are Independent.

→ For Board training and development see the Governance Report on page 70.

Induction of Non-Executive Director

On joining the Board, it is the responsibility of the Chair and the Company Secretary to ensure that all newly appointed Directors receive a full and formal induction which is tailored to their individual needs based on experience and background.

For our newest Board member Jurgita Kirvaitienė, an induction plan was implemented that included:

- a comprehensive overview of the business, company culture and finances;
- detailed analysis of the existing governance framework, including those documents prepared for the IPO;
- presentation of the key legal and regulatory duties of a Non-Executive Director;
- introduction to key internal stakeholders including Executive Directors and Portal Managers;
- introduction to key external stakeholders;
- explanation of the investor base and share register; and
- provision of Board and Committee meeting constitutional documents including Terms of Reference, Matters Arising and Minutes for the previous 12 months.

Board Effectiveness Review

During the financial year, the Board participated in its first externally facilitated Board effectiveness review carried out by Round Governance Services (the "Reviewer"). The Board is committed to an annual review of its own and its Committees' performance, with a formal externally-facilitated effectiveness review carried out at least every three years in compliance with the Code.

The Directors consider the evaluation of the Board and its Committees and members to be an important aspect of corporate governance.

1. Agreeing the parameters for the review: the Reviewer met with key internal stakeholders to discuss the context for the review; the objectives of the Company; to finalise the approach for the review and to agree the framework for the questions.
2. Review process:
   a. Document review: Included a full review of the disclosures in the Annual Report and Accounts; access to all Board and Committee meeting minutes and Board governance documents including Schedule of Matters Reserved for the Board and Committees' Terms of Reference.
   b. Questionnaires: A bespoke interactive questionnaire was produced for the Company which was shared with all Board members for completion.
   c. Individual interviews: Using the questionnaire responses to guide the meetings (which were held virtually), the Reviewer had meaningful conversations with all Board members.
   d. Report and recommendation: The initial report was provided to the Company Secretary and the Chair for comment. The report was accompanied by a list of recommendations which were RAG rated. The Company Secretary put an action plan together based on these recommendations. The report, the recommendations and the action plan were presented to the Nomination Committee by the Reviewer.

Key areas of focus following the Board Effectiveness Review

Progress against the following recommendations will be made during the next financial year and will be reported in the next Annual Report and Accounts:

Key Action	*Who will take responsibility*
Build upon the strategic objectives and to ensure that purpose and strategic objectives are considered in greater detail against Board decision making	Board
Board and Senior Management succession planning with a particular focus on diversity	Nomination Committee
Review the appropriateness of Director development	Chair and Company Secretary
Review the forthcoming agenda items to ensure appropriate depth and breadth is covered	Chair and Company Secretary

Election and re-election of Directors

In accordance with the Code, all Directors will offer themselves for re-election by Shareholders at the AGM. Both the Committee and the Board are satisfied that all Directors continue to be effective in, and demonstrate commitment to, their respective roles on the Board and that each makes a valuable contribution to the leadership of the Company.

The Board therefore recommends that Shareholders approve the resolutions to be proposed at the 2023 AGM relating to the election of the Directors.

I will be available at the AGM to answer any questions about the work of the Nomination Committee.

The Nomination Committee Report is approved by the Board and signed on its behalf by:

Trevor Mather
Chair of the Nomination Committee
28 June 2023

Audit Committee Report

> The Annual Report explains the Group's strategy, financial performance and position in a way which is fair, balanced and understandable.
>
> ***Kristel Volver***
> *Chair of the Audit Committee*

Audit Committee membership

Kristel Volver - Chair - Appointed on 2 June 2021
Independent Non-Executive Director

Ed Williams - Appointed on 2 June 2021
Independent Non-Executive Director

Jurgita Kirvaitienė - Appointed on 17 May 2022
Independent Non-Executive Director

The Group's external auditor is KPMG.

new Deloitte is providing internal audit services.

→ Committee meeting attendance can be found on page 66.

→ Committee Terms of Reference can be found on our corporate website at: balticclassifieds.com/corporate-governance.

Key responsibilities

- *Financial reporting:*
  - monitoring the integrity of the Group's financial reporting and the significant judgements contained therein; and
  - providing advice to the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable.
- *Internal control and risk management:*
  - reviewing effectiveness of the Company's internal financial controls and internal control and risk management systems.
- *Internal audit:*
  - overseeing the Company's internal audit activities; and
  - monitoring and reviewing the effectiveness of the internal audit function.
- *External audit:*
  - conducting the tender process and making recommendations to the Board about the appointment, re-appointment and removal of external auditor;
  - approving fees and terms of engagement of external auditor;
  - reviewing and monitoring external auditor's independence and objectivity;
  - reviewing the effectiveness of the external audit process; and
  - developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Main activities during the year

During the financial year ended 30 April 2023 the Committee met five times and its key activities were:

- assessing the Group's going concern and viability statements;
- reviewing and discussing key areas of financial judgement in annual and half year reporting;
- approving updated GDPR policies;
- developing and implementing a formal policy on the engagement of the external auditor to supply non-audit services;
- reviewing the effectiveness of the external audit process and the internal audit function;
- reviewing the Group's internal controls systems, compliance function, anti-money laundering systems and controls, as well as procedures for detecting fraud and whistle-blowing procedures;
- considering a letter from the FRC's Supervision Committee relating to its review of the Company's Annual Report for 2022;
- approved ESG targets and climate scenario assessment for climate-related reporting; and
- reviewing the internal audit work programme for the coming year.

Planning for financial year ahead

- review Company's systems and controls for prevention of bribery;
- approve the framework of responsibilities and policies in regard to tax compliance and review effectiveness of procedures for managing tax compliance risk; and
- consider the impact and timing of the BEIS Audit Reform and any other regulatory changes or implications.

Dear Shareholders

I am pleased to present my second Audit Committee report to shareholders since the IPO of Baltic Classifieds Group PLC in 2021. This report provides a summary of the Committee's role and activities for the financial year ended 30 April 2023 and sets out the work that the Committee has performed in respect of this Annual Report.

Jurgita Kirvaitienė joined the Board and its Committees in May 2022 and since her appointment and in accordance with the FRC's Corporate Governance Code (the "Code"), the Committee is composed of three Independent Non-Executive Directors. Both myself and Jurgita fulfil the requirement for a Committee member to have recent and relevant financial experience, and all three members (and therefore the Committee as a whole) have competence in consumer and digital businesses. The biographies of each member of the Committee are set out on pages 54 to 55 with specific skills referenced on pages 68.

During the financial year ended 30 April 2023, there were five Audit Committee meetings. All meetings were attended by all three Committee members. The Group's external auditor, KPMG, attended all of the Audit Committee meetings held during the financial year. The rest of the Board attended the meetings by invitation. The external auditor has direct access to me as the Audit Committee Chair to raise any concerns outside of formal Committee meetings. The Committee also periodically sets time aside to seek the views of the external auditor, without the presence of management.

The Committee's Terms of Reference include: monitoring the integrity of the Group's financial reporting, effectiveness of the internal control and internal audit, and the independence and effectiveness of external audit. The internal audit function is outsourced to Deloitte, who provides the Group with specialist expertise in delivering a risk-based review programme.

During the year, the main focus of the Committee was on the review of the effectiveness of both the internal and external audit as well as reviewing the adequacy and effectiveness of certain controls and procedures within the Group.

The Committee has reviewed the content in this Annual Report and considers that it explains the Group's strategy, financial performance and position in a way which we believe to be fair, balanced and understandable. Whilst this Audit Committee Report contains some of the matters addressed during the year, it should be read in conjunction with the external auditor's report on pages 97 to 102 and the financial statements in general.

At the 2023 AGM, Shareholders will vote on the Board's recommendation to re-appoint KPMG as the Group's external auditor.

I will be available at the 2023 AGM to answer any questions.

Kristel Volver
Chair of the Audit Committee
28 June 2023

Financial reporting

The Committee is responsible for reviewing the appropriateness of the Group's half-year report and annual financial statements.

In the preparation of the Group's financial statements for 2023, the Committee assessed the accounting principles and policies adopted, Alternative Performance Measures used and whether management had made appropriate estimates and judgments. In doing so, the Committee discussed management reports and enquired into judgments made. The Committee reviewed the reports prepared by the external auditor on the 2023 Annual Report. A special attention was paid to the accounting treatment of the GetaPro acquisition. The external auditor was asked to prioritise this area during their interim audit procedures so the Committee would have confidence the accounting for this acquisition was appropriate in the H1 2023 report.

The Committee, together with management, identified significant areas of financial statement risk and judgement as described below:

Significant area	*Audit Committee action*
Revenue recognition As more fully described in note 7 to the financial statements, the Group's revenue is derived from listing fees on the Group's platforms, advertising, and financial intermediation services. There are a number of different duration service packages available for customers. In line with IFRS 15, the Group recognises this revenue over time based on service usage.	Revenue is an area of focus given its high value in the financial statements, however there is no critical estimation or judgement involved. The Group's revenue is accounted over time based on service usage. The Committee reviewed the rationale and the process implemented to account for the revenue based on usage and disclosure around revenue recognition made by management. The Committee was satisfied with the explanations provided and conclusions reached in relation to revenue recognition.
Recoverability of parent Company's investment in subsidiaries The carrying amount of the parent Company's investment in its subsidiaries represents a significant majority of the Company's total assets. The investment is not considered at risk of material misstatement or subject to significant judgement, however it is considered significant due to its size in relation to the Company balance sheet.	The Committee reviewed the assumptions made by management, including the strong track record of profitable growth and cash generation and was satisfied with the assumptions made.
Going concern and viability statement The Directors must satisfy themselves as to the Group's viability and confirm that they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due. The period over which the Directors have determined it is appropriate to assess the prospects of the Group has been defined as five years. In addition, the Directors must consider if the going concern assumption is appropriate.	In assessing the validity of the viability and going concern statements detailed on pages 49 and 108, the Committee reviewed the work undertaken by management to assess the Group's resilience to the principal risks set out on pages 46 to 48 under various stress test scenarios. The Committee discussed and agreed with management's proposal to extend the viability time period to five years. The Committee was satisfied that sufficient rigour was built into the process to assess going concern and viability over the designated period.
Carrying amount of goodwill The Group has a significant balance of goodwill that arose during acquisitions and it is considered to be a significant estimate.	An impairment review is performed of goodwill balances by management on a 'value in use' basis. This requires judgement in estimating the future cash flows and the time period over which they occur, arriving at an appropriate discount rate to apply to the cash flows as well as an appropriate long-term growth rate. Each of these judgments has an impact on the overall value of cash flows expected and therefore the headroom between the cash flows and carrying values of the cash generating units. The Committee has reviewed the assumptions made and judgments applied by management and, after due discussion, was content with the outcome of the impairment review.

Fair, balanced and understandable

At the request of the Board, the Committee has reviewed the content of the Annual Report and considered whether, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy. The Committee was provided with a draft of the Annual Report and the opportunity to comment where further clarity or information should be added. The final draft was then recommended for approval by the Board. When forming its opinion, the Committee had regard to discussions held with management and reports received from the external auditor.

Is the report fair?	• Is the whole story presented and has any sensitive material been omitted that should have been included? • Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting?
Is the report balanced?	• Do you get the same messages when reading the front end and back end of the Annual Report independently? • Are threats identified and appropriately highlighted? • Are the Alternative Performance Measures explained clearly with appropriate prominence? • Are the key judgments referred to in the narrative reporting and significant issues reported in this Committee Report consistent with disclosures of key estimation uncertainties and critical judgments set out in the financial statements? • How do these judgments compare with the risks that KPMG are planning to include in their Auditor's Report?
Is the report understandable?	• Is there a clear and cohesive framework for the Annual Report? • Are the important messages highlighted appropriately throughout the Annual Report? • Is the Annual Report written in easy-to-understand language and are the key messages clearly drawn out? • Is the Annual Report free of unnecessary clutter?
Conclusion	Following its review, the Committee is of the opinion that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position, performance, business model and strategy.

Internal controls

The Committee's responsibilities include assisting the Board in its oversight of the Company's system of internal controls. This includes:

- reviewing annually the effectiveness of the Group's internal control framework;
- reviewing reports from the external auditors on any issues identified in the course of their work, including any internal control reports received on control weaknesses and ensuring that there are appropriate responses from management; and
- reviewing reports from the Group's outsourced internal audit function and ensuring recommendations are implemented where appropriate.

During 2023, the Audit Committee reviewed the Group's internal controls systems, compliance function, anti-money laundering systems and controls, as well as procedures for detecting fraud and whistle-blowing procedures and recommended an improvement to the whistle-blowing procedures which has already been implemented. The Committee also reviewed the reports on control deficiencies received from the external and internal auditors. A few control weaknesses identified by the external auditors were largely addressed by management and the Committee received a periodic update on the progress of solving these weaknesses. The management is also working on a plan to address the recommendations from IT and revenue recognition process internal audits.

Internal audit

Deloitte provides an outsourced internal audit function to the Group. They are accountable to the Audit Committee and use a risk-based approach to provide independent assurance over the adequacy and effectiveness of the control environment.

During the year ended 30 April 2023 the internal audit concentrated on IT systems audit. No significant failings or weaknesses were identified however it was noted that in some cases the control environment was not formal enough. The Committee has discussed the findings and recommendations with internal auditors and is working with management on the best action plan. Internal auditors also assessed the revenue recognition process and controls around it. No major risks were identified, however it was noted that several procedures are not formalised.

The Committee reviewed an internal audit plan for 2024 which will cover a range of core financial and operational processes and controls, focusing on specific risk areas. The Committee is reviewing Deloitte's performance annually as internal auditor with the first review having taken place in March 2023.

FRC review

During the year the Financial Reporting Council ('FRC') reviewed the Group's 2022 Annual Report as part of its routine monitoring of corporate reporting. The Company received a letter from the FRC asking for a response to tax disclosure-related questions. The letter also included suggestions concerning areas where the FRC believes users of the accounts would benefit from minor improvements to the Company's existing disclosures. The FRC's Corporate Reporting Review team question led us to review historic accounting of deferred tax amounts. As a result, the Company has amended prior year comparisons for deferred tax amounts as set out in note 3 to the financial statements. The adjustment has no impact on the prior year consolidated statement of financial position, consolidated net cash flow or adjusted profitability. However, there is a reduction of €1.3 million on reported profit for the previous year.The Committee reviewed all correspondence between the Company and the FRC and also discussed the matter with our external auditor.

The FRC's enquiries regarding the above are now complete. It must be noted that the FRC review is limited to the 2022 Annual Report and it does not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. Accordingly, the review and comments received from the FRC provide no assurance that the Annual Report is correct in all material respects.

External auditor

One of the Committee's roles is to oversee the relationship with the external auditor, KPMG, and to evaluate the effectiveness of the service provided and their ongoing independence. The Committee received and discussed KPMG's audit report of the financial statements for the financial year ended 30 April 2023. The Committee Chair met with representatives from KPMG without management present and also with management without representatives of KPMG present, to ensure that there were no issues in the relationship between management and the external auditor to be addressed. There were none.

The Committee places great importance on ensuring that the external audit is both high quality and effective. The effectiveness of the external audit process is dependent on several factors, including the quality, continuity, experience and training of audit personnel; understanding of the business model, strategy and risks; technical knowledge and degree of rigour applied in the review processes of the work undertaken; communication of key accounting and audit judgements; together with appropriate audit risk identification at the start of the audit cycle.

The first such formal evaluation of the performance and effectiveness of the external auditor was carried out in autumn of 2022. The Committee evaluated the effectiveness of the audit process using a questionnaire, together with input from management. Areas considered in the review included the quality of audit planning and execution, engagement with the Committee and management, quality of key audit reports and the capability and experience of the audit team. The Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and concluded that the performance of KPMG remained efficient and effective in its role. The next evaluation is planned for autumn of 2023.

The recommendation to reappoint KPMG beyond the financial year ending 30 April 2024 will depend on continuing satisfactory performance and value for money.

Non-audit services provided by the external auditor

The external auditor is primarily engaged to carry out statutory audit work. There may be other services where the external auditor is considered to be the most suitable supplier by reference to their skills and experience. It is the Group's practice to seek quotes from more than one firm, which may include KPMG, before engagements for non-audit projects are awarded. Contracts are awarded based on individual merits.

A formal policy on the engagement of the external auditor to supply non-audit services was adopted by the Committee in the autumn of 2022 to ensure that the provision of such services does not impair the external auditor's independence or objectivity and will be assessed in line with FRC Ethical and Auditing Standards.

Non-audit service	*Policy*
Permitted services not subject to cap Reporting required by law or regulation or where the authority/regulator specified the auditor to provide the service; reporting on iXBRL tagging of financial statements; other services where time is critical and the nature of the service would not compromise independence.	The Audit Committee assesses threats to independence and the safeguards applied in accordance with FRC's Revised Ethical Standard (2019) and approves all non-audit services work which is not deemed "trivial".
Permitted services subject to cap Audit related services, e.g. review of interim financial information; reporting on covenant or loan agreements and government grants;	The Audit Committee assesses threats to independence and the safeguards applied in accordance with FRC's Revised Ethical Standard (2019) and approves all non-audit services work which is not deemed "trivial". A cap on the aggregate amount in any financial year of 70% of the average audit fees paid to the audit firm in the last three consecutive years applies.
Prohibited services In line with the FRC ethical standards, these are services where the auditor's objectivity and independence may be compromised. Prohibited services are detailed in the FRC Revised Ethical Standards 2019 and include tax services, accounting services, internal audit services and valuation services and financial systems consultancy.	Prohibited, with the exception of certain services which are subject to derogation if certain conditions are met and will be assessed going forward in line with the new FRC Ethical and Auditing Standards.

No non-audit services were procured from KPMG during the financial year ended 30 April 2023.

Statement of compliance: The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "CMA Order")

A competitive tender was carried out in 2019 and KPMG was first appointed as statutory auditor of Group's top holding company preceding Baltic Classifieds Group PLC for the year ended 30 April 2020. KPMG was contracted in 2021 to provide offering and Admission related reporting accountant's services and was also appointed as a statutory auditor of the Company following its Admission to listing. The current external audit engagement partner is Kate Teal.

The CMA Order has applied to the Company since September 2021, when Baltic Classifieds Group PLC entered the FTSE 250 index. The Company confirms it complied with the requirement that the external audit contract is tendered within the 10 years prescribed by UK legislation and the Code's recommendation. The Group confirms that it complied with the provisions of the Competition and Markets Authority's Order for the financial year under review.

