BCG BALTIC CLASSIFIEDS GROUP

Baltic Classifieds Group PLC

Annual Report and Accounts 2024

Look out for our key icons throughout this report:

- New
- 1st in the EU
- Progress
- Strategic aim
- See page
- See web page
- Investors
- Consumers and Advertiser
- Our People
- Suppliers
- Regulatory bodies
- Environment and Community

We love transactions!

BCG exists to connect consumers with listers and help them transact more easily.

Strategic Highlights

The Group's objective is to provide trusted marketplaces to connect sellers and buyers across the Baltic region through user-friendly and feature-rich portals, resulting in a smooth transaction experience for all involved parties.

We believe the Group accomplishes this goal through its portfolio of leading brands, individually strong market positions, and scalable business model.

Our objective is to sustain profitable growth by implementing gradual price adjustments for our core classifieds portals, bolstered by compelling value propositions and the introduction of new products and features. Additionally, we plan to continue expanding ancillary services and selectively acquire complementary businesses within our current markets and potentially in new territories.

Note: we are presenting our financial year results, therefore "2024" means 12 months ended 30 April 2024, "2023" means 12 months ended 30 April 2023 and "2022" means 12 months ended 30 April 2022.

Financial highlights

Revenue +19%
2024: €72.1 million
2023: €60.8 million
2022: €51.0 million

Basic EPS +40%
2024: 6.5 € cents
2023: 4.7 € cents
2022: 0.2 € cents

Operating profit +32%
2024: €38.3 million
2023: €29.1 million
2022: €13.6 million

Adjusted basic EPS[1] +20%
2024: 9.2 € cents
2023: 7.7 € cents
2022: 6.4 € cents

Adjusted operating profit[1] +21%
2023: €54.5 million
2023: €45.3 million
2022: €38.5 million

Cash generated from operating activities +23%
2024: €59.0 million
2023: €48.0 million
2022: €34.1 million

EBITDA[1] +20%
2023: €55.3 million
2023: €46.0 million
2022: Adjusted EBITDA[1] €39.3 million

Cash conversion[1] maintained at 99%
2024: 99%
2023: 99%
2022: 99%

EBITDA margin[1] expanded to 77%
2024: 77%
2023: 76%
2022: Adjusted EBITDA margin[1] 77%

Leverage[1] decreased to 0.5x
2024: 0.5x
2023: 1.0x
2022: 1.7x

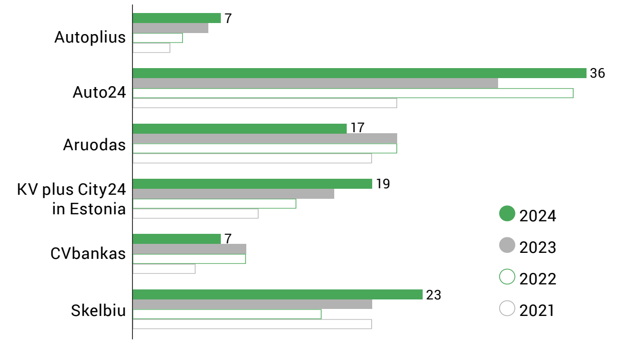
[1] Alternative performance measure (see Note 4 to the consolidated financial statements on pages 89 to 90).

Operational highlights

Each Baltic resident visits BCG portals
10 times per month

Monthly traffic[1] 56.0m
2024: 56.0 million
2023: 61.9 million
2022: 65.1 million

Leadership position[2] was maintained (in times vs. closest competitor)



B2C monthly number of users grew across all business lines

Auto +4%
(to 3,732 from 3,586 in 2023)

Real Estate +1%
(to 4,926 from 4,877 in 2023)

Jobs[3] +5%
(to 2,271 from 2,162 in 2023)

B2C average monthly revenue per user (ARPU) grew across all business lines

Auto +26%
(to €289 from €230 in 2023)

Real Estate +22%
(to €181 from €148 in 2023)

Jobs[3] +7%
(to