Directors' Remuneration Report

> *The Committee believes that BCG continues to be well served by its simple, transparent and objective remuneration arrangements established at the IPO in 2021.*
>
> ***Ed Williams***
> *Chair of the Remuneration Committee*

Remuneration Committee membership

Ed Williams - Chair - Appointed on 2 June 2021
Independent Non-Executive Director

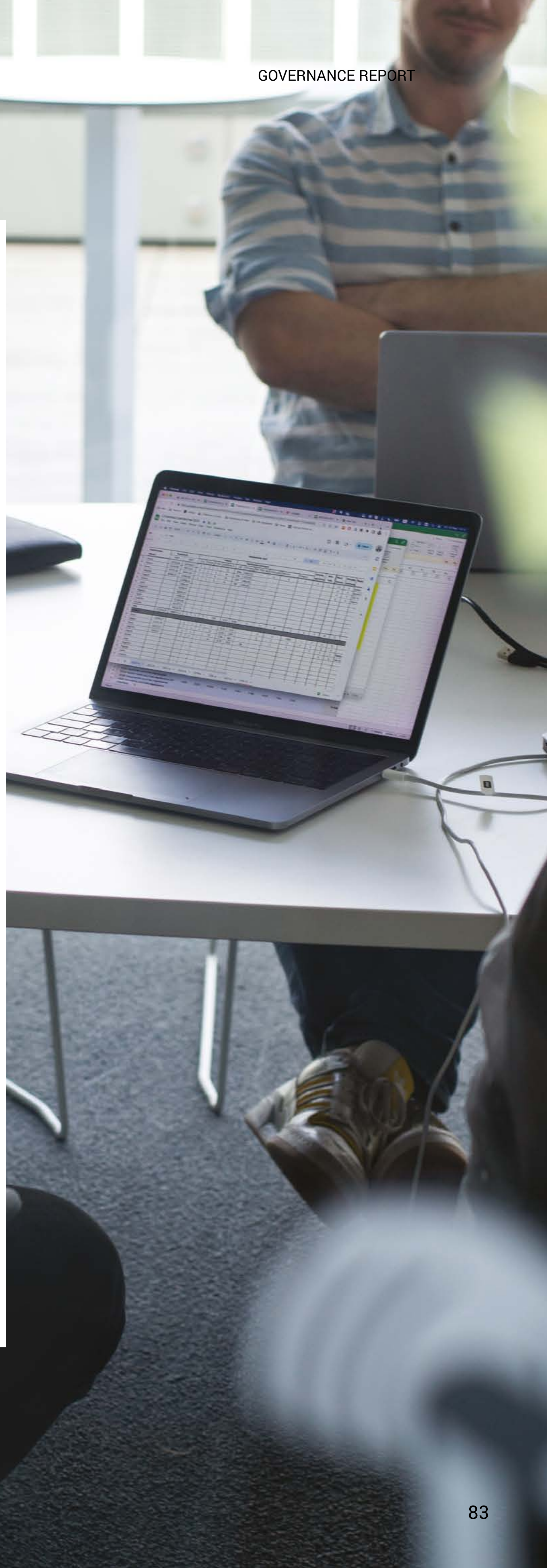
Kristel Volver - Appointed on 2 June 2021
Independent Non-Executive Director

Jurgita Kirvaitienė - Appointed on 17 May 2022
Independent Non-Executive Director

- In line with the FRC UK Corporate Governance Code 2018 (the "Code"), all three members of the Committee have relevant business experience.
- The Chair of the Committee has previous experience chairing the Remuneration Committee of another (at the time) FTSE 250 business and has attended dozens of Remuneration Committee meetings in his capacities as CEO of Rightmove PLC and Chair of Autotrader PLC.
- Board Chair, Executive Directors, Tom Hall (Non-Executive Director) and third-party remuneration consultants attend meetings by invitation.
- No individual takes part in any decision relating to their own remuneration.

→ Committee meeting attendance can be found on page 66.

→ Committee Terms of Reference can be found on our corporate website at: balticclassifieds.com/corporate-governance.



Key responsibilities

- Determines the policy for rewarding Directors and the rest of the Senior Management (the "Remuneration Policy") and oversees how the Group implements the Remuneration Policy.
- Oversees the level and structure of remuneration arrangements for Senior Management, approves share incentive plans and recommends them to the Board and Shareholders.
- Reviews workforce remuneration and related policies with the alignment of incentives and rewards with culture.

In 2021 Deloitte was appointed as a remuneration advisor. Deloitte is a founding member of the Remuneration Consultants Group and adheres to its Code in relation to executive remuneration consulting in the UK. The Committee is satisfied that the Deloitte engagement team, which provided remuneration advice to the Committee, does not have connections with Baltics Classified Group PLC or its Directors. The Committee is satisfied that the advice received is objective, independent and free of undue influence. Deloitte's fees are charged on a time and materials basis. During the year, there were €8,234 fees incurred (€35,523 in 2022) for advice provided by Deloitte to the Committee. Deloitte also provides Internal Audit services (see Audit Committee Report).

Dear Shareholders

On behalf of the Board, I am pleased to present the Directors' Remuneration report for the financial year ended 30 April 2023.

The Directors' Remuneration report comprises two sections:

Part 1: Annual statement: this statement being my annual report on the activities of the Remuneration Committee during the year; and

Part 2: Annual Remuneration Report: which explains how the Directors have been rewarded during the financial year ended 30 April 2023 and any other matters not covered in the previous part. It will be subject to an advisory vote at the 2023 AGM.

Remuneration compliance

This report complies with Schedule 8 of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations, the 2018 UK Corporate Governance Code and the Listing Rules.

Part 1: Annual Statement

As Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our report on Directors' remuneration for the financial year ended 30 April 2023.

The Directors' Remuneration Policy was supported by 99.44% of our shareholders at our AGM in 2022. We take this as support for key aspects of the policy including pay set to reflect the local market norms, the absence of an annual bonus, incentives aligned to shareholders through the LTIP, alignment of benefits with the wider workforce, best practice in relation to malfeasance, clawbacks, termination of employment etc. An overview of the policy is set out in the summary below.

Base salary	• Originally set (in 2021) as lower quartile of non-financial companies ranked 251 to 350 in the FTSE350, adjusted downward to reflect the difference in purchasing power in Lithuania as compared to the UK • Phasing in of this base salary starting from approximately 70% of the target base salary at IPO and increasing in four equal annual increments to reach the target salary by 2026 • Expectation of annual increases to base salary no higher than the average basic pay rise for employees (likely to be significantly higher than among UK-based companies, as Baltic standards of living converge on the average across the EU), plus the phasing in as described above
Pensions	• The Company does not operate a pension scheme
Other benefits	• Other benefits are minimal and available on an equal basis to all employees
Annual bonus	• The Company does not operate an annual bonus scheme
Long Term Incentive Plan (LTIP)	• Performance Share Plan. The executives each year will receive awards of €700,000 for the CEO, €500,000 for the COO and €300,000 for the CFO, though awards may be made of up to 200% of the target base salary • Vesting of awards is subject to the achievement of EPS targets announced at grant • Scheme is designed to ensure the particular approach to capital return does not affect the outcome for executives • Shares required to be held for a further two years from the first date of vesting
Shareholdings, employment contracts, malus and clawback	• The CEO is required to hold €1m and the other Executive Directors €0.5m worth of shares, with half of any vested shares needing to be retained by the executives should they be below this level • Conform to all governance requirements and best practice

Our work during 2023 has been the consistent implementation of the policy rather than making changes or exercising discretion. The most notable aspects of this have been (i) deciding an appropriate increase to base salaries for the Chair and Executive Directors in the context of lower local pay but significantly higher local market pay rises and inflation (ii) setting the quantum of the performance required to achieve any or all of the LTIP. These are discussed below.

Pay and performance outcome for the year ended 30 April 2022

Total remuneration

The Committee believes that BCG continues to be well served by its simple, transparent and objective remuneration arrangements established at the IPO in 2021.

Setting remuneration in general, and performance targets in particular, has been challenging in many businesses in recent years. In the case of BCG that has been exacerbated with the war in Ukraine. Though we did not know it at the time, the impact of world events has had remarkably limited impact on the continued growth of the business though it has undoubtedly had an impact on other KPIs, not least the share price.

Fortunately, our policy, including choice of performance targets, has stood up well. As a result, during the last year, the Remuneration Committee has seen no reason to change its policy in any regard nor to exercise discretion in relation to past awards or any other historic aspects of remuneration. All changes to remuneration for 2023 and 2024 therefore reflect the simple application of our policy as approved by shareholders in 2022.

The company does not operate an annual bonus scheme. The Long Term Incentive Plan (LTIP) is at an early stage, with no prior awards having vested nor reached the end of their performance period.

Key remuneration decisions

Annual base salary review for the year ended 30 April 2024

Average pay rises within the Group (excluding the Directors) were 12% in 2023. Given the inflation in the Baltics remains high, a similar pay rise is planned for a considerable majority of employees in 2024 as well.

The base salary or fee for each Director was increased from 1st May 2023 by 10%, which is lower than the average salary increase across the business. It is high by UK standards, reflecting the much higher level of inflation in Lithuania (all Director salaries and fees are based on the considerably lower rates of pay in Lithuania as compared to the UK).

In addition, Executive Director remuneration increased according to the formula set out in the Remuneration Policy as part of a planned, progress five-year unwinding of the salary discount of the previous private company as we move to normal, though modest, levels of public company salaries (see Remuneration Policy summary on page 86).

Share awards and performance conditions

Awards to Executive Directors for 2023 and planned for 2024 were made at the levels indicated in the Company's Remuneration Policy. Performance was and will continue in 2024 to be based on an adjusted EPS[1] metrics (see Remuneration Policy summary on page 86 or page 91 of the 2022 Annual Report for full details).

In setting the targets the Remuneration Committee took the view that, particularly at the top end, they should be more demanding as compared to the three-year business forecasts, than those set in our first two years as a public company. Outside the Executive Directors, awards under the LTIP in 2021 and then in 2022 were made to largely separate groups of executives and key personnel with a view to achieving relatively widespread employee involvement but keeping the dilution impact on shareholders modest. Based on this decision and the performance of the business against targets over the last two years, we now have a significant group of executives and key personnel who can have a reasonable expectation that their awards under previous LTIPs will be of value, with the first group able to realise those potential benefits in 2024 and the Executive Directors from 2026. Hence we believe that the LTIP is achieving the retention objectives for which it was, in part, designed.

Remuneration outside the Directors

The Remuneration Committee reviewed the CEO's list of proposed members of the LTIP and the levels of individual awards. The Committee also reviewed senior management remuneration generally, for internal consistency, and the remuneration arrangements in relation to recently acquired employees.

Non-Executive Director fees

The Board, excluding the Non-Executive Directors, undertook a review of non-executive fees during the year. It was agreed that fees for the non-executive director were reasonable but should be increased by the same base percentage as for Executive Directors and the Chair (though excluding any increases relating to the five-year transition of Executive Director base salaries referenced above).

Shareholder engagement

The Committee contacted the Company's largest 15 shareholders (all shareholders with more than 1% ownership stake in the Company) explaining the proposed Remuneration Policy in detail and offering the opportunity for further discussion. Feedback was limited and characterised by support for the simplicity of the arrangements (including the absence of an annual bonus plan) and recognition of the relatively unique Lithuanian context. A comment was received regarding whether the performance targets set for the previous awards were sufficiently stretching, feedback which we hope we have addressed with the performance targets for the latest LTIP awards.

2023 AGM

The Committee has continued to be mindful of the requirements of the UK Corporate Governance Code when developing and applying remuneration policy. The Committee believes the current policy serves the interests of the Company and shareholders well and looks forward to receiving your support at the 2023 AGM for this remuneration report.

Our Chair of the Board has served on the Remuneration Committee since the IPO in order that the Committee consisted of three independent non-executive directors as required by the Governance Code. Now that the Remuneration Committee has three other independent non-executive directors, he has stood down from the Committee, making the Committee's membership consistent with normal practice in FTSE 250 companies.

I would like to thank my fellow Committee members and the Chair for their commitment and contribution.

Ed Williams
Chair of the Remuneration Committee
28 June 2023

[1] Adjusted EPS in the Director's Remuneration Report is basic EPS adjusted for M&A and other impacts as determined by the Committee and is different from adjusted EPS measure described in the APMs note 5 on pages 118 to 119.

Part 2: Annual Remuneration Report

The Remuneration Committee presents the Annual Remuneration Report, which together with the Chair's introduction on page 83, will be put to shareholders for an advisory (non-binding) vote at the AGM to be held on 27 September 2023. Sections which have been subject to audit are noted accordingly.

Pay and benefits

The Committee has implemented the Remuneration Policy in accordance with the policy approved by shareholders at the AGM on 28 September 2022. The table below sets out the way the policy was implemented in 2023 and any material changes in the way it will be implemented in 2024.

The Remuneration Committee reviewed the base salaries for Executive Directors and the fees for the Chair with regard to 2024. Inflation in Lithuania at the time of the review was 14.5% (April 2023). The Lithuanian Department of Statistics only issues average wage inflation measures every three months, the most recent rate was 13.1% (October - December 2022 compared to the same period in 2021).

The considerable majority of employees in the business will receive a pay rise of at least 10% for 2024.

The Remuneration Committee agreed to a 10% pay rise for Executive Directors on top of the phased increase in base salary explained previously. The Remuneration Committee also agreed to a 10% pay rise for the Chair. The Board proposed and agreed a 10% increase in all fees for Non-Executive Directors.

Summary of approach to executive remuneration

Component of pay	Implementation for FY 2023	Implementation for FY 2024
Base salaries	• CEO: €302,500 • CFO: €181,500 • COO: €242,000	• CEO: €363,000 • CFO: €217,800 • COO: €290,400
PSP	• In 2023 the Executives were awarded the below values of three-year nominal cost share options each: • CEO: €700,000 • CFO: €300,000 • COO: €500,000 • Performance will be measured based on adjusted EPS[1] for 2025 of 7.5 € cents for 25% to vest and then straight line to 8.5 € cents for 100% to vest	• In 2024 the Executives will be awarded the below values of three-year nominal cost share options each: • CEO: €700,000 • CFO: €300,000 • COO: €500,000 • Performance will be measured based on adjusted EPS[1] for 2026 of 9.5 € cents for 25% to vest and then straight line to 12.0 € cents for 100% to vest
NED fees	• Chair fee: €132,000 • Non-Executive Director base fee: €33,000 • Senior Independent Director: €2,750 • Audit and Remuneration Committee Chairs: €8,250	• Chair fee: €145,200 • Non-Executive Director base fee: 36,300 • Senior Independent Director: €3,025 • Audit and Remuneration Committee Chairs: €9,075

As a consequence, the future base salaries for Executive Directors as they transition to public company levels, will further be increased by 10% for years 2025 to 2026 and may be subject to further market adjustment.

Migration route to standard

	FY2022 (€ thousands)			FY2023 (€ thousands)			FY2024 (€ thousands)			FY2025 (€ thousands)			FY2026 (€ thousands)		
	Salary	LTIP	Max rem	Salary	LTIP	Max rem	Salary	LTIP	Max rem	Salary	LTIP	Max rem	Salary	LTIP	Max rem
CEO	250	700	950	303	700	1,003	363	700	1,063	393	700	1,093	424	700	1,124
CFO	150	300	450	182	300	482	218	300	518	236	300	536	254	300	554
COO	200	500	700	242	500	742	290	500	790	315	500	815	339	500	839

[1] Adjusted EPS in the Director's Remuneration Report is basic EPS adjusted for M&A and other impacts as determined by the Committee and is different from adjusted EPS measure described in the APMs section on pages 118 to 119.

Single total figure for remuneration (audited)

The remuneration of the Directors of the Company during the financial year ended 30 April 2023 for time served as a Director is as follows:

	Base salary and fees (€ thousands)	PSP (€ thousands)	Total remuneration (€ thousands)	Total fixed remuneration (€ thousands)	Total variable remuneration (€ thousands)
Executive Directors					
Justinas Šimkus	301	-	**301**	301	-
Lina Mačienė	181	-	**181**	181	-
Simonas Orkinas	241	-	**241**	241	-
Non-Executive Directors					
Trevor Mather	132	-	**132**	132	-
Ed Williams	44	-	**44**	44	-
Kristel Volver	41	-	**41**	41	-
Tom Hall	-	-	**-**	-	-
Jurgita Kirvaitienė	32	-	**32**	32	-

The remuneration of the Directors of the Company during the financial year ended 30 April 2022 for time served as a Director[1] was as follows:

	Base salary and fees[2] (€ thousands)	PSP (€ thousands)	Total remuneration[2] (€ thousands)	Total fixed remuneration[2] (€ thousands)	Total variable remuneration (€ thousands)
Executive Directors					
Justinas Šimkus	220	-	**220**	220	-
Lina Mačienė	152	-	**152**	152	-
Simonas Orkinas	183	-	**183**	183	-
Non-Executive Directors					
Trevor Mather	99	-	**99**	99	-
Ed Williams	33	-	**33**	33	-
Kristel Volver	31	-	**31**	31	-
Tom Hall	-	-	**-**	-	-

PSP awards during the year (audited)

Nominal cost share options granted in the year under the PSP scheme are shown below.

	Date of grant	No. of shares granted	Share price used[3] (€)	Face value of award[4] (€ thousands)	Multiple of salary	% award vesting at threshold (% maximum)	Performance period[5]
CEO	12 July 2022	427,557	1.64	700	231%	25%	1 May 2022 - 30 April 2025
CFO	12 July 2022	183,239	1.64	300	165%	25%	1 May 2022 - 30 April 2025
COO	12 July 2022	305,398	1.64	500	207%	25%	1 May 2022 - 30 April 2025

[1] Executive Directors entered into service contracts on 3 June 2021 while Non-Executive Directors were appointed on 2 June 2021. Salary and fees in the table above are provided for the whole financial year.

[2] The figures shown in relation to 2022 for base salary and fees have been restated from those figures shown in the 2022 Annual Report to exclude employer's social security costs. The annual base salaries for the CEO, COO and CFO were €250,000, €200,000 and €150,000 respectively from the Admission only.

[3] A 3-month average share price of £ 1.39 / € 1.64 was used.

[4] Awards are determined based on a fixed monetary value.

[5] PSP awards will normally be eligible to vest three years from grant (12 July 2025) based on performance over the three years to 30 April 2025 and continued employment. Performance targets starting at adjusted EPS for 2025 of 7.5 € cents per share for 25% of the award and then in a straight line to 8.5 € cents per share for 100% vesting. Adjusted EPS in the Director's Remuneration Report is basic EPS adjusted for M&A and other impacts as determined by the Committee and is different from adjusted EPS measure described in the APMs section on pages 118 to 119.

Share options under PSP held by the Executive Directors and not exercised as at 30 April 2023 (audited)

	Date granted	PSP awards held as at 30 April 2022	Granted	Exercise price (£)	PSP awards held as at 30 April 2023	Vesting date	Expiry date
Justinas Šimkus							
PSP 2021	27 July 2021	364,611	-	0.01	364,611	27 July 2024	27 July 2031
PSP 2022	12 July 2022	-	427,557	0.01	427,557	12 July 2025	12 July 2032
Total:		**364,611**	**427,557**		**792,168**		
Lina Mačienė							
PSP 2021	27 July 2021	156,262	-	0.01	156,262	27 July 2024	27 July 2031
PSP 2022	12 July 2022	-	183,239	0.01	183,239	12 July 2025	12 July 2032
Total:		**156,262**	**183,239**		**339,501**		
Simonas Orkinas							
PSP 2021	27 July 2021	260,436	-	0.01	260,436	27 July 2024	27 July 2031
PSP 2022	12 July 2022	-	305,398	0.01	305,398	12 July 2025	12 July 2032
Total:		**260,436**	**305,398**		**565,834**		

All the above PSP awards have a three-year service condition attached and a performance condition that is based on adjusted EPS measure:

- PSP 2021: performance target period 1 May 2023 - 30 April 2024 with a target of 4 € cents per share for 25% of the award and then in a straight line to 5 € cents per share for 100% vesting; and
- PSP 2022: performance target period 1 May 2024 - 30 April 2025 with a target of 7.5 € cents per share for 25% of the award and then in a straight line to 8.5 € cents per share for 100% vesting.

Given that the first PSP awards have not yet vested, none of the above awards have been exercised or have expired. No variation was made to the share options already granted during 2023.

Dilution of share capital by employee share plans

All existing PSP awards can be satisfied from shares held in the Baltic Classifieds Group PLC's Employee Benefit Trust (EBT). It is intended that the 2023 PSP awards will also be settled from shares currently held in the EBT or planned to be purchased into the EBT without any requirement to issue further shares.

Share interests (audited)

Executive Directors are required to maintain a certain minimum level of shareholding in the Company: €1 million Euros for the CEO and €0.5 million Euros for other Executive Directors. In relation to existing Executive Directors, the minimum value of shareholding acts as a restriction on selling shares to the extent that doing so would cause the shareholding to fall below the minimum shareholding guideline. All existing Executive Directors meet their shareholding guideline. In the event of the appointment of a new Executive Director with no shares or fewer shares than the minimum shareholding guideline applied to them, they will be expected to retain at least half of any award of shares made to them by the Company that vest until the guideline is met. Non-Executive Directors do not have shareholding guidelines.

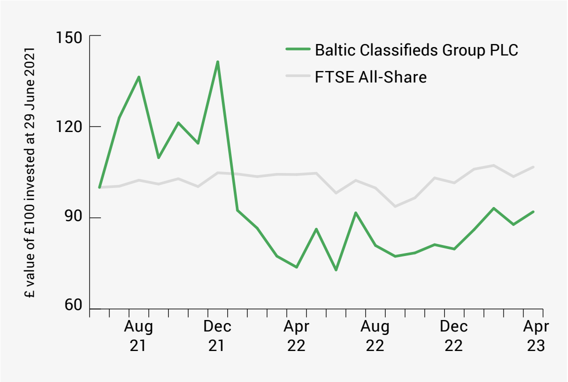
Awards held under the PSP are subject to a holding period of two years after vesting.

The following table sets out the number of shares held or potentially held by Directors (including their connected persons where relevant) as at 30 April 2023, or at the date of retiring from the Board.

	Beneficially owned shares as at 30 April 2023[1]	Number of awards held as at 30 April 2023 under the PSP conditional on performance	Number of vested but unexercised nominal cost options	Target shareholding guideline (€ m)	Shareholding value as at 30 April 2023[2] (€ m)
Executive Directors					
Justinas Šimkus	20,000,000	792,168	-	1.0	38.4
Lina Mačienė	1,940,128	339,501	-	0.5	4.2
Simonas Orkinas	2,500,000	565,834	-	0.5	5.7
Non-Executive Directors					
Trevor Mather	4,614,418	-	-	-	8.5
Ed Williams	4,910,936	-	-	-	9.1
Kristel Volver	515,151	-	-	-	1.0
Tom Hall	-	-	-	-	-
Jurgita Kirvaitienė	-	-	-	-	-

TSR Performance

The following graph shows the TSR performance of the Company for the financial year ended on 30 April 2023, against the FTSE All-Share index. This peer group was selected as it represents a broad equity market index, of which the Company is a constituent. The TSR graph shows the growth in the value of a hypothetical holding of £100 invested on 30 June 2021 and will be updated yearly with the intention to build up to a 10-year rolling period in future annual reports.



CEO remuneration

The following table summarises the CEO single figure. This table outlines the proportion of PSP awards vesting in that year as a percentage of the maximum opportunity. Like the TSR chart, this table will be updated annually to build up to a 10-year rolling period.

CEO single figure	2023	2022
CEO total remuneration (€ thousands)	301	220
PSP vesting (% of maximum)[3]	-	-

Percentage change in the remuneration

2022 was a transition year for the Group as it moved from being a private to a listed company. The percentage changes set out above are partly as a result of lower remuneration (nil in the case of non-executive directors) in the first two months of 2022 prior to IPO. Change in remuneration based on annualised emoluments after IPO was 21% for Executive Directors and 10% for Non-executive Directors.

The table below sets out the percentage change in the remuneration of all the Directors of the Company compared with the average of all employees between 2022 and 2023, based on the figures shown in the single total figure for remuneration tables above.

	Change in salary and fees (%) 2023
Executive Directors	
Justinas Šimkus	37%
Lina Mačienė	19%
Simonas Orkinas	32%
Non-Executive Directors	
Trevor Mather	34%
Ed Williams	34%
Kristel Volver	34%
Tom Hall[4]	n/a
Jurgita Kirvaitienė[5]	n/a
Average employee	12%

[1] Includes shares owned by connected persons. Only beneficially owned shares count towards the shareholding guideline. There have been no changes in share ownership between 1 May 2023 and 29 June 2023.

[2] Based on the share price at close of business on 28 April 2023 of £1.624 / €1.849.

[3] No PSP awards vested during 2022 and 2023.

[4] Tom Hall's directorship is unpaid.

[5] Jurgita Kirvaitienė started her directorship in 2023 (17 May 2022).

Relative importance of spend on pay

The following table shows the Group's actual spend on pay for all employees compared to distributions to shareholders. The average number of full time equivalent employees has also been included for context. Revenue and Adjusted EBITDA have also been disclosed as these are two key measures of Group performance.

	2023	2022
	(€ thousands)	
Employee costs (refer to note 9 to the consolidated financial statements)	9,327	8,886
Dividends paid to shareholders (refer to note 19 to the consolidated financial statements)	10,918	-
Purchase of own shares (refer to note 18 to the consolidated financial statements)	5,775	-
Average number of full time equivalent employees (refer to note 9 to the consolidated financial statements)	131	126
Revenue (refer to Consolidated statement of profit or loss and other comprehensive income)	60,814	50,959
Adjusted EBITDA (refer to note 5 to the consolidated financial statements)	46,045	39,281

CEO pay ratio

The Company has less than 250 employees in the UK and therefore is not required to disclose the CEO pay ratio.

Pension entitlements

The Company does not operate a pension scheme.

Executive Directors' service contracts

The details of each Executive Director' service contract are noted in the following table:

	Date of service contract	Notice period
Justinas Šimkus	3 June 2021	12 months
Lina Mačienė	3 June 2021	6 months
Simonas Orkinas	3 June 2021	6 months

Non-Executive Directors' terms of appointment

The NEDs do not have service contracts with the Company but instead have letters of appointment. The date of appointment and the most recent reappointment and the length of service for each NED are shown in the following table:

	Date of appointment	Length of service as at 2023 AGM
Trevor Mather	2 June 2021	2 year
Ed Williams	2 June 2021	2 year
Kristel Volver	2 June 2021	2 year
Tom Hall	2 June 2021	2 year
Jurgita Kirvaitienė	17 May 2022	1 year

Payments for loss of office and/or payments to former Directors (audited)

No payments for loss of office, nor payments to former Directors were made during 2023 or 2022.

Executive Directors' external appointments

External appointments are listed on pages 54 to 55.

Voting outcomes at AGMs

The table below shows full details of the voting outcomes for the Directors' Remuneration Report and the Remuneration Policy at the 2022 AGM:

	Directors' Remuneration Report	Remuneration Policy
Votes for	295,996,665	289,702,212
% Votes for	99.44	97.77
Votes against	1,678,577	6,618,726
% Votes against	0.56	2.23
Votes withheld[1]	0	1,354,304

The Remuneration Policy is unchanged from that appearing on pages 79 to 94 of our 2022 Annual Report.

A shareholder vote on Remuneration Policy is not required in 2023 AGM.

On behalf of the Board

Ed Williams
Chair of the Remuneration Committee
28 June 2023

[1]A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast 'For' and 'Against' a resolution.

Directors' Report

The Directors of Baltic Classifieds Group PLC present their report, together with the audited accounts for the year ended 30 April 2023.

Directors' Report disclosures

As permitted by Section 414C(11) of the Companies Act 2006, some matters required to be included in the Directors' Report in accordance with the Companies Act 2006 , Listing Rule 9.8.4R of the Financial Conduct Authority's Listing Rules and the Large and Medium sized Companies and Groups (Accounts and Report) Regulations 2008 (as amended in 2013), have instead been included elsewhere in this Annual Report.

These matters are cross referenced in the following table and are incorporated by reference into this Directors' Report:

Topic	Section of the report	Page
Fair review of the Company's business	Management Report, as defined in the Directors' Report	16
Principal risks and uncertainties	Management Report, as defined in the Directors' Report	46
Strategy	Strategic Report	18
Business Model	Strategic Report	16
Gender Breakdown	Sustainability Report Corporate Governance Report	39 68
Important events impacting the business	Strategic Report	10
Likely future developments	Strategic Report	18
Financial key performance indicators	Financial review	20
Non-financial key performance indicators	Financial review Sustainability Report	20 26
Financial instruments	Notes to the consolidated financial statements	131
Environmental matters	Sustainability Report	28
Employees with disabilities	Sustainability Report	38
Employee engagement	Strategic report • Section 172(1) Statement Corporate Governance Report • Statement of engagement with employees • Engagement with our Stakeholders	 19 94 58
Engagement with suppliers, customers and others in a business relationship with the Company	Strategic report • Section 172(1) Statement	 19
Social, community and human rights issues	Strategic report • Section 172(1) Statement	 19
Natural Resources	Sustainability Report	35
Board activity and culture	Corporate Governance Report	65
Board diversity	Corporate Governance Report • Nomination Committee Report	 73
Directors' induction and training	Corporate Governance report • Board Composition, Succession and Evaluation • Nomination Committee Report	 70 75

Topic	Section of the report	Page
Information required by Listing Rules 9.8.4(R)		
Directors' interests in Shares	Directors' Remuneration Report	89
Going concern and viability statements	Strategic Report	49
Long-term incentive schemes	Directors' Remuneration Report	88
Information required by Listing Rules 9.8.6R(8)		
Climate-related disclosures	The Task Force for Climate-Related Financial Disclosure Report	30
Board diversity	Corporate Governance Report	69
Information required by Disclosure Guidance and Transparency Rule 7.2		
Corporate Governance Statement 2023	Corporate Governance Report	53

Information required by Disclosure Guidance and Transparency Rule 4.1.8

The Strategic Report and the Directors' Report (or parts thereof), together with sections of this Annual Report incorporated by reference, are the "Management Report" for the purposes of DTR 4.1.8

The Directors are required under the Companies Act 2006 to prepare a Strategic Report for the Company and Group. The Strategic Report contains the Directors' explanation of the basis on which the Group preserves and creates value over the longer term and the strategy for delivering the objectives of the Group.

The Companies Act 2006 requires that the Strategic Report:

- contain a fair review of the Group's business and contain a description of the principal risks and uncertainties facing the Group; and
- be a balanced and comprehensive analysis of the development and performance of the Group's business during the financial year and the position of the Group's business at the end of that year, consistent with the size and complexity of the business. The information that fulfils the strategic report requirements is set out in the Strategic Report on pages 2 to 49.

The Non-financial and sustainability information statement on page 45 forms part of the Strategic Report.

The Strategic Report and the Directors' Report, together with the sections of this Annual Report incorporated by reference, have been drawn up and presented in accordance with and in reliance upon applicable English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

Corporate governance arrangements

During the financial year ended 30 April 2023, we have applied the principles of good governance contained in the UK Corporate Governance Code 2018 (the "Code"). Our Compliance Statement for this financial year 2023 is on page 53. Further details on how we have applied the Code can be found in the Corporate Governance Report on pages 51 to 71.

Results and dividends

The financial statements set out the results of the Group for the financial year ended 30 April 2023 and are shown on page 103.

The Company declared an interim dividend on 7 December 2022 of 0.8 € cents per Ordinary Share which was paid on 25 January 2023. The Directors recommend a final dividend of 1.7 € cents per Ordinary Share, bringing the total dividend per Ordinary Share of 2.5 € cents for the year ended 30 April 2023. Subject to final approval by Shareholders of the recommended final dividend, the dividend to Shareholders for 2023 will total approximately €8.4 million. If approved, the Company will pay the final dividend on 13 October 2023 to Shareholders on the register of members on 8 September 2023.

Substantial Shareholders

The table below shows the holdings in the Company's issued share capital which had been notified to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The information below was correct at the date of notification. It should be noted that these holdings may have changed since the Company was notified.

	Percentage of voting right attached to Ordinary Shares of £0.01	Nature of holding	Date of notification of interest
Antler EquityCo S.à r.l.	35.290000	Direct	25 January 2022
BlackRock, Inc	8.420000	Indirect	1 March 2023
Kayne Anderson Rudnick Investment Management, LLC	9.945300	Direct	23 December 2022
Justinas Šimkus	4.020784	Direct	24 March 2023

These figures represent the number of shares and percentage held as at the date of notification to the Company.

No other notifications have been received between 30 April 2023 and 27 June 2023.

Board of Directors

Details of the Directors of the Company who were in office during the year under review are set out on pages 54 and 55. On 17 May 2022, the Board appointed Jurgita Kirvaitienė. There were no resignations from the Board during the financial year.

Powers of the Directors

Subject to the Company's Articles of Association (the "Articles"), the Companies Act 2006 and any special resolution of the Company, the business of the Company is managed by the Board, who may exercise all the powers of the Company. In particular, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertakings, property, assets and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party.

Appointment and replacement of Directors

The appointment and replacement of Directors is governed by the Articles, the Code, the Companies Act 2006 and related legislation.

Directors may be appointed by ordinary resolution of the Shareholders, or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nomination Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested by the Nomination Committee.

Pursuant to the Relationship Agreement, the Major Shareholder will be able to appoint one Non-Executive Director to the Board for so long as it (together with any of its Associates) holds voting rights over 10% or more of the Company's issued share capital. The Major Shareholder will consult in advance with the Nomination Committee regarding the identity of any Director proposed to be nominated by it. The Major Shareholder's first appointed representative Director is Tom Hall.

A Director appointed by the Board holds office only until the next annual general meeting of the Company and is then eligible for reappointment. At every annual general meeting of the Company, each Director shall retire from office and may offer himself or herself for reappointment by the members.

The Company may, by special resolution, remove any Director before the expiration of their period of office.

The office of a Director shall be vacated if: (i) they resign; (ii) their resignation is requested by all of the other Directors (not fewer than three in number); (iii) they have been suffering from mental or physical ill health and the Board resolves that their office be vacated; (iv) they are absent without the permission of the Board from meetings of the Board (whether or not an alternative Director appointed by them attends) for six consecutive months and the Board resolves their office is vacated; (v) they become bankrupt; (vi) they are prohibited by law from being a Director; (vii) they cease to be a Director by virtue of the Companies Act 2006; or (viii) they are removed from office pursuant to the Articles.

Directors' indemnities and insurance

The Company maintains appropriate Directors' and Officers' liability insurance cover in respect of any potential legal action brought against its Directors. The Company has also indemnified each Director to the extent permitted by law against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and were in force throughout the year.

Significant related party agreements

At no time during the financial year ended 30 April 2023, did any of the Directors, any close members of a Director's family or any controlling Shareholder of the Company, have a material interest in any contract with the Company or any of its subsidiaries. There is no person with whom the Group has a contractual or other arrangement that is essential to the business of the Company.

Share capital

The Company's authorised and issued Ordinary Share capital as at 30 April 2023 comprised a single class of Ordinary Shares of £0.01 each. As at 30 April 2023, the Company had 496,963,165 Ordinary Shares in issue (net of shares pending cancellation) and 3,600,000 were held in Employee Benefit Trust. As at 27 June 2023, being the last practicable date prior to publication of this report, the Company's issued share capital (net of shares pending cancellation) comprised 496,045,965 fully paid Ordinary Shares and 3,600,000 shares were held in Employee Benefit Trust.

The Company was authorised by its shareholders at the 2022 AGM to purchase its own shares. During the financial year the Company purchased and cancelled 3,429,240 Ordinary Shares (none of which were purchased off-market), at a total cost of €5,776 thousand and representing 0.7% of its issued share capital at the start of the year.

Details of the Ordinary Share capital and shares cancelled during the year can be found in note 17 to the financial statements.

Rights and restrictions attaching to shares

The Company's shares when issued are credited as fully paid and free from all liens, equities, charges, encumbrances and other interests. All shares have the same rights (including voting and dividend rights and rights on return of capital) and restrictions as set out in the Articles, described below.

Except in relation to dividends that may have been declared and rights on liquidation of the Company, the Shareholders have no rights to share in the profits of the Company.

The Company's shares are not redeemable. However, the Company may purchase or contract to purchase any of the shares on market, subject to the Companies Act 2006 and the requirements of the Listing Rules.

Subject to the Articles of Association, the Companies Act 2006 and other Shareholders' rights, shares in the Company may be issued with such rights and restrictions as the Shareholders may by ordinary resolution decide, or if there is no such resolution, as the Board may decide provided it does not conflict with any resolution passed by the Shareholders.

These rights and restrictions will apply to the relevant shares as if they were set out in the Articles of Association. Subject to the Articles of Association, the Companies Act 2006 and other Shareholders' rights, unissued shares are at the disposal of the Board.

Restrictions on transfer of securities in the Company

There are no specific restrictions on the transfer of securities in the Company, which is governed by its Articles of Association and prevailing legislation, save as set out below.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register. The Board can decline to register any transfer of any share that is not a fully paid share. The Company does not currently have any partially paid shares.

The Board may also decline to register a transfer of a certified share unless the instrument of transfer: (i) is duly stamped or certified or otherwise shown to be exempt from stamp duty and is accompanied by a relevant share certificate; (ii) is in respect of only one class of share; and (iii) if to joint transferees, is in favour of not more than four such transferees. Registration of a transfer of an uncertified share may be refused in the circumstances set out in the Uncertified Securities Regulations 2001.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities.

Voting rights

Shareholders will be entitled to vote at a general meeting whether on a show of hands or a poll, as provided in the Companies Act.

Where a proxy is given discretion as to how to vote on a show of hands, this will be treated as an instruction by the relevant Shareholder to vote in the way in which the proxy decides to exercise the discretion. This is subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to the Articles of Association.

If more than one joint holder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed first on the register for the share.

Restrictions on voting

Unless the Directors decide otherwise, a Shareholder cannot attend or vote at any general meeting of the Company or upon a poll or exercise any other right conferred by membership in relation to general meetings or polls if they have not paid all amounts relating to those shares which are due at the time of the meeting, or if they have been served with a restriction notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006.

The Company is not aware of any agreements between Shareholders that may result in restrictions of voting rights.

Change of control

The Group's term loan and credit facility arrangements contain provisions that, where the parties are unable to agree the implications of any change of control, on notice being given to the Group, the lenders may exercise their discretion to require repayment of a loan under the agreement concerned.

Post-balance sheet events

Details of post-balance sheet events are given in note 28 of the consolidated financial statements.

Articles of Association

The Company has not adopted any special rules regarding the appointment and replacement of Directors or the amendment of the Articles of Association, other than as provided for under UK company law.

The Company's Articles may be amended by a Special Resolution of the Company's Shareholders. The existing Articles of Association were adopted on 29 June 2021.

Company status and branches

Baltic Classifieds Group PLC is the holding company of the Baltic Classifieds group of companies and has no branches. It is listed on the London Stock Exchange main market with a premium listing, and is registered in England and Wales (company number 13357598).

Key Stakeholders

The long-term success of the Group is dependent on its relationships with its key Stakeholders. On pages 58 to 60 we outline the ways in which we have engaged with key Stakeholders, the material issues they have raised with us, and how these issues have been taken into account in the Board's decision-making processes.

Statement of Engagement with Employees - Sch 7.11(1)(b) Companies (Miscellaneous Reporting) Regulations 2018, – Employee engagement

The engagement method used by the Board for the purposes of Provision 5 of the Code is that the Executive Directors take direct responsibility for workforce related issues and the CEO, CFO and COO provide updates at every Board meeting which includes relevant workforce updates. This engagement method is effective due to the management structure of the Group, the Board is particularly hands-on, engaged and committed to ensuring that it understands the composition and views of employees.

We have a dynamic and motivated team that likes to have fun and enjoy working together. We believe this is the cornerstone to our strength and continued long-term success. It is vital for the Group's long-term success that we nurture an environment where people feel valued, motivated, and able to develop.

At the year end, the Group had 148 employees (on a headcount basis) and an experienced Senior Management team with an average tenure at BCG of 14 years.

The Company is an equal opportunities employer and we are working hard to create an environment for our employees that is free from discrimination, harassment, and victimisation, reflecting our commitment to creating a diverse workforce and an inclusive environment that supports all individuals irrespective of their gender, age, race, disability, sexual orientation, or religion.

This statement should be read in conjunction with Engagement with our Stakeholders on page 58, the Non-Financial information and sustainability statement on page 45 and Board principal decisions on page 58.

Statement of Engagement with Other Business Relationships - Sch 7.11B(1) Companies (Miscellaneous Reporting) Regulations 2018

The Directors have regard for the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

This statement should be read in conjunction with our Section 172(1) Statement of Engagement with our Stakeholders on page 58, the Non-financial and sustainability information statement on page 45 and Board principal decisions on page 58.

Political donations

There were no political donations made during the financial year (£nil in previous financial year).

Research and development activities

The Company has dedicated in-house software design and development teams, with primary focus on IT and improvements to customer interfaces.

Greenhouse Gas Emissions

In line with our commitment to transparent and best practice reporting, we have included a Sustainability Report on page 26. This includes our Task Force on Climate-related Financial Disclosures ("TCFD") and our Streamlined Energy and Carbon Reporting ("SECR") disclosures on pages 30 to 37, along with our annual GreenHouse Gas ("GHG") emissions footprint and an intensity ratio appropriate for our business, which fulfil the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013.

Future developments of the business

The Group's likely future developments including its strategy are described in the Strategic Report on page 18.

Going concern and viability

The Group's Going Concern Statement is contained within the consolidated financial statements on pages 108 to 109. The long-term Viability Statement is set out on page 49.

Update statement

At the 2022 Annual General Meeting held in September 2022, all resolutions were successfully passed with the requisite majority. However, there was a significant vote against Resolution 17 relating to the waiver granted by the Panel on Takeovers and Mergers in relation to share buyback authority.

Since the AGM, the Company's Executive Management have contacted all major investors inviting them to discuss this resolution and to share any concerns they had in relation to it. The management held discussions with a few investors that expressed their wish to engage and clarified their reasons for voting against. Management will continue to take into consideration all regulatory, legal and governance code requirements when making decisions that are in the best interest of the Company.

Annual General Meeting

Baltic Classifieds Group PLC's 2023 AGM will be held at Saltoniškių st. 9B, LT-08105 Vilnius, Lithuania on 27 September 2023 at 11.00 am local time. The Notice of the Meeting together with explanatory notes is contained in the circular to Shareholders that accompanies the Annual Report and Accounts.

In the event we receive 20% or more votes against a recommended resolution at a general meeting, we would announce the actions we intend to take to engage with our Shareholders to understand the result in accordance with the Code. We would follow this announcement with a further update within six months of the meeting, with an overview of our Shareholders' views on the resolutions and the remedial actions we have taken.

The Company will, at the AGM, continue to seek authority to allot shares on the basis of the authorities sought in the 2022 General Meeting.

Power for the Company to buy-back its shares

The Company proposes to seek authorisation from its Shareholders at its AGM on 27 September 2023 to purchase in the market up to 10% of its issued Ordinary Shares (excluding any treasury shares), subject to certain conditions laid out in the authorising resolution. This standard authority is renewable annually.

Disclosure of information to the auditor

KPMG LLP was re-appointed as the Group's auditor (pursuant to the passing of Resolution 13 at the 2022 AGM).

In accordance with Section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and ensure that the auditor is aware of such information.

Statement of Directors' responsibilities in respect of the Annual Report and Accounts

The Directors are responsible for preparing this Annual Report and Accounts and for the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Directors' confirmations

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report is approved by the Board and signed on its behalf by

Justinas Šimkus
Chief Executive Officer
28 June 2023

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Independent auditor's report to the members of Baltic Classifieds Group PLC

1. Our opinion is unmodified

We have audited the financial statements of Baltic Classifieds Group PLC ("the Company") for the year ended 30 April 2023 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 4.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 17 August 2021. The period of total uninterrupted engagement is for the two financial years ended 30 April 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: group financial statements as a whole	€0.90m (2022:€0.60m) 3.4% (2022: 3.4%) of Group profit before tax (2022: Normalised profit before tax)	
Coverage	98% (2022:87%) of Group profit before tax	
Key audit matters		**vs 2022**
Recurring risks	New: Advertising and Listings revenue	⟷
	New: Recoverability of parent Company's investment in subsidiaries	↓

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Advertising and Listings revenue (€57.48 million; 2022: €47.46 million) → Refer to page 78 Audit Committee Report, pages 110-111 accounting policy and pages 120-121 note 7 of financial disclosures.	*2023 Sales:* The key revenue streams, being Advertising and Listings, consist of fees for advertising and listings of products and services on the Group's portals. There are a high volume of transactions, no significant concentration of customers and a variety of set packages. Customers have the ability to select the combination of products they receive. There are pressures on achieving external expectations of results and therefore a risk of fraudulent revenue recognition around the financial year date. In addition, we consider revenue recognition from advertising and listings fees to be a key audit matter as it is the main driver of the Group's results and its size is reflected in the allocation of our resources in planning and executing the audit.	We issued audit instructions to component auditors to perform the following tests below rather than seeking to rely on the Group's controls, because our knowledge of related IT controls indicated that we would be unlikely to obtain the required evidence to support reliance on controls. Our procedures around the financial year end date included: • **tests of detail:** inspecting a sample of credit notes raised post year end to confirm that revenue recognised in the year is not reversed subsequent to the year end; and • **tests of detail:** performed cut-off testing for a sample of revenue items recognised in the month prior to year-end to determine that revenue was recognised in the correct period in which the performance obligation was fulfilled. Additional procedures included: • **analytic sampling:** obtaining all journals posted to revenue and analysing those entries with unusual attributes or those with corresponding postings to unexpected accounts. Agreeing any journals identified to relevant supporting documentation; and • **analytical procedure:** comparing revenue recorded in the year to cash received, trade receivables (including accrued income) and contract liabilities outstanding at the year end. *Our results* We found the amount of Advertising and Listings revenue recognised to be acceptable.
Recoverability of parent Company's investment in subsidiaries (€509.6 million; 2022: €508.1m) → Refer to page 78 Audit Committee Report, page 142 accounting policy and page 143 note 4 of financial disclosures.	*Low risk, high value:* The parent Company holds a direct investment in BCG Holdco Limited and an indirect investment in the Group's trading subsidiaries. The carrying amount of the parent Company's investment in its subsidiary represents 83.7% (2022: 81.5%) of the Company's total assets. Their recoverability is not at high risk of significant misstatement or subject to a significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We did not seek to place reliance on the Company's controls in our response due to the nature of the balance and of the risk. Our procedures included: • **Comparing valuations:** Comparing the carrying amount of the investment to the market capitalisation of the Group to identify any indicators of impairment. *Our results* We found the Company's conclusion that there is no impairment of the investment in subsidiaries to be acceptable.

The Key Audit Matters in the prior year relating to Initial Public Offering ("IPO") and Group restructure is no longer a Key Audit Matter as it related to one off transactions in 2022.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at €0.90m (2022: €0.60m), determined with reference to a benchmark of Group profit before tax (of which it represents 3.4% (2022: 3.4%)). Group profit before tax in 2022 was normalised to exclude non-recurring costs relating to free share awards, the IPO costs and Senior Facility Agreement early repayment fine and upfront fee write off (note 8).

Materiality for the parent company financial statements as a whole was set at €0.25m (2022: €0.21m), which is the component materiality for the parent company determined by the Group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to parent company total assets, of which it represents less than 1%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% of materiality for the financial statements as a whole, which equates to €0.59m (2022: €0.39m) for the Group and €0.16m (2022: €0.13m) for the parent company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and entity and process control deficiencies during the period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.05m (2022: €0.03m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 8 reporting components, we subjected 3 (2022: 3) to full scope audits for Group purposes and 1 (2022: 1) to specified risk-focused audit procedures. The latter was not financially significant enough to require a full scope audit for group purposes, however we included to increase our audit coverage of Group profit before tax.

The components within the scope of our work accounted for the percentages illustrated opposite.

For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

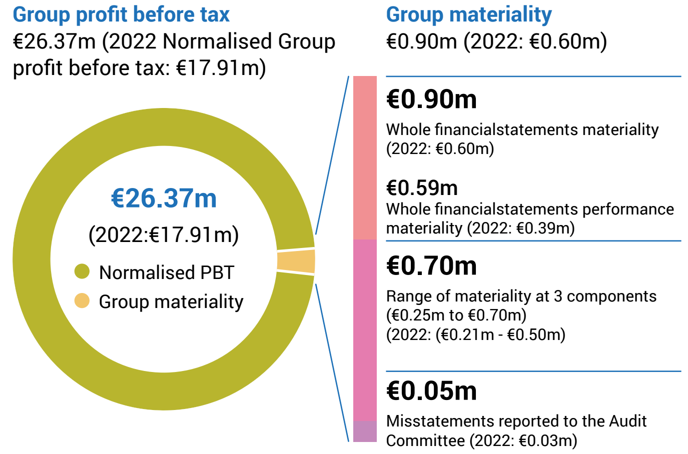
The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

The Group team approved the component materialities which ranged from €0.70m to €0.25m (2022: €0.50m to €0.21m), having regard to the mix of size and risk profile of the Group across the components.

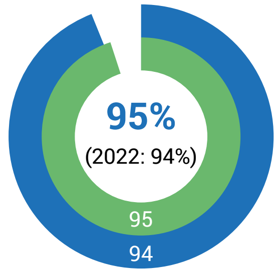
The Group team visited two (2022: nil) component locations in Lithuania and Estonia, to evaluate the adequacy of the component auditors audit documentation. Video and telephone conference meetings were also held with these in scope component auditors. These meetings involved explanation of Group audit instructions, involvement in planning audit procedures, discussing progress updates and emerging findings, reviewing outcomes of testing performed and discussing audit findings. The Group audit team reviewed the audit documentation of component audits through various stages of their audits. The Group team also attended component virtual closing meetings. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

The work on 2 of the 3 components (2022: 2 of the 3 components) was performed by component auditors and the audit of the parent company was performed by the Group team.

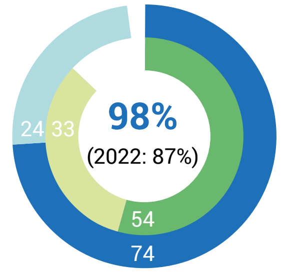
The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.



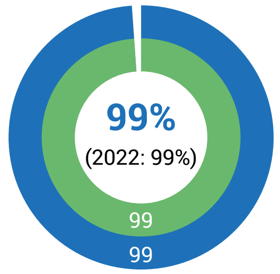
Group revenue



Group profit before tax



Group total assets



- Full scope for group audit purposes 2023
- Specified risk-focused audit procedures 2023
- Full scope for group audit purposes 2022
- Specified risk-focused audit procedures 2022
- Residual components

4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit. We performed a risk assessment of the impact of climate change risk and of the Group's processes in place to identify and assess risks relevant to the Group and its financial reporting.

Taking into account the nature of the business operations, our risk assessment of climate change to long term assets and the solvency of the Group we did not identify any risks that significantly impact the financial statements of the Group or our audit.

We read the disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were:

- Lower than forecast revenues arising from reduced customer demand in specific verticals due to geopolitical factors and the competitive environment; and
- Major data breach caused by cyber attacks.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included a critical assessment of the assumptions in the Group's base case and downside scenarios, and our knowledge of the entity and the sector in which it operates. We also compared past budgets to actual results to assess the directors' track record of budgeting accurately.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in Note 2 to the Group and Note 1 to the Company financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in those notes to be acceptable; and
- the related statement under the Listing Rules set out on pages 108 to 109 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit, Group's legal counsel and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and other staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet revenue targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk that Advertising Fees and Listings revenues are overstated through recording fictitious revenues or premature revenue around the financial year end date.

We did not identify any additional fraud risks.

Further detail in respect of fraud risk over revenue recognition is set out in the key audit matter disclosures in section 2 of this report.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, those posted by senior finance management and those posted to expense accounts in April 2023 with rounded numbers or ending in '999.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-competition, anti-bribery, employment law, consumer protection and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within Viability statement page 49 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 49 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 95, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KATE TEAL

Kate Teal (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

28 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 April 2023

	Note	2023 (€ thousands)	2022 Restated[1] (€ thousands)
Revenue	7	60,814	50,959
Other income		9	6
Expenses	8	(31,767)	(37,349)
Operating profit		**29,056**	**13,616**
Finance income	10	7	138
Finance expenses	10	(2,698)	(11,309)
Net finance costs		**(2,691)**	**(11,171)**
Profit before tax		**26,365**	**2,445**
Income tax expense	11	(3,150)	(1,353)
Profit for the year		**23,215**	**1,092**
Other comprehensive income/(loss)		-	-
Total comprehensive income for the year		**23,215**	**1,092**
Attributable to:			
Owners of the Company		**23,215**	**1,092**
Earnings per share (€ cents)			
Basic and diluted	12	4.68	0.22

[1] See note 3 for further details.

Consolidated Statement of Financial Position

At 30 April 2023

	Note	2023 (€ thousands)	2022 (€ thousands)	2021 Restated[1] (€ thousands)
Assets				
Property, plant and equipment		502	474	211
Intangible assets and goodwill	13	385,633	400,489	416,909
Right-of-use assets	14	884	457	761
Deferred tax assets	11	153	-	-
Non-current assets		**387,172**	**401,420**	**417,881**
Trade and other receivables	15	3,347	2,970	2,571
Prepayments		175	189	46
Cash and cash equivalents	16	27,070	19,914	17,115
Current assets		**30,592**	**23,073**	**19,732**
Total Assets		**417,764**	**424,493**	**437,613**
Equity				
Share capital	17	5,783	5,822	506,509
Own shares held	18	(6,252)	(3,418)	-
Capital reorganisation reserve	17	(286,904)	(286,904)	(287,033)
Other reserves		39	-	27
Retained earnings		619,986	611,877	(9,922)
Total equity		**332,652**	**327,377**	**209,581**
Loans and borrowings	20	69,231	82,478	210,413
Deferred tax liabilities	11	4,223	5,844	7,594
Non-current liabilities		**73,454**	**88,322**	**218,007**
Current tax liabilities	11	1,784	4	1,293
Loans and borrowings	20	462	323	2,713
Payroll related liabilities		1,021	866	770
Trade and other payables	21	4,509	4,458	3,601
Contract liabilities	7	3,882	3,143	1,648
Current liabilities		**11,658**	**8,794**	**10,025**
Total liabilities		**85,112**	**97,116**	**228,032**
Total equity and liabilities		**417,764**	**424,493**	**437,613**

These financial statements were approved by the board of directors on 28 June 2023 and were signed on its behalf by:

Justinas Šimkus
Director

Company registered number: 13357598

[1] See note 3 for further details.

Consolidated Statement of Changes in Equity

For the year ended 30 April 2023

	Note	Share Capital (€ thousands)	Share premium (€ thousands)	Own shares held (€ thousands)	Capital reorganisation reserve (€ thousands)	Other reserves (€ thousands)	Retained earnings (€ thousands)	Total Equity (€ thousands)
Balance at 30 April 2021 (As reported)		**506,509**	**-**	**-**	**(287,033)**	**27**	**(11,229)**	**208,274**
Prior year restatement	3	-	-	-	-	-	1,307	1,307
Balance at 30 April 2021 (As restated)	**3**	**506,509**	**-**	**-**	**(287,033)**	**27**	**(9,922)**	**209,581**
Profit for the year (restated)		-	-	-	-	-	1,092	1,092
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**1,092**	**1,092**
Transactions with owners:								
Group restructure and IPO	17	75,265	43,143	-	129	(27)	-	118,510
Transfer arising from capital reduction	17	(575,956)	(43,143)	-	-	-	619,099	-
Share issue post IPO	17	4	-	-	-	-	(4)	-
Share-based payments	25	-	-	-	-	-	1,612	1,612
Purchase of shares for performance share plan	18	-	-	(3,418)	-	-	-	(3,418)
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	25	-	-	-	-	-	1,567	1,567
Tax impact of employee share schemes		-	-	-	-	-	20	20
Purchase of shares for performance share plan	18	-	-	(2,834)	-	-	-	(2,834)
Purchase of shares for cancellation	17	(39)	-	-	-	39	(5,775)	(5,775)
Dividends	19	-	-	-	-	-	(10,918)	(10,918)
Balance at 30 April 2023		**5,783**	**-**	**(6,252)**	**(286,904)**	**39**	**619,986**	**332,652**

Consolidated Statement of Cash Flows

For the year ended 30 April 2023

	Note	2023 (€ thousands)	2022 Restated[1] (€ thousands)
Cash flows from operating activities			
Profit for the year		23,215	1,092
Adjustments for:			
Depreciation and amortisation	8	16,989	16,894
Amortisation and write off of up-front fee and borrowing costs	10	-	5,580
Impairment loss on trade receivables	15	-	59
(Profit) / Loss on property, plant and equipment disposals		(4)	-
Taxation	11	3,150	1,353
Net finance costs	10	2,691	5,606
Share-based payments	25	1,567	1,612
Other non-cash items		1	93
Working capital adjustments:			
(Increase) in trade and other receivables		(464)	(521)
Decrease / (increase) in prepayments		16	(128)
Increase in trade and other payables		91	966
Increase in contract liabilities		739	1,495
Cash generated from operating activities		**47,991**	**34,101**
Corporate income tax paid		(3,122)	(4,403)
Interest and commitment fees paid		(2,208)	(8,870)
Net cash inflow from operating activities		**42,661**	**20,828**
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		(251)	(433)
Proceeds from sale of property, plant and equipment		4	-
Acquisition of business	27	(1,600)	-
Net cash used in investing activities		**(1,847)**	**(433)**
Cash flows from financing activities			
Proceeds from issuance of share capital	17	-	121,339
Proceeds from loans and borrowings	20	-	96,650
Repayment of loans and borrowings	20	(14,000)	(228,295)
Capitalised borrowing costs		-	(677)
Payment of lease liabilities		(247)	(305)
Share issue related expenses	17	-	(2,874)
Purchase of own shares for cancellation		(5,663)	-
Purchase of own shares for performance share plan	18	(2,834)	(3,418)
Dividends paid		(10,918)	-
Net cash used in financing activities		**(33,662)**	**(17,580)**
Net cash inflow from operating, investing and financing activities		**7,152**	**2,815**
Differences on exchange		4	(16)
Net increase in cash and cash equivalents		**7,156**	**2,799**
Cash and cash equivalents at the beginning of the year		19,914	17,115
Cash and cash equivalents at the end of the year		**27,070**	**19,914**

[1] See note 3 for further details.

FINANCIAL STATEMENTS

Notes to the consolidated financial statements

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 consolidated financial statements as at and for the year ended 30 April 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal business of the Group is operating leading online classifieds portals for automotive, real estate, jobs and services, and general merchandise in the Baltics.

2. Principles of preparation of consolidated financial statements

These consolidated financial statements have been prepared as at, and for the year ended 30 April 2023. These consolidated financial statements, which have been audited, have been 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"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with UK-adopted IFRS. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 139 to 147.

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 second set of consolidated 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 in 2022. Book value accounting has been adopted, meaning that the carrying values of assets and liabilities of the parties to the combination were not adjusted to fair value on consolidation, and the results and cashflows of ANTLER TopCo S.à r.l. and Baltic Classifieds Group PLC were brought into the consolidated financial statements of Baltic Classifieds Group PLC as if Baltic Classifieds Group PLC had always owned ANTLER TopCo S.à r.l.

Baltic Classifieds Group PLC has adopted the financial reporting framework of the group below it, which has previously presented financial statements under EU adopted International Financial Reporting Standards and given there are no differences between the UK and EU adopted International Financial Reporting Standards, the Group did not consider itself to be a first time adopter of UK-adopted IFRS when preparing the first set of consolidated financial statements in 2022.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated in the accounting policies below.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Functional and presentation currency

These consolidated financial statements are presented in Euro (€), which is the Company's functional currency. All amounts are rounded to the nearest thousand (€ 000), except where otherwise indicated.

The Group companies use Euro (€) as a functional currency considering the nature of the Group companies' revenue, costs, and debt instruments. The Company and its direct subsidiary BCG Holdco Limited are UK based companies with their share capital denominated in British pound (£). All equity transactions of these companies as well as a majority of operating expenses the companies incurred are in British pound (£). However, while being the ultimate holding companies, Baltic Classifieds Group PLC and BCG Holdco Limited follow the functional currency of their operating subsidiaries, i.e. Euro (€), as that is the currency they are most exposed to.

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 2023, 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. Key assumptions and uncertainties for impairment are disclosed in note 13.
- 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. Useful lives of intangible assets are disclosed in note 4.

Judgements

As at 30 April 2023, 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 €3,934 thousand (30 April 2022: €3,934 thousand) has not been recognised in relation to tax losses incurred by the Company's indirect subsidiary UAB Antler Group. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the probability of future taxable profit of the indirect subsidiary being available. Taxable losses carried forward for which no deferred tax asset is recognised are discussed in note 11 (d).

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 2023 no amounts of the revolving credit facility were drawn down. The bank loan matures in July 2026 and its availability is subject to continued compliance with certain covenants, it becomes repayable on demand in the case of a change in control. The Group voluntarily repaid €14,000 thousand of the loan during the 2023, the outstanding balance at the year ends amounts to €70,000 thousand. The Group had cash balances of €27,070 thousand at the year end. After 30 April 2023, the Group has made a further voluntary repayment of debt of €7,000 thousand.

During the financial year ended 30 April 2023 the Group has generated a profit of €23,215 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 a continuing geopolitical tensions in the neighbouring countries. The stress testing indicates that the Group would be able to withstand the impact, remain cash generative and be able to continue to comply with debt covenants for the assessment period.

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

Effective new standards as at 1 May 2022

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 May 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020;
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16).

The adoption of these amendments has had no material effect on the Group's consolidated financial statements.

Standards issued but not yet effective

There are a few amendments to IFRS that have been issued by the IASB that become mandatory in a subsequent accounting periods including:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts;
- Definition of Accounting Estimates (Amendments to IAS 8);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (not yet endorsed by EU);
- Amendments to IFRS 16 impacting Lease Liabilities in a Sale and Leaseback arrangement.

The Group has evaluated these changes (with an exception of IFRS 17, which impact has not yet been evaluated), and none are expected to have a significant impact on these consolidated financial statements.

3. Prior year restatement

During 2022, a deferred tax liability of €1,307 thousand was released following a write-off of upfront commission fees incurred on long term borrowings to which it related. After an enquiry by the FRC 's Corporate Reporting Review team (refer to the Audit Committee Report on page 80), the Directors reviewed historic accounting of deferred tax amounts and found that the deferred tax liability of €1,307 thousand which was recognised in 2020 and released in 2022 should have been released in 2021.

The opening retained earnings and income tax expense were restated resulting in a change to profit for the comparative period and EPS. The impact of the restatement is shown below:

Impact on consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 April 2022

	2022 As reported (€ thousands)	Restatement (€ thousands)	2022 As restated (€ thousands)
Income tax expense	(46)	(1,307)	(1,353)
Profit / (loss) for the period	**2,399**	**(1,307)**	**1,092**
Other comprehensive income/(loss)	-	-	-
Total comprehensive income/(loss) for the year	**2,399**	**(1,307)**	**1,092**
Attributable to:			
Owners of the Company	**2,399**	**(1,307)**	**1,092**
Earnings / (loss) per share (€ cents)			
Basic and diluted	0.49	(0.27)	0.22

Impact on consolidated Statement of Financial Position

There is no impact on the Statement of Financial Position as at 30 April 2022.

The impact on Statement of Financial Position as at 1 May 2021 is presented below:

	2021 As reported (€ thousands)	Restatement (€ thousands)	2021 As restated (€ thousands)
Retained earnings	(11,229)	1,307	(9,922)
Total equity	**208,274**	**1,307**	**209,581**
Deferred tax liabilities	8,901	(1,307)	7,594
Non-current liabilities	**219,314**	**(1,307)**	**218,007**
Total liabilities	**229,339**	**(1,307)**	**228,032**
Total equity and liabilities	**437,613**	**-**	**437,613**

Impact on consolidated Statement of Cash Flows for the year ended 30 April 2022

	2022 As reported (€ thousands)	Restatement (€ thousands)	2022 As restated (€ thousands)
Cash flows from operating activities			
Profit / (loss) for the period	2,399	(1,307)	1,092
Adjustments for:			
Taxation	46	1,307	1,353
Cash generated from operating activities	**34,101**	**-**	**34,101**

4. Significant accounting policies

The Group has consistently applied the accounting policies to all the periods presented in these consolidated financial statements.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and is recognised at the point when the performance obligations are satisfied. The Group applies the five-step revenue recognition model in accordance with IFRS 15 as follows.

a) Identification of the contract with a customer
b) Identification of performance obligations
c) Determination of the transaction price
d) Allocating the transaction price to individual performance obligations
e) Recognition of revenue when performance obligations are satisfied

The Group's revenue streams include listings revenue, advertising revenue, financial intermediation and ancillary revenue. The different types of services offered to customers along with the nature and timing of satisfaction of performance obligations are set as follows:

Listing fees

The Group operates leading online classifieds portals for automotive, real estate, jobs and services, and general merchandise. Listing fees revenue is generated from both private ("C2C") and business customers ("B2C").

Private customers pay a fee in advance to advertise their product (automotive, real estate, general merchandise) on the Group's platform for a specified period. Revenue is deferred until the customer obtains control over the services. Control is obtained by customers across the life of the contract as their product is continuously listed, or the period of service, if shorter. Contracts for these services are typically entered into for a period of between a day and a year.

Business customers pay fees to obtain a "service pack" which allows the customer to advertise a set number of listings during a period, unused listings cannot be rolled over. Revenue is deferred until the customer obtains control over the services. Control is obtained by the customers across the life of the performance obligation being provided, which is either the set period in the contract, or the period of service, if shorter. Any unused listings at the end of the contract period are invoiced at the end of the contract period. B2C typically invoice monthly, although some contracts are annual contracts and have 7-60 days settlement terms.

The Group applies a fixed price to all listings, both C2C and B2C.

One of the Group's general merchandise platforms, Osta.ee allows a customer to fill an e-wallet with money that can then be used to pay for services provided by the Group. The customer can cash out at any time. This cash balance is therefore accounted for as a financial liability labelled 'customer credit balances' within trade and other payables in the consolidated statement of financial position and as cash within cash and cash equivalents. This cash is physically separated from the rest in a dedicated bank account and, although there is no formal restriction on this cash, the Group's policy is to keep the cash balance at a level not lower than the e-wallet balance. No revenue is recognised unless the customer purchases a product provided by the Group using money from their e-wallet. Revenue is then recognised in accordance with the product purchased.

Advertising

Advertising revenue comprises fees (net of rebates) from business customers for banner advertising on the Group's platforms. The customer pays fees to advertise on the Group's platforms. Revenue is deferred until the customer obtains control over the services. Control is obtained by the customers over the life of the advertisement. Customers are typically invoiced monthly and have a 7-60 days settlement term.

Ancillary

Ancillary revenue comprises revenue from financial intermediation, subscription services and other.

Ancillary revenue is recognised as the Group satisfies its performance obligation by bringing leads to a customer or by providing other agreed services. Financial intermediation revenue comprises commission fees from financial institutions for directing potential customers from the Group's portals to financing offers such institutions provide. At the beginning of each month the Group agrees certain traffic metrics with financial institutions and issues invoices for the commission or a minimum agreed fee. Revenue is recognised as the Group satisfies its performance obligation by directing potential customer traffic to the financial institutions.

The revenue accounting policy across business lines is the same for each revenue stream, i.e. advertising revenue is accounted for the same in both automotive and real estate business lines.

The timing of the satisfaction of performance obligations usually is the same as the typical timing of payment or recognition of trade receivable; when it is not, a contract liability is recognised.

Other income and expenses

Other income and expenses comprise gains or losses from disposal of property, plant and equipment, intangible assets, as well as other income and costs not directly related to the primary activities of the Group.

Finance income and finance costs

Finance income and expenses comprise interest receivable and payable, realised and unrealised exchange gains and losses regarding trade receivables, trade payables and loans denominated in foreign currencies.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of discounts on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and if they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Segment information

Operating segment information is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources, assessing performance of the operating segment and making strategic decisions, has been identified as the Board of Baltic Classifieds Group PLC.

Earnings per share

Basic earnings per share and diluted earnings per share are presented for ordinary shares.

Basic earnings per share is calculated by dividing profit / (loss) attributable to owners of the Company by the weighted average number of shares outstanding.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Consolidation

a) Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuance of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If the obligation to pay contingent consideration meets the definition of a financial instrument and is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

b) Non-controlling interests (hereinafter - NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

d) Transactions eliminated on consolidation

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Intangible assets and goodwill

a) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets, including customer relationships, software and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

b) Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Material development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

c) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

d) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised. Estimated useful lives are as follows:

Trademarks and domains	10 years
Relationship with clients	5-7 years
Other intangible assets	3-7 years

Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised within other operating income/other operating expenses in profit or loss.

b) Subsequent expenditure

The expenditure of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits within the part will flow to the Group, and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

c) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation is calculated from the first day of the next month when the asset is available for use, using the straight-line method.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	15-20 years
Vehicles	4-10 years
Other	3-6 years

The useful lives, residual values and depreciation method are reviewed annually to ensure that the depreciation period and other estimates are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of the identified asset, the Group uses the definition of a lease in IFRS 16 Leases.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in `Right-of-use assets' and lease liabilities in `long-term lease liabilities` and `short-term lease liabilities` in the statement of financial position.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use, that are largely independent of the cash inflows of other assets (the "cash-generating unit, or CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Cash and cash equivalents

Cash includes cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents include cash at banks.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i) Initial recognition and measurement

The Group qualifies financial assets to one of the following categories:

- measured at amortised cost
- measured at fair value through other comprehensive income
- measured at fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Subsequent measurement

After initial recognition, the Group measures a financial asset at amortised cost (debt instruments).

iii) Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade, other current and non-current receivables and contract assets.

iv) Impairment of financial assets

As relevant for:

- Financial assets measured at amortised cost
- Contract assets

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, and includes forward-looking information.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

v) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

vi) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

vii) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual and corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

b) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, lease liabilities and financial liabilities measured at fair value with changes recognised in profit or loss.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification.

After initial recognition, the Group's loans, borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss, when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expenses in profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, i.e. to realize the assets and settle the liabilities simultaneously.

Payroll related liabilities

Short-term payroll related liabilities are expensed as the related service is provided. These include salaries and wages, social security contributions, vacation payouts, compensation for illness, bonuses, allowances, severance payments, vacation accruals, all of which are recognised as costs when an employee has fulfilled his duties in exchange for the received allowance.

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.

Provisions

Provisions on obligations are accounted for only when the Group has legal obligation or irrevocable commitment as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle it, and the amount of obligation can be measured reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expenses.

Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as deductions from equity. Income tax relating to transaction costs of equity transactions is accounted for in accordance with IAS 12.

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

Own shares held

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

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 17). 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.

Capital redemption reserve

The capital redemption reserve arises from the purchase and subsequent cancellation of the Group's own equity share capital.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders in the case of final dividends, or the date at which they are paid in the case of interim dividends.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements, unless the realisation of income is virtually certain. They are disclosed in the consolidated financial statements when an inflow of economic benefit is probable.

Subsequent events

Events that provide additional evidence on conditions that existed at the end of the reporting period (the adjusting events) are recognised in the final statements. Other subsequent events are not adjusting events and are disclosed in the notes if material.

5. 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 and one-off IPO related costs. 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 costs related to IPO, including IPO refinancing arrangement. 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. See Revenue subsection of note 4 for more information on Osta.ee credit balances. Net debt is used to arrive at the leverage ratio.
- Leverage which is calculated as Net Debt as a percentage of Adjusted EBITDA over last twelve months (LTM). This measure is used in assessing covenant compliance for the Group's loan facility which includes a Total Leverage Ratio covenant (see note 20).
- Cash conversion which is EBITDA (or adjusted EBITDA in comparative periods) 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	2023 (€ thousands)	2022 (€ thousands)
Operating Profit	**29,056**	**13,616**
Acquired intangibles amortisation	16,198	16,147
IPO related fees	-	7,393
IPO related free share awards to employees (note 25)	-	1,378
Adjusted Operating Profit	**45,254**	**38,534**

EBITDA	2023 (€ thousands)	2022 (€ thousands)
Operating Profit	**29,056**	**13,616**
Depreciation and amortisation[1]	16,989	16,894
EBITDA	**46,045**	**30,510**

Adjusted EBITDA and Adjusted EBITDA margin	2023 (€ thousands)	2022 (€ thousands)
EBITDA	**46,045**	**30,510**
IPO related fees	-	7,393
IPO related free share awards to employees (note 25)	-	1,378
Adjusted EBITDA	**46,045**	**39,281**
Adjusted EBITDA margin	**76%**	**77%**

[1] Including acquired intangibles amortisation of €16,198 thousand (€16,147 thousand in 2022).

Adjusted net income	2023 (€ thousands)	2022 Restated[1] (€ thousands)
Profit for the year	**23,215**	**1,092**
Acquired intangibles amortisation	16,198	16,147
Deferred tax effect of acquired intangibles amortisation	(1,434)	(1,434)
IPO related fees	-	7,393
Tax effect of IPO related fees	-	(70)
IPO related free share awards to employees (note 25)	-	1,378
Senior Facility Agreement related early repayment penalty (note 20)	-	1,618
Senior Facility Agreement related upfront fee write off (note 20)	-	5,075
Adjusted net income	**37,979**	**31,198**

Adjusted basic EPS	2023	2022
Adjusted net income (€ thousands)	37,979	31,198
Weighted average number of ordinary shares (note 12)	496,082,891	488,467,552
Adjusted basic EPS (€ cents)	**7.66**	**6.39**

Net debt	30/04/2023 (€ thousands)	30/04/2022 (€ thousands)
Bank loan principal amount (note 20)	70,000	84,000
Customer credit balances	2,363	2,289
Total Debt	**72,363**	**86,289**
Cash and cash equivalents	27,070	19,914
Net Debt	**45,293**	**66,375**

Leverage	30/04/2023 (€ thousands)	30/04/2022 (€ thousands)
Net debt	45,293	66,375
Adjusted EBITDA	46,045	39,281
Total Debt	**0.98**	**1.69**

Cash conversion	2023 (€ thousands)	2022 (€ thousands)
Adjusted EBITDA	46,045	39,281
Acquisition of intangible assets and property, plant and equipment	(251)	(433)
	45,794	38,848
Cash conversion	**99%**	**99%**

6. 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 decision maker ("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 7.

Of the total intangible assets and goodwill, 69% (70% in 2022) is located in Lithuania, 30% (29% in 2022) in Estonia and 1% (1% in 2022) in Latvia.

[1] See note 3 for further details.

7. 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	2023 (€ thousands)	2022 (€ thousands)
Lithuania	42,407	35,236
Estonia	17,203	14,620
Latvia	1,204	1,103
Total	**60,814**	**50,959**

Key revenue streams	2023 (€ thousands)	2022 (€ thousands)
Advertising revenue	3,728	3,731
Listings revenue	53,750	43,725
- Listings revenue: B2C	29,765	24,590
- Listings revenue: C2C	23,985	19,135
Ancillary revenue[1]	3,336	3,503
Total	**60,814**	**50,959**

Revenue by business lines	2023 (€ thousands)	2022 (€ thousands)
Automotive	**22,236**	**18,293**
- Advertising revenue	1,101	1,122
- Listings revenue: B2C	9,908	7,432
- Listings revenue: C2C	8,167	6,507
- Ancillary revenue	3,060	3,232
Real Estate	**15,044**	**12,451**
- Advertising revenue	1,836	1,903
- Listings revenue: B2C	8,653	7,052
- Listings revenue: C2C	4,494	3,439
- Ancillary revenue	61	57
Generalist	**11,744**	**10,397**
- Advertising revenue	764	701
- Listings revenue: B2C	1,229	1,282
- Listings revenue: C2C	9,536	8,200
- Ancillary revenue	215	214
Jobs & Services	**11,790**	**9,818**
- Advertising revenue	27	7
- Listings revenue: B2C	9,975	8,822
- Listings revenue: C2C	1,788	988
- Ancillary revenue	-	1
Total	**60,814**	**50,959**

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.

[1] Ancillary revenue includes revenue from financial intermediation, subscription services, and other. Financial intermediation revenue accounts for 91% of the total ancillary revenue for the year ending 30 April 2023 and 94% of the total ancillary revenue for the year ending 30 April 2022.

Contract liabilities

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

	2023 (€ thousands)	2022 (€ thousands)
Opening balance	**2,982**	**1,464**
Recognised in revenue in the period	(5,620)	(4,333)
Advance consideration received	6,352	5,851
Closing balance	**3,714**	**2,982**

8. Operating profit

	2023 (€ thousands)	2022 (€ thousands)
Operating profit is after charging the following:		
Labour costs[2]	(9,605)	(8,886)
Depreciation and amortisation	(16,989)	(16,894)
Advertising and marketing services	(971)	(841)
IT expenses	(725)	(692)
Impairment (loss) / reversal on trade receivables and contract assets	(79)	(59)
Other[3]	(3,398)	(9,977)
	(31,767)	**(37,349)**

Services provided by the Company's auditors

	2023 (€ thousands)	2022 (€ thousands)
Fees payable for audit services:		
Audit of the Company and consolidated financial statements[4]	(563)	(244)
Audit of the Company's subsidiaries pursuant to legislation	(197)	(103)
Total audit remuneration	**(760)**	**(347)**
Fees payable for other services:		
- Audit related assurance services	-	(110)
- Transaction related services[5]	-	(532)
- Other assurance services[5]	-	(267)
- Tax advisory services	-	-
Total non-audit remuneration	**-**	**(909)**
Total	**(760)**	**(1,256)**

[1] Contract liabilities amount in the statement of financial position also include prepayments received from customers.
[2] For the year ended 30 April 2022 labour costs include €1,378 thousand IPO related free share awards expenses (note 25).
[3] Other expenses for the year ended 30 April 2022 include €7,393 thousand fees and costs incurred in relation to the Initial Public Offering (IPO).
[4] In 2023, fees payable for audit of the Company and consolidated financial statements consist of audit fees for current financial year €461 thousand and previous financial year €102 thousand.
[5] Transaction related and other assurance services provided by the Company's auditors during the year ended 30 April 2022 relate to the IPO.

9. Employee numbers and costs

The average number of persons employed (including Executive Directors but excluding 5 Non-Executive Directors) during the year was 147 (139 in 2022).

The average number of full-time equivalent persons employed (including Executive Directors but excluding 5 Non-Executive Directors) during the year, analysed by category, was as follows:

	2023 (number)	2022 (number)
Administration	125	120
Key Management Personnel (note 24)	6	6
Total	**131**	**126**

The aggregate payroll costs of these persons were as follows:

	2023 (€ thousands)	2022 (€ thousands)
Wages and salaries	(7,034)	(6,219)
Social security costs	(726)	(645)
	(7,760)	**(6,864)**
Share-based payment costs (note 25)	(1,567)	(2,022)
Total	**(9,327)**	**(8,886)**

10. Net finance costs

	2023 (€ thousands)	2022 (€ thousands)
Other financial income	7	138
Total finance income	**7**	**138**
Interest expenses[1]	(2,602)	(9,426)
Commitment and agency fees	(80)	(132)
Other financial expenses[2]	(1)	(1,734)
Interest unwind on lease liabilities	(15)	(17)
Total finance expenses	**(2,698)**	**(11,309)**
Net finance costs recognised in profit or loss	**(2,691)**	**(11,171)**

11. Income taxes

(a) Tax recognised in profit or loss

	2023 (€ thousands)	2022 Restated[3] (€ thousands)
Current tax expense		
Current year	(4,904)	(3,102)
Deferred tax expense		
Change in deferred tax	1,754	1,749
Tax expense	**(3,150)**	**(1,353)**

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

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

[2] Other financial expenses for the year ended 30 April 2022 contain €1,618 thousand of Senior Facility Agreement related early repayment fee.

[3] See note 3 for further details.

(b) Factors affecting the tax expense for the year

The table below explains the differences between the expected tax expense and the Group's total tax expense for each year.

	2023 (€ thousands)	2022 Restated[1] (€ thousands)
Profit before tax	26,365	2,445
Tax at the domestic rates applicable to profits in the countries concerned[2]	(2,988)	369
Non-deductible expenses	(127)	(1,664)
Tax on distributions by subsidiary		(58)
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	(85)	-
Prior year adjustments	50	-
	(3,150)	**(1,353)**

Summary of taxation rates by country is presented below:

	2023	2022
United Kingdom[3]	25%	19%
Lithuania	15%	15%
Latvia[4]	20%	20%
Estonia[4]	20%	20%
Luxembourg	-	25%

(c) Movement in deferred tax balances

For the year ended 30 April 2022:	Net balance at 30 April 2021 Restated[1] (€ thousands)	Recognised in profit or loss Restated[1] (€ thousands)	Recognised in equity (€ thousands)	Net balance at 30 April 2022 (€ thousands)	Deferred tax asset (€ thousands)	Deferred tax liability (€ thousands)
Intangible assets amortisation	(7,952)	1,691	-	(6,261)	-	(6,261)
Other temporary differences	358	59	-	417	417	-
Tax assets (liabilities) before set-off	**(7,594)**	**1,750**	**-**	**(5,844)**	**417**	**(6,261)**
Set-off of tax[6]	-	-	-	-	(417)	417
Net tax assets (liabilities)	**(7,594)**	**1,750**	**-**	**(5,844)**	**-**	**(5,844)**

For the year ended 30 April 2023:	Net balance at 30 April 2022 (€ thousands)	Recognised in profit or loss (€ thousands)	Recognised in equity[5] (€ thousands)	Net balance at 30 April 2023 (€ thousands)	Deferred tax asset (€ thousands)	Deferred tax liability (€ thousands)
Intangible assets amortisation	(6,261)	1,434	-	(4,827)	-	(4,827)
Capitalized borrowing costs	-	(64)	-	(64)	-	(64)
Tax losses	-	153	-	153	153	-
Other temporary differences	417	231	20	668	668	-
Tax assets (liabilities) before set-off	(5,844)	1,754	20	(4,070)	821	(4,891)
Set-off of tax[6]	-	-	-	-	(668)	668
Net tax assets (liabilities)	**(5,844)**	**1,754**	**20**	**(4,070)**	**153**	**(4,223)**

[1] See note 3 for further details.

[2] For the year ended 2022, the expected tax amount, being the tax at the domestic rates applicable to profits in the countries concerned, is a tax credit overall due to the losses incurred by the parent company domiciled in the United Kingdom as a result of IPO related costs, which has a higher corporate income tax rate than the countries in which the profits were generated.

[3] 19% until 31 March 2023.

[4] 0% income tax rate applies in Estonia and Latvia if there are no profit distributions.

[5] Taxation on items taken directly to equity of €20 thousand (nil in 2022) relates to share-based payments.

[6] Set-off is allowed as it is the same jurisdiction (Lithuania).

(d) Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect to the tax losses incurred by UAB Antler Group, because it is not probable that future taxable profit will be available in UAB Antler Group against which the Group can use the benefits therefrom.

	2023 (€ thousands)		2022 (€ thousands)	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	(26,229)	3,934	(26,229)	3,934
	(26,229)	**3,934**	**(26,229)**	**3,934**

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised is €7,270 thousand (€6,109 thousand in 2022). No deferred tax liability has been recognised as the Company is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

(e) Tax losses carried forward

Tax losses carried forward for which no deferred tax asset has been recognised were incurred by the Company's indirect subsidiary UAB Antler Group prior to being eligible for transfer to other Group companies.

According to Lithuanian legislation, deductible tax losses carried forward can be used to reduce the taxable income earned during the reporting year by maximum 70% of respective legal entity with no Group relief benefit. Tax losses can be carried forward for an indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Group and the Company stops its activities due to which these losses were incurred except when the Group and the Company does not continue its activities due to reasons which do not depend on the Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and can only be used to reduce the taxable income earned from transactions of the same nature.

Tax losses carried forward by expiration:

	2023 (€ thousands)	2022 (€ thousands)
Do not expire	(26,229)	(26,229)
Total	**(26,229)**	**(26,229)**

12. Earnings per share

	2023	2022 Restated[1]
Weighted average number of shares outstanding	496,082,891	488,467,552
Dilution effect on the weighted average number of shares	279,681	-
Diluted weighted average number of shares outstanding	496,362,572	488,467,552
Profit / (loss) attributable to owners of the Company (€ thousands)	23,215	1,092
Basic earnings per share (€ cents)	**4.68**	**0.22**
Diluted earnings per share (€ cents)	**4.68**	**0.22**

Basic earnings per share (EPS) amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares for the comparative period has been stated as if the Group share for share exchange (see note 17) has occurred at the beginning of the comparative period.

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 25) 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.

[1] See note 3 for further details.

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

	2023 Number of shares	2022 Number of shares
Issued ordinary shares at 1 May less ordinary shares held by EBT	498,292,405	435,265,078
Weighted effect of issued ordinary shares	-	53,415,350
Weighted effect of ordinary shares purchased by EBT	(1,114,685)	(212,877)
Weighted effect of own shares purchased for cancellation	(1,094,829)	-
Weighted average number of ordinary shares at 30 April	**496,082,891**	**488,467,552**

13. Intangible assets and goodwill

	Goodwill (€ thousands)	Trademarks and domains (€ thousands)	Relationship with clients (€ thousands)	Other intangible assets (€ thousands)	Total (€ thousands)
Cost					
Balance at 1 May 2021	**328,732**	**63,220**	**50,710**	**1,347**	**444,009**
Disposals	-	-	-	(23)	**(23)**
Balance at 30 April 2022	**328,732**	**63,220**	**50,710**	**1,324**	**443,986**
Balance at 1 May 2022	**328,732**	**63,220**	**50,710**	**1,324**	**443,986**
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**
Accumulated amortisation and impairment losses					
Balance at 1 May 2021	**-**	**10,693**	**16,132**	**275**	**27,100**
Amortisation	-	6,323	9,824	273	**16,420**
Disposals				(23)	**(23)**
Balance at 30 April 2022	**-**	**17,016**	**25,956**	**525**	**43,497**
Balance at 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**
Carrying amounts					
Balance at 30 April 2021	**328,732**	**52,527**	**34,578**	**1,072**	**416,909**
Balance at 30 April 2022	**328,732**	**46,204**	**24,754**	**799**	**400,489**
Balance at 30 April 2023	**329,961**	**39,992**	**15,138**	**542**	**385,633**

Impairment testing for cash generating units containing goodwill

The following carrying amounts of goodwill are allocated to each cash-generating unit within the Group:

	2023 (€ thousands)	2022 (€ thousands)
Diginet LTU UAB	228,515	228,515
AllePal OU	82,297	82,027
Kinnisvaraportaal OU	13,976	13,976
City24 SIA	3,998	3,039
VIN Solutions OU	1,175	1,175
	329,961	**328,732**

The smallest groups of assets that generate cash inflows from continuing use are legal entities based in Lithuania, Estonia and Latvia. The recoverable amounts of each cash generating unit as at 30 April 2023 and 2022 were determined based on the value in use calculations that use cash flow projections based on the five-year financial forecasts. The first year in the forecasts is the official budget approved by the Board, with the remaining years forecast prepared by management. The post-tax discount rates applied to the post-tax cashflows are derived from the post-tax weighted cost of capital. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor reflecting the average beta for the Group. The assumptions used in the calculation of the Group's weighted average cost of capital are benchmarked to externally available data. Terminal value growth rate was set for each CGU with reference to the long-term growth rate for the market and territory in which the CGU operates. Budgeted revenues and expenses were estimated based on past performance and management's expectation of growth from pricing, volume and product development. Due, in part, to rapid technological changes, evolving industry standards and changing needs and preferences of listers and consumers, the Group's competitive landscape is changing rapidly. It is, therefore, difficult for the Group to accurately assess or predict the Group's future competitors and the competitive threats the Group may be facing.

The key assumptions used for the value in use calculations are as follows:

2023

In percent	Diginet LTU UAB	AllePal OÜ	Kinnisvara-portaal OÜ	City24 SIA	VIN SolutionsOÜ
Discount rate (pre-tax)	12%	13%	13%	14%	13%
Terminal value growth rate	2.5%	2.5%	2.5%	2.5%	2.5%

2022

In percent	Diginet LTU UAB	AllePal OÜ	Kinnisvara-portaal OÜ	City24 SIA	VIN SolutionsOÜ
Discount rate (pre-tax)	9%	9%	9%	10%	9%
Terminal value growth rate	2.0%	2.0%	2.0%	2.0%	2.0%

The value in use forecasts assume growth in revenue in the initial five-year period. Key drivers to future growth rates are dependent on the Group's ability to maintain and grow income streams. The level of headroom may change if different growth rate assumptions or a different pre-tax rates were used in the cashflow projections. Therefore, revenue growth and discount rate are considered to be key assumptions. The discount rate has increased compared to last year reflecting an increase in the risk-free rate of return and market risk premium.

Having completed the impairment review for the year ended 30 April 2023, no impairment has been recognised in relation to any of the CGU's (for the period ended 30 April 2022: no impairment).

Sensitivity in changes to key assumptions

Management has considered reasonably possible although not currently expected changes in three key assumptions being revenue growth, pre-tax discount rate and terminal growth. There are no changes to the key assumptions that are considered by the Directors to be reasonably possible, which give rise to an impairment of goodwill relating to any of the CGU's, except for Vin Solutions OÜ CGU.

Vin Solutions OÜ CGU

The estimated Vin Solutions OÜ CGU recoverable amount exceeds the CGU's carrying amount by €313 thousand. Vin Solutions revenue is forecasted to grow 65% in the initial five-year period as a result of a project together with Autoplius whereby car history reports service will be sold to customers in Lithuania. If the forecasted revenue growth in the initial five-year period used in the value-in-use calculation for Vin Solutions OÜ CGU had been 15pp lower than management's estimate (50% instead of 65%), the group would have had to recognise an impairment against the carrying amount goodwill of €379 thousand. If the revenue growth in the initial five-year period was 6pp lower than management's estimate, VIN Solutions OÜ CGU recoverable amount would equal its carrying amount.

If the pre-tax discount rate used in the value-in-use calculation for Vin Solutions OÜ CGU had been 3pp higher than management's estimate (13% instead of 10%), the group would have had to recognise an impairment against the carrying amount goodwill of €149 thousand. If the pre-tax discount rate was 2pp higher than the management's estimate, VIN Solutions OÜ CGU recoverable amount would equal its carrying amount.

If the forecasted revenue growth in the initial five-year period used in the value-in-use calculation for Vin Solutions OÜ CGU had been 10pp lower and pre-tax discount rate was 1pp higher than management's estimate, the group would have had to recognise an impairment against the carrying amount goodwill of €310 thousand. If the revenue growth in the initial five-year period was 3pp lower and pre-tax discount rate was 1pp higher than management's estimates, VIN Solutions OÜ CGU recoverable amount would equal its carrying amount.

There are no changes to the terminal growth rate that are considered to be reasonably possible, that would give rise to an impairment of VIN Solutions OÜ CGU.

14. Right-of-use assets

	Buildings (€ thousands)	Vehicles (€ thousands)	Other (€ thousands)	Total (€ thousands)
Cost				
Balance at 30 April 2021	**996**	**255**	**29**	**1,280**
Acquisitions	-	22	15	**37**
Disposals	-	(89)	-	**(89)**
Re-assessment	30	-	-	**30**
Balance as at 30 April 2022	**1,026**	**188**	**44**	**1,258**
Acquisitions	56	-	-	**56**
Disposals	(159)	-	-	**(159)**
Re-assessment	731	1	-	**732**
Balance as at 30 April 2023	**1,654**	**189**	**44**	**1,887**
Accumulated depreciation and impairment losses				
Balance at 30 April 2021	**420**	**85**	**14**	**519**
Depreciation	256	43	9	**308**
Disposals	-	(26)	-	**(26)**
Balance as at 30 April 2022	**676**	**102**	**23**	**801**
Depreciation	260	37	14	**311**
Disposals	(109)	-	-	**(109)**
Balance as at 30 April 2023	**827**	**139**	**37**	**1,003**
Carrying amounts				
Balance at 30 April 2021	**576**	**170**	**15**	**761**
Balance at 30 April 2022	**350**	**86**	**21**	**457**
Balance at 30 April 2023	**827**	**50**	**7**	**884**

Certain lease rentals include extension options. In 2023, the Group extended the term of the existing lease of Vilnius office space which resulted in a lease-reassessment.

15. Trade and other receivables

	2023 (€ thousands)	2022 (€ thousands)
Trade receivables	3,322	3,002
Expected credit loss on trade receivables	(45)	(71)
Other short-term receivables	70	39
Total	**3,347**	**2,970**

Trade and other receivables are non-interest bearing. The Group has recognized impairment losses in the amount of €45 thousand as at 30 April 2023 (€71 thousand as at 30 April 2022). Change in impairment losses for trade receivables, netted with recoveries, for financial year amounted to €79 thousand as at 30 April 2023 and €59 thousand as at 30 April 2022. As at 30 April 2023 and 30 April 2022, there are no pledges on trade receivables.

Reconciliation of changes in impairment allowance for trade receivables:

	(€ thousands)
Balance at 30 April 2021	**(84)**
Recoveries	77
Write offs	72
Changes in allowance and allowance recognised for new financial assets originated	(136)
Balance as at 30 April 2022	**(71)**
Recoveries	70
Write offs	105
Changes in allowance and allowance recognised for new financial assets originated	(149)
Balance as at 30 April 2023	**(45)**

16. Cash and cash equivalents

The balance of the Group's cash and cash equivalents as at 30 April 2023 and 30 April 2022 comprises of cash in banks. The credit rating of banks the Group holds its cash and cash equivalents varies from A1 to Baa3 as per Moody's ratings.

As at 30 April 2023 and 30 April 2022, there are no restrictions on cash in Group's bank accounts.

17. 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	48,959
• Share issue related transaction costs	-	-	(5,816)
Nominal value of ordinary shares reduced and share premium cancelled to create distributable reserves	-	(575,956)	(43,143)
Shares issued to satisfy IPO related free share awards (note 25)	392,405	4	-
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**	**-**

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

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

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

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

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

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

On 23 September 2021 BCG undertook a Court approved capital reduction to create distributable reserves. The entire amount standing to the credit of BCG share premium account was cancelled and the nominal value of each ordinary share in issue in the capital of BCG was reduced from £1 (€1.15) to £0.01 (€0.01). This created a total of €619,100 thousand in distributable reserves.

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

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

Included within shares in issue at 30 April 2023 are 3,600,000 (2,100,000 in at 30 April 2022) shares held by the Employee Benefit Trust ("EBT") (note 18).

18. Own shares held

	Shares held by EBT	
	Amount (€ thousands)	Number
Balance as at 1 May 2021	**-**	**-**
Purchase of shares for performance share plan[1]	3,418	2,100,000
Balance as at 30 April 2022	**3,418**	**2,100,000**
Purchase of shares for performance share plan[1]	2,834	1,500,000
Balance as at 30 April 2023	**6,252**	**3,600,000**

[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. Stamp duty reserve tax and commissions amounting to €12 thousand were capitalised in the year (€16 thousand in 2022).

19. Dividends

	2023		2022	
	€ cents per share	€ thousands	€ cents per share	€ thousands
2022 final dividend paid	1.4	6,955	-	-
2023 interim dividend paid	0.8	3,963	-	-
Total	**2.2**	**10,918**	**-**	**-**

The proposed final dividend for the year ended 30 April 2023 of 1.7 € 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 2023 final dividend will be paid on 13 October 2023 to shareholders on the register at the close of business on 8 September 2023 and the payment will comprise approximately €8,400 thousand of cash.

The Directors intend to return one third of Adjusted net income (as defined and reconciled in note 5) each year via an interim and final dividend, split one third and two thirds, respectively. Adjusted net income (as reconciled in note 5) for 2023 was €37,979 thousand (€31,198 in 2022).

20. Loans and borrowings

Non-current liabilities	2023 (€ thousands)	2022 (€ thousands)
Bank loan	68,716	82,311
Lease liabilities	515	167
	69,231	**82,478**

Current liabilities	2023 (€ thousands)	2022 (€ thousands)
Bank loan	180	121
Lease liabilities	282	202
	462	**323**

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 2022	2026 July	€	4.04%[1]	82,432

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 fee that amounted to €1,618 thousand (included within other financial expenses for the year ended 30 April 2022). The Group also wrote-off a capitalised upfront fee that amounted to €5,075 thousand (included within interest expenses for the year ended 30 April 2022).

As at 30 April 2023 the loan comprised of Facility B (outstanding balance: €70,000 thousand as €14,000 thousand was repaid during the financial year), the undrawn revolving credit facility amounted to €10,000 thousand. As at 30 April 2022 the loan comprised of Facility B (outstanding balance: €84,000 thousand), the undrawn revolving credit facility amounted to €10,000 thousand.

Capitalised debt issue costs amounted to €1,284 thousand and €1,689 thousand for the year ended 30 April 2023 and 30 April 2022 respectively. Interest payable amounted to €180 thousand and €121 thousand for the year ended 30 April 2023 and 30 April 2022 respectively.

The loan agreement prescribes a Total Leverage Ratio covenant. Total Leverage Ratio is calculated as Net Debt over last twelve months (LTM) of Adjusted EBITDA and shall not exceed 5.50:1. As at 30 April 2023 and 30 April 2022, the Group complied with the covenant prescribed in the loan agreement.

As per the same agreement, the interest margin for each facility is tied to the Total Leverage Ratio at each interest calculation date on a semi-annual basis:

[1] Effective interest rate for the year ended 30 April 2022 includes 2 months' worth of interest on a pre-IPO higher margin loan that was repaid in July 2021. Since IPO the interest rate margin has reduced to 2.0% due to lower leverage and even further reduced to 1.75% after publishing the first set of annual financial statements, however the positive impact of the reduction was partly offset by the increase in EURIBOR.

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

The following pledges and securities were granted as of 30 April 2023 and 30 April 2022: group companies shares. The carrying amount of pledged assets is as follows:

Pledged assets	2023 (€ thousands)	2022 (€ thousands)
Group companies shares[1]	332,227	332,227
	332,227	**332,227**

Reconciliation of movements of liabilities to cashflows arising from financing activities

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

[1] As defined in the loan agreement, the pledged assets include the shares held by Group companies (see the full list of subsidiaries in note 28):
- the shares of UAB Antler Group that are held by BCG HoldCo Limited;
- the shares of Baltics Classifieds Group OÜ and UAB Diginet LTU that are held by UAB Antler Group;
- the shares of AllePal OÜ that are held by Baltics Classifieds Group OÜ.

21. Trade and other payables

	2023 (€ thousands)	2022 (€ thousands)
Trade payables	299	235
Accrued expenses	391	344
Other tax	1,326	1,578
Customer credit balances	2,363	2,289
Other payables	130	12
	4,509	**4,458**

22. Financial risk management

In its activities, the Group is exposed to various financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Directors are responsible for creation and control of overall risk management policy in the Group.

Risk management policies are established to identify and analyse the risks faced by the Group, and to set appropriate risk limits and controls. Risk management policies and systems are reviewed on a regular basis to reflect changes in the market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. From time to time, the Group may use derivative financial instruments in order to hedge against certain risks.

The note below presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risk, and the Group's management of capital.

(a) Credit risk

Credit risk is the risk of Group's financial loss if a customer or counterparty fails to comply with contractual obligations. Credit risk is controlled by applying credit limits depending on the risk profile of the customer and monitoring debt collection procedures.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2023 (€ thousands)	2022 (€ thousands)
Trade receivables	15	3,277	2,931
Other short term receivables	15	70	39
Cash and cash equivalents	16	27,070	19,914
		30,417	**22,884**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk related to loans receivable is managed by monitoring counterparty's profitability and their cash flow projections. Credit risk related to cash and cash equivalent balances is managed by monitoring credit ratings of the Group's banks.

Expected credit loss assessment for trade receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited consolidated financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

An ECL rate is calculated based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The trade receivables do not have a significant financing component. The Group's credit terms on sales to business customers are 7-60 days from receipt of the invoice by the customer. For sales to private customers, the Group collects payments instantly at the time of the transaction and is not exposed to credit risk.

The Group applies the simplified approach for trade receivables.

The Group has elected to use a provision matrix to calculate lifetime ECLs, which is based on:

- Historical default rates over the expected life of the trade receivables
- Adjustment for forward-looking estimates

Impairment allowance – analysis as at 30 April 2023:

	ECL rate	Trade receivables (€ thousands)	Impairment allowance (€ thousands)
Not past due	(0.1%)	2,701	(4)
1 – 30 days past due	(0.7%)	313	(2)
31 – 60 days past due	(3.0%)	72	(2)
61 – 90 days past due	(6.0%)	26	(2)
> 90 days past due	(16.8%)	210	(35)
	(1.4%)	**3,322**	**(45)**

Impairment allowance – analysis as at 30 April 2022:

	ECL rate	Trade receivables (€ thousands)	Impairment allowance (€ thousands)
Not past due	(0.4%)	2,101	(9)
1 – 30 days past due	(0.3%)	378	(1)
31 – 60 days past due	(1.1%)	147	(2)
61 – 90 days past due	(2.0%)	71	(1)
> 90 days past due	(19.2%)	305	(58)
	(2.4%)	**3,002**	**(71)**

For the movement in impairment allowance see note 15.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to maintain sufficient amounts of cash and cash equivalents via operations, borrowings and credit facilities to meet its commitments at a given date. This policy excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Cash flow budgeting is performed by the Group's management and the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs.

The Group has access to a credit facility with the current lender at a total of €80,000 thousand. All of the commitment matures in July 2026. At 30 April 2023, €70,000 thousand was drawn under the credit facilities available. The undrawn revolving credit facility amounted to €10,000 thousand. The covenant of this credit facility is discussed in note 20.

The table below summarises the remaining contractual maturities of financial liabilities as at 30 April of 2023, including estimated interest payments:

Financial liabilities	Carrying amount (€ thousands)	Contractual cash flows (€ thousands)	Up to 1 year (€ thousands)	1-2 years (€ thousands)	2-5 years (€ thousands)	More than 5 years (€ thousands)
Bank loan	68,896	(80,828)	(3,340)	(3,345)	(74,143)	-
Lease liabilities	797	(895)	(286)	(198)	(411)	-
Trade payables	299	(299)	(299)	-	-	-
Other payables	2,493	(2,493)	(2,493)	-	-	-
	72,485	**(84,515)**	**(6,418)**	**(3,543)**	**(74,554)**	**-**

The table below summarises the remaining contractual maturities of the Group's financial liabilities as at 30 April of 2022, including estimated interest payments:

Financial liabilities	Carrying amount (€ thousands)	Contractual cash flows (€ thousands)	Up to 1 year (€ thousands)	1-2 years (€ thousands)	2-5 years (€ thousands)	More than 5 years (€ thousands)
Bank loan	82,432	(91,501)	(1,764)	(1,769)	(87,968)	-
Lease liabilities	369	(472)	(273)	(134)	(65)	-
Trade payables	235	(235)	(235)	-	-	-
Other payables	2,301	(2,301)	(2,301)	-	-	-
	85,337	**(94,509)**	**(4,573)**	**(1,903)**	**(88,033)**	**-**

(c) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Currency risk

EUR is the functional currency of each legal entity comprising the Group, as well as the Group's reporting currency. The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than EUR.

The Group is not using any financial instruments to hedge against the foreign currency exchange risk.

As at 30 April 2023, the Group has no significant monetary assets and liabilities denominated in other currencies. As at 30 April 2022, the Group had no significant monetary assets and liabilities denominated in other currencies than EUR except for €1.7m cash held in GBP.

ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

Carrying amount	2023 (€ thousands)	2022 (€ thousands)
Instruments with a variable interest rate		
Bank loan	68,716	82,311
	68,716	**82,311**

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

2023	Impact of financial instruments on profit before tax			
Financial instruments by class	Increase	Impact to finance costs (€ thousands)	Decrease	Impact to finance costs (€ thousands)
Variable rate instruments	+100 bp	(700)	-100 bp	700

2022	Impact of financial instruments on profit before tax			
Financial instruments by class	Increase	Impact to finance costs (€ thousands)	Decrease	Impact to finance costs (€ thousands)
Variable rate instruments	+100 bp	(840)	-100 bp	840

c) Capital management

Equity in combination with net debt is considered to be capital for capital management purposes. The Group's policy is to maintain the confidence of creditors and the market, to fund business development opportunities in the future and comply with external capital requirements.

d) Fair value of financial instruments

The Group's principal financial instruments not carried at fair value are trade and other receivables, trade and other payables, non-current and current borrowings.

The management of the Group is of the opinion that carrying amount of trade and other receivables, trade and other payables is a reasonable approximation of fair value due to their short-term nature.

Based on the discounted cash flow analysis performed, management considers that the borrowings carrying amount is a reasonable approximation of fair value. The discounted cash flow analysis was performed using a market rate of interest and principal payments discounted to a present value using interest rate as a discount rate.

A number of the Group's accounting policies and disclosures require determination of fair value, for both financial and non-financial assets and liabilities.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognised transfers between the fair value hierarchy from the end of the reporting period in which the change occurred. Below listed are financial assets and financial liabilities:

2023	Carrying amount (€ thousands)	Level 1 (€ thousands)	Level 2 (€ thousands)	Level 3 (€ thousands)	Total (€ thousands)
Trade and other receivables	3,347	-	-	-	-
Cash and cash equivalents	27,070	-	-	-	-
Loans and borrowings	(68,896)	-	(68,896)	-	(68,896)
Trade and other payables	(4,509)	-	-	-	-
	(42,988)	**-**	**(68,896)**	**-**	**(68,896)**

2022	Carrying amount (€ thousands)	Level 1 (€ thousands)	Level 2 (€ thousands)	Level 3 (€ thousands)	Total (€ thousands)
Trade and other receivables	2,970	-	-	-	-
Cash and cash equivalents	19,914	-	-	-	-
Loans and borrowings	(82,432)	-	(82,432)	-	(82,432)
Trade and other payables	(4,458)	-	-	-	-
	(64,006)	**-**	**(82,432)**	**-**	**(82,432)**

23. Related party transactions

During the period ended 30 April 2023 the transactions with related parties outside the consolidated Group consisted of remuneration of key management personnel (note 24), including share option awards under the PSP scheme (note 25);

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

- remuneration of key management personnel (note 24), including share option awards under the PSP scheme (note 25);
- before the IPO a part of ANTLER Management S.A. shares were acquired by the three Executive Directors together with other key employees as part of management incentive program that existed since BCG acquisition by funds advised by Apax Partners ("Apax") in FY 2020; shares were purchased at a value equal to the price paid by Apax in FY 2020;
- at the IPO three Non-Executive Directors purchased shares of ANTLER TopCo Sàrl outside the Offer at the IPO price;
- share for share exchange transaction during the reorganisation for the IPO (note 17) where three Executive Directors, three Non-Executive Directors and Directors of Group Companies exchanged the shares they held in ANTLER Management S.A. and ANTLER TopCo Sàrl for the like-for-like amount of shares in Baltic Classifieds Group PLC.

24. Remuneration of key management personnel and other payments

Key management personnel comprises 3 Executive directors (CEO, CFO, COO), 5 Non-Executive Directors and Directors of Group companies. Remuneration of key management personnel in the reporting year, including social security and related accruals, amounted to €1,257 thousand for the period ended 30 April 2023 and €969 thousand for the period ended 30 April 2022. Share-based payments amounted to €1,031 thousand for the period ended 30 April 2023 and €509 thousand for the period ended 30 April 2022.

During the period ended 30 April 2023 the Executive directors of the Group were granted a set number of share options under the PSP scheme. See note 25 for further detail.

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

25. 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 €1,567 thousand (€644 thousand in the period ended 30 April 2022).

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

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

On 12 July 2022, the Group awarded 1,221,592 share options under the PSP scheme. For these awards, the Group's performance is measured by reference to the Group's Earnings per Share in FY2025. These awards have a service condition and vest in 3 years. On 12 July 2022 the Group also granted a retention award in a form of 244,318 share options to two new joiners as part of GetaPro acquisition. These awards have a service condition only and vest in 1 year.

The fair value of the 2022 award was determined to be €1.40 (€1.46 for GetaPro employees) per option using a Black-Scholes pricing model. The resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date.

The assumptions used in the measurement of the fair value at grant date of the PSP awards are as follows:

Grant date	Condition	Share price at grant date (€)	Exercise price (€)	Expected volatility (%)	Vesting period (years)	Risk-free rate (%)	Dividend yield (%)	Fair value per option (€)
12 July 2022	EPS performance condition, service condition	1.49	0.01	69%	3	1.37%	1.96%	1.40
12 July 2022	Service condition	1.49	0.01	69%	1	1.37%	1.96%	1.46
27 July 2021	EPS performance condition, service condition	2.62	0.01	53%	3	(0.20)%	0.78%	2.56

The expected volatility was determined using UK listed peers' historical volatility average as at the date of option valuation own data was not available due to a relatively recent Admission.

The number of options outstanding and exercisable as at 30 April 2023 was as follows:

	2023 (number)	2022 (number)
Outstanding at beginning of period	1,041,475	-
Options granted in the period	1,465,911	1,041,475
Options exercised in the period	-	-
Options forfeited in the period	(23,439)	-
Outstanding at period ending	**2,483,947**	**1,041,475**

IPO Related Free Share Awards

In 2022, as part of IPO and in addition to the PSP scheme, 392,405 of free shares were awarded to all employees of the Group with the number per employee based on length of service with the business and ranging between €3,000 and €15,000 in value. The total value of the shares awarded amounted to €968 thousand. Fringe benefit tax was paid by the Group, it amounted to €410 thousand.

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

26. Enquiries by Competition Authorities

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

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

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

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

27. Business combinations

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

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

For the ten months ended 30 April 2023, GetaPro portals contributed revenue of €132 thousand and loss of €545 thousand to Group's result. If the acquisition had occurred on 1 May 2022, management estimates that consolidated revenue would have been higher by €26 thousand, and consolidated profit for the financial year would have been lower by approximately €42 thousand.

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

Acquisition related costs	€ thousands
Acquisition-related costs (legal fees, due diligence costs and other) are included in other expenses for the twelve months ended 30 April 2023	43

Recognised amounts of identifiable assets acquired:

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

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

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

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

Goodwill arising from the acquisition has been recognised as follows:

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

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

Net cash flow on acquisition:

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

28. List of subsidiaries

Company name	Registered office	Registration Number	Activity	Share in capital	Held directly?
BCG HOLDCO Limited	Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH	13415193	Acquiring participations	100%	Yes
ANTLER Management SA	1-3 Boulevard de la Foire, Luxembourg	B235771	Liquidated on 21 April 2022	-	-
ANTLER TopCo Sàrl	1-3 Boulevard de la Foire, Luxembourg	B235647	Liquidated on 21 April 2022	-	-
ANTLER PiKCo Sàrl	1-3 Boulevard de la Foire, Luxembourg	B235730	Liquidated on 31 March 2022	-	-
ANTLER MidCo Sàrl	1-3 Boulevard de la Foire, Luxembourg	B235872	Liquidated on 10 March 2022	-	-
ANTLER HoldCo Sàrl	1-3 Boulevard de la Foire, Luxembourg	B234342	Liquidated on 24 February 2022	-	-
UAB Antler Group	V. Nagevičiaus 3, Vilnius, Lithuania	305147427	Management and consulting services	100%	No
UAB Diginet LTU	Saltoniškių 9B-1, Vilnius, Lithuania	126222639	Online classifieds	100%	No
OÜ AllePal	Pärnu mnt. 141, Tallinn, Estonia	12209337	Online classifieds	100%	No
OÜ Kinnisvaraportaal	Pärnu mnt. 141, Tallinn, Estonia	10680295	Online classifieds	100%	No
OÜ VIN Solutions	Turu 2, Tartu, Estonia	14071883	Information services	100%	No
OÜ Baltic Classifieds Group	Pärnu mnt. 141, Tallinn, Estonia	14608656	Online classifieds	100%	No
SIA City24	Gustava Zemgala 78 - 1, Rīga, Latvia	40003692375	Online classifieds	100%	No

BCG HOLDCO Limited is exempt from the requirement to file audited accounts for the year ended 30 April 2023 by virtue of section 479A of the Companies Act 2006.

29. Subsequent events

A voluntary repayment of debt of €7,000 thousand was made on 2 June 2023 reducing the outstanding principal amount of bank borrowings to €63,000 thousand.

Company Statement of Financial Position

As at 30 April 2023

	Notes	2023 (€ thousands)	2022 (€ thousands)
Fixed assets			
Investments	4	509,631	508,064
Current assets			
Debtors: amounts falling due within one year	5	98,854	113,181
Cash at bank or in hand	6	103	1,979
Creditors: amounts falling due within one year			
Amounts due to subsidiary undertakings	7	(6,189)	(4,988)
Other creditors	7	(336)	(842)
Net current assets		**92,432**	**109,330**
Total assets less current liabilities		**602,063**	**617,394**
Capital and reserves			
Called up share capital	10	5,783	5,822
Retained earnings		599,863	620,707
Capital redemption reserve		39	-
Own shares held	11	(6,252)	(3,418)
Profit and loss for the period		2,630	(5,717)
Total Capital and reserves		**602,063**	**617,394**

The accompanying notes form part of these financial statements.

The financial statements of Baltic Classifieds Group PLC, company number 13357598, were approved and authorized for issue by the board and were signed on its behalf on 28 June 2023.

Justinas Šimkus
Director
Baltic Classifieds Group PLC
Registered number 13357598

Company Statement of Changes in Equity

	Called up share capital (€ thousands)	Share premium (€ thousands)	Own shares held (€ thousands)	Capital redemption reserve (€ thousands)	Retained earnings (€ thousands)	Total equity (€ thousands)
Balance at 26 April 2021	-	-	-	-	-	-
Profit / (loss) for the period	-	-	-	-	(5,717)	(5,717)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	**(5,717)**	**(5,717)**
Transactions with owners:						
Group restructure and IPO	581,774	43,143	-	-	-	624,917
Transfer arising from capital reduction	(575,956)	(43,143)	-	-	619,099	-
Share issue post IPO	4	-	-	-	(4)	-
Share-based payments	-	-	-	-	1,612	1,612
Acquisition of treasury shares	-	-	(3,418)	-	-	**(3,418)**
Balance at 30 April 2022	**5,822**	**-**	**(3,418)**	**-**	**614,990**	**617,394**
Profit / (loss) for the period	-	-	-	-	2,630	2,630
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	**2,630**	**2,630**
Transactions with owners:	-	-	-	-	-	-
Share-based payments	-	-	-	-	1,567	1,567
Acquisition of treasury shares	-	-	(2,834)	-	-	(2,834)
Purchase of shares for cancellation	(39)	-	-	39	(5,775)	(5,775)
Dividends paid	-	-	-	-	(10,918)	**(10,918)**
Balance at 30 April 2023	**5,783**	**-**	**(6,252)**	**39**	**602,493**	**602,063**

For the period from 1 May 2022 to 30 April 2023

The accompanying notes form part of these financial statements.

Notes to the Company financial statements

1. Accounting policies

Baltic Classifieds Group PLC ("the Company") is a public company limited by shares, incorporated in England, United Kingdom on the 26th of April 2021 with registration number 13357598 and listed on the London Stock Exchange. The Company is registered and domiciled in the UK. Principal place of the business is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH.

Statement of compliance and basis of preparation

These financial statements of Baltic Classifieds Group PLC were prepared in accordance with the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The Company financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain financial assets and liabilities through profit or loss. The current year financial information presented is from 1 May 2022 to 30 April 2023.

The Company uses the Euro (EUR) as functional currency and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at month-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the period. Non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. The Company financial statements have been rounded to the nearest thousand except where otherwise indicated.

As permitted by Section 408 of the Companies Act 2006, an entity profit and loss account is not included as part of the published consolidated financial statements Baltic Classifieds Group PLC. The profit for the financial period dealt with in the financial statements of the parent company was €2,630 thousand (2022: loss €5,717 thousand).

The consolidated financial statements of Baltic Classifieds Group PLC are prepared in accordance with the UK adopted International Financial Reporting Standards and are available to the public. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- statement of comprehensive income with related notes;
- cash flow statement with related notes; and
- key management personnel compensation.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible Company will have sufficient funds to meet its liabilities as they fall due for that period.

In making this assessment the Directors have considered the fact that the Company's activities are principally as a holding company with long-term investments in subsidiaries funded by equity. The Company's assets consist of investments in subsidiary undertakings, and intercompany loan receivable balances.

Consequently, the Directors are confident that the Company 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 the financial statements and therefore have prepared the financial statements on a going concern basis.

Significant accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the application of policies and reported income, expenses, assets, and liabilities. Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from the initial estimate or judgement and any subsequent changes are accounted for with and effect on the financial statements at the time such updated information becomes available. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in any future periods affected. There are no significant judgements or key sources of estimation uncertainty for the Company.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Share-based payment transactions

Equity-settled awards are valued at the grant date. Fair value of the awards are measured using Black-Scholes pricing model. In the consolidated financial statements, on the assumption that the arrangement is equity-settled, the transaction is treated as an equity-settled share-based payment, as the group has received services in consideration for the group's equity instruments. An expense is recognised in the group income statement for the grant date fair value of the share-based payment over the vesting period, with a credit recognised in equity. In the parent Company's separate financial statements, there is no share-based payment charge, as no employees are providing services to the parent. The parent would therefore record a debit, recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity. In the subsidiaries' financial statements, the award is treated as an equity-settled share-based payment. An expense for the grant date fair value of the award is recognised over the vesting period, with a credit recognised in equity. The credit to equity is treated as a capital contribution, as the parent is compensating the subsidiaries' employees with no cost to the subsidiaries.

Investment in subsidiaries

These are separate financial statements of the Company. The cost method is applied to investments in other companies. The cost price increases when funds are added through capital increase or when group contributions are made to subsidiaries.

Cash and cash equivalents

Cash includes cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Taxation

The Company's profit for the period arises mostly from the receipt of BCG Holdco Limited intercompany loan interest income. Any interest income received by the company is taxable as a loan relationship. However, the corresponding expense on BCG Holdco Limited should be deductible for tax purposes. Group relief allows losses to be surrendered from loss-making companies to profitable companies in the same group. Given BCG Holdco Limited and Baltic Classifieds Group PLC are in the same group for group relief purposes and BCG Holdco Limited would be able to surrender its losses to Baltic Classifieds Group PLC, there is no net tax payable as a result of the loan. In addition, Baltic Classifieds Group PLC provides taxable supplies for management service to UAB Antler Group based on management agreement, however incurred administration costs cover revenue and as a result, no provision for Corporation tax is needed in these financial statements.

Own shares held by ESOP trust

Transactions of the Company-sponsored ESOP trust are treated as being those of the Company and are therefore reflected in the Company financial statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

Capital redemption reserve

The capital redemption reserve arises from the purchase and subsequent cancellation of the Group's own equity share capital.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, loans to Group companies are initially recognized at transaction price (unless the arrangement constitutes a financing transaction) and are subsequently carried at amortized cost using the effective interest method.

b) Financial liabilities

Basic financial liabilities, including trade and other payables that are classified as debt, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortized cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders in the case of final dividends, or the date at which they are paid in the case of interim dividends.

2. Services provided by the Company's auditor

	2023 (€ thousands)	2022 (€ thousands)
Fees payable for audit services:		
Audit of the Company and consolidated financial statements	(563)	(244)
Fees payable for other services:		
• Audit related assurance services	-	(104)
• Transaction related services	-	(532)
• Other assurance services	-	(267)
Total	**(563)**	**(1,147)**

Current year fees payables for audit of the Company and consolidated financial statements consist of audit fees for current financial year €461 thousand and previous financial year €102 thousand. Transaction related and other assurance services provided by the Company's auditors during the year ended 30 April 2022 relate to the IPO. Refer to Audit Committee Report on page 76 in consolidated financial statements for further detail.

3. Directors' remuneration

The Company has no employees other than the Directors. Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on pages 82 to 90 and Employee numbers and costs Note 9 and Remuneration of key management personnel and other payments Note 24 to the consolidated financial statements.

4. Investment in subsidiaries

	(€ thousands)
Investment in subsidiaries at 30 April 2022	**508,064**
Share-based payments	1,567
Investment in subsidiaries at 30 April 2023	**509,631**

Additions to share-based payments in the year and prior year relate to equity-settled share-based payments granted to the employees of subsidiary companies. Subsidiary undertakings are disclosed within Note 25 to the consolidated financial statements.

On 3 June 2021 BCG Group undertook a group reorganisation whereby the Company in exchange for the allotment of ordinary shares acquired ANTLER Management S.A 38,740,076 ordinary shares at £1 (€1.16) and Antler TopCo 396,525,002 ordinary shares at £1 (€1.16). Therefore, the Company incorporated on 26 April 2021, became the ultimate parent of the trading group immediately controlled by Antler Group UAB. Subsequently, BCG Holdco Limited acquired Antler TopCo from the Company and ANTLER Management S.A in exchange for shares in BCG Holdco Limited. Closing balance of the Investment in subsidiaries at 30 April 2022 consists of €506,452 thousand investment in BCG Holdco Limited and share-based payments in amount to €1,612 thousand.

5. Debtors: amounts falling due within one year

	2023 (€ thousands)	2022 (€ thousands)
Intercompany loan to BCG HoldCo Limited	98,733	112,915
Amounts owed by subsidiary undertakings	-	180
Other short-term receivables	121	86
	98,854	**113,181**

Terms, repayment of intercompany loan

The loan was used to finance the repayment of the indebtedness of ANTLER HoldCo S.a.r.l. and its subsidiaries. The loan is repayable immediately on demand by the lender. The borrower may prepay or repay any or all of the Loan at any time and bear interest at rate of 2.5% plus 1 month EURIBOR (2022: 6 months EURIBOR) The loan is not expected to be paid within 1 year in the course of the normal operating cycle.

6. Cash and cash equivalents

	2023 (€ thousands)	2022 (€ thousands)
Cash at bank	103	1,979
	103	**1,979**

There were no restrictions on cash and cash equivalents held at 30 April 2023 and 2022.

7. Creditors: amounts falling due within one year

	2023 (€ thousands)	2022 (€ thousands)
Trade creditors	(11)	(6)
Taxation and social security	-	(590)
Share buybacks liability	(113)	-
Accruals	(212)	(246)
Intercompany loan from Antler Group UAB	(6,189)	-
Subsidiary undertakings	-	(4,988)
	(6,525)	**(5,830)**

The loan is repayable immediately on demand by the lender, Antler Group UAB. The borrower may prepay or repay any or all of the loan at any time and bear interest at a rate of 2.5% plus 1 month EURIBOR. The loan is not expected to be paid within 1 year in the course of a normal operating cycle.

8. Financial instruments

Financial instruments utilized by the Company during the year ended 30 April 2023 may be analyzed as follows:

	2023 (€ thousands)	2022 (€ thousands)
Financial assets measured at amortised cost	98,957	115,160
	98,957	**115,160**

Financial assets specified and detailed disclosed in Notes 5 and 6.

	2023 (€ thousands)	2022 (€ thousands)
Financial liabilities measured at amortised cost	(6,525)	(5,830)
	(6,525)	**(5,830)**

Financial liabilities specified and detailed disclosed in Note 7.

Current assets and liabilities

Financial instruments included within current assets and liabilities (excluding cash and borrowings) are generally short term in nature and accordingly their fair values approximate to their book values.

9. Financial risk management

In its activities, the Company is exposed to various financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Board of Directors is responsible for creation and control of overall risk management policy in the Company.

Credit risk is the current or prospective risk to earnings and capital arising from a debtor's BCG Holdco Limited failure to meet the terms of intercompany loan with the Company or if a debtor otherwise fails to perform.

The credit risk on cash in banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Cash in banks is the only financial asset exposed to credit risk. Barclays Bank UK PLC had a credit rating of Fitch A+, Moody's A1 as at 30 April 2023.

The Company can take on exposure to market risk, which means the risk for the Company to incur losses due to the adverse fluctuations in the market parameters such as interest rates (interest rate risk) and currency exchange rates (foreign currency risk).

Interest rate risk is the risk of experiencing losses because of unfavorable changes of interest rate. A company granting a loan with a fixed interest will experience supposed losses (i.e., will get less income than it could get), if the interest rate on the market is going up, and the company which has taken a loan will experience the supposed losses, if the interest rate goes down. In case a floating interest rate is established in the contract, market fluctuations will have an impact on the financial income/expenses earned/incurred by the parties involved. Since a floating interest rate is applied to the loan granted by The Company to BCG Holdco Limited, The Company and BCG Holdco Limited bear the interest rate risk. Also a floating interest rate is applied to the loan granted to the Company by Antler group UAB, The Company and Antler group UAB bear the interest rate risk.

Foreign currency exchange risk is associated with potential profit variability, which may be caused by fluctuations of foreign currencies exchange rates. EUR is the functional currency of the Company. The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than EUR. As at 30 April 2023 the Company has 105 thousand liabilities and 4 thousand cash at bank account in GBP currency. As at 30 April 2022, the Company has no significant monetary assets and liabilities denominated in currencies other than EUR except for €297 thousand cash held in GBP and one-off payable VAT €589 thousand regarding IPO transaction costs of non-recoverable VAT part.

Liquidity risk is understood as incapability to fulfil undertaken obligations in due time without experiencing unacceptable losses. Bearing in mind that the Company, BCG Holdco Limited and Antler group UAB are related parties, the Company assumes liquidity risk to the limited extent.

10. Share capital and share premium

	Number of shares	Share capital (€ thousands)	Capital redemption reserve (€ thousands)
As at 30 April 2022	**500,392,405**	**5,822**	**-**
Purchase and cancellation of own shares	(3,429,240)	(39)	39
As at 30 April 2023	**496,963,165**	**5,783**	**39**

In October 2022 the Company initiated its share buyback program. As at 30 April 2023 the Company purchased 3,429,240 (2022: nil) ordinary shares with a par value of £ 0.01 for cancellation. For this reason, a capital redemption reserve was formed in amount of €39 thousand.

Fully paid ordinary shares, which have a par value of £0.01, carry one vote per share and carry a right to dividends.

Baltic Classifieds Group PLC 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 €5,820 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 €619,100 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 subsidiaries' employees other than the executive directors and senior management team.

11. Own shares held

	Shares held by EBT	
	Amount (€ thousands)	Number
Balance as at 1 May 2021		
Purchase of shares for performance share plan	(3,418)	2,100,000
Balance as at 30 April 2022	**(3,418)**	**2,100,000**
Balance as at 1 May 2022	**(3,418)**	**2,100,000**
Purchase of shares for performance share plan	(2,834)	1,500,000
Balance as at 30 April 2023	**(6,252)**	**3,600,000**

Shares were purchased on 25 March 2022 at a price of £1.346 (€1.616) per share. Stamp duty reserve tax and broker commissions amounting to 24€ thousand were capitalized to the cost.

Shares were purchased on 29 July 2022 and 2 August 2022 at a price of £1.54 (€1.842) and £1.619 (€1.943) per share respectively. Stamp duty reserve tax and broker commission amounting to €18 thousand were capitalized to the cost.

12. Dividends

Dividends declared and paid by the Company were as follows:

	Year ended 30 April 2023		Year ended 30 April 2022	
	€ cents per share	(€ thousands)	€ cents per share	(€ thousands)
2022 final dividend paid	1.4	6,955	-	-
2023 interim dividend paid	0.8	3,963	-	-
		10,918		-

The proposed final dividend for the year ended 30 April 2023 of 1.7 € cents per share, totaling approximately €8,400 thousand, is subject to approval by Shareholders at the Annual General Meeting ("AGM") and hence has not been included as a liability in the financial statements. Dividends will be paid in euros however Shareholders will have an opportunity to opt for a payment in British pounds.

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

After the HY2022-2023 end the Board approved an interim dividend of €0.8 cents per share, totaling €3,963 thousand (31 October 2021: nil). The interim dividend has been paid out on 25 January 2023 to shareholders on the register at the close of business on 16 December 2022.

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

Dividends are paid out of the available distributable reserves of the company.

13. Related party transactions

During the year, a management charge of €474 thousand (2022: €274.7 thousand) was provided to UAB Antler group in respect of services rendered. At the year end, balances outstanding with other Group undertakings were €98,733 thousand (2022: €113,095 thousand) for debtors as set out in note 5 and €6,189 thousand (2022: €4,988 thousand) for creditors as set out in note 7. Related party transactions for remuneration of key management personnel are disclosed within Note 24 to the consolidated financial statements.

14. Ultimate parent company and parent company of larger group

The Company is a parent and the ultimate controlling party. The largest group in which the results of the Company are consolidated is that headed by Baltic Classifieds Group PLC with registered office in Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH. No other group financial statements include the results of the Company. The consolidated financial statements of Baltic Classifieds Group are available to the public and may be obtained from www.balticclassifieds.com.

Subsidiary BCG Holdco Limited is exempt from the Companies Act 2006 requirements relating to the audit of its individual accounts by virtue of Section 479A of the Act as Baltic Classifieds Group PLC has guaranteed the subsidiary company under Section 479C of the Act.

ADDITIONAL INFORMATION

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Glossary

2021 – means the financial year ended 30 April 2021.

2022 – means the financial year ended 30 April 2022.

2023 – means the financial year ended 30 April 2023.

AGM – means Annual General Meeting.

Apax – means funds advised by Apax Partners

ARPU – means average revenue per user.

Admission – means the admission of the ordinary shares of the Company to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities which occurred on 5 July 2021.

B2C listers – means listers that have a subscription-based contract with the Group for online classifieds services and products.

C2C listers – means listers that transact with the Group through one-off transactions for online classifieds services and products and do not have a subscription-based contract with the Group for online classifieds services and products.

CEO – means chief executive officer.

CFO – means chief financial officer.

Code – means the UK Corporate Governance Code published by the FRC in 2018.

COO – means chief operating officer.

Deloitte – means Deloitte LLP or Deloitte Lietuva, UAB both being members of the Deloitte organisation, a global network of independent firms.

Executive Directors – means Justinas Šimkus, Lina Mačienė and Simonas Orkinas.

Generalist portals - means portals with no specialisation, listing a wide range of products and services to consumers.

KPI – Key performance indicator.

KPMG – means KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms.

Listers – means C2C and B2C listers.

Listing – means an ad posted on a portal.

Management Incentive Programme (MIP) – means an equity incentive plan designed to reward and incentivise eligible employees.

Major Shareholder – means ANTLER EquityCo S.à r.l., an entity controlled by funds advised by Apax Partners.

Marketplace – means a place where products and/or services are bought and sold.

Performance Share Plan – means the long-term incentive arrangement for the Executive Directors and other eligible employees.

Portals – means online classifieds websites.

Prospectus – means the Company's prospectus dated June 2021 and prepared in connection with the Company's Admission.

Relationship Agreement – means an agreement governing the relationship between the Company and the Major Shareholder.

Senior Management – means the Executive Directors and all portal managers.

Verticals – means specialised portals, listing products and services of a specific market, such as automotive, real estate and jobs and services.

Shareholder Information

Share capital

The Company's authorised and issued Ordinary Share capital as at 30 April 2023 comprised a single class of Ordinary Shares. As at 30 April 2023 there were 496,963,165 Ordinary Shares of £0.01 each in issue (net of shares pending cancellation).

As at 27 June 2023, being the last practicable date prior to publication of this report, the Company's issued share capital (net of shares pending cancellation) comprised 496,045,965 fully paid Ordinary Shares of £0.01 each.

Details of the Ordinary Share capital and shares issued during the year can be found in note 17 to the consolidated financial statements.

AGM

The AGM will be held at Saltoniškių st. 9B, LT-08105 Vilnius, Lithuania on 27 September 2023 at 11.00 am local time. Further details can be found in the Notice of Meeting sent to Shareholders, which is also available at www.balticclassifieds.com.

Shareholder queries

Please contact our Registrar, Equiniti Limited, directly for all enquiries about your shareholding:

Online:	https://help.shareview.co.uk
By post:	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
By telephone:	0371 384 2030
International callers:	+44 (0)371 384 2030

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.30 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

Electronic Shareholder communication

We encourage our Shareholders to opt for electronic communications as opposed to hardcopy documents by post. This has a number of advantages for the Company and its Shareholders. Increased use of electronic communications will deliver savings to the Company in terms of administration, printing and postage costs, as well as increasing the speed of communication and provision of information in a convenient form. Less paper also reduces our impact on the environment.

If you would like to receive notifications by email, you can register your email address by the Share Portal https://help.shareview.co.uk or by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Please note that if you hold your shares corporately or in a CREST account, you are not able to use the Share Portal to inform us of your preferred method of communication and should instead write to Equiniti Limited.

Warning about share fraud

Shareholders should be aware that they may be targeted by certain organisations offering unsolicited investment advice or the opportunity to buy or sell worthless or non-existent shares. Should you receive any unsolicited calls or documents to this effect, you are advised not to give out any personal details or to hand over any money without ensuring that the organisation is authorised by the United Kingdom Financial Conduct Authority ("FCA") and doing further research.

If you are unsure or think you may have been targeted you should report the organisation to the FCA. For further information, please visit the FCA's website at www.fca.org.uk/scamsmart/share-bond-boiler-room-scams, email consumer.queries@fca.org.uk or call the FCA consumer helpline on 0800 111 6768 if calling from the United Kingdom or +44 20 7066 1000 if calling from outside the United Kingdom.

Share price information

The Company's Ordinary Shares are listed on the London Stock Exchange. The price of the Company's shares is available on the Corporate Website at www.balticclassifieds.com.

Financial calendar[1]

29 June 2023	Dividend announcement date
8 September 2023	Dividend record date
27 September 2023	Annual General Meeting
13 October 2023	Dividend payment date
December 2023[1]	Half-year results announcement

Company Information

Registered office:	Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH
Company number:	13357598
Company Secretary:	Miglė Pranaitytė to 17 February 2023 Egle Sadauskiene from 17 February 2023
Independent Auditor:	KPMG LLP

Forward-looking Statements

Certain Statements made in this Annual Report 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 Annual Report 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 Annual Report should be construed as a profit forecast. All Forward-looking Statements in this Annual Report 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 Annual Report. 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.

[1] Dates are provisional and may be subject to change.

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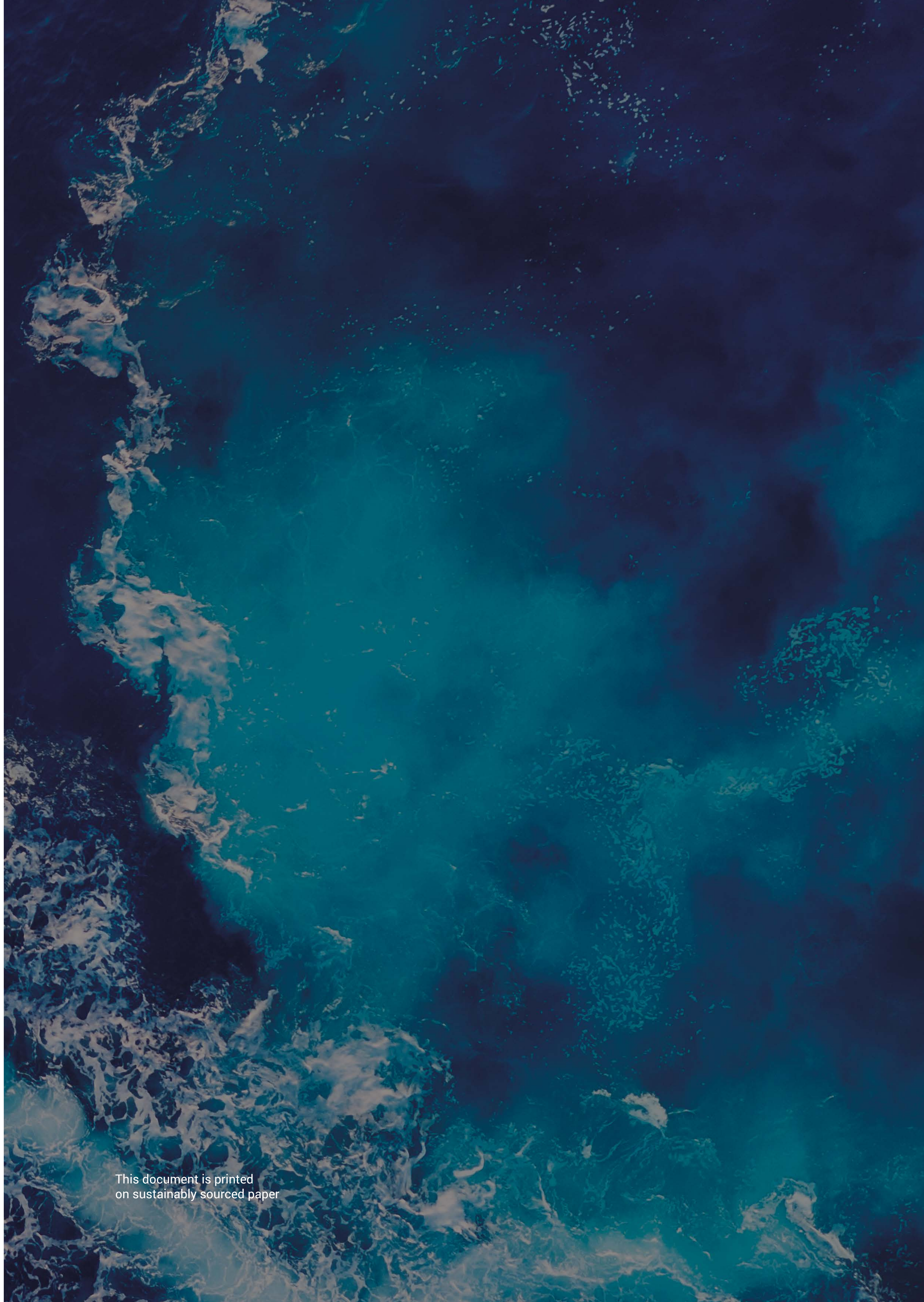

BCG BALTIC CLASSIFIEDS GROUP

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balticclassifieds.com

Registered in England and Wales.

Registered office address:
Highdown House, Yeoman Way,
Worthing, West Sussex,
United Kingdom,
BN99 3HH.

Company number: 13357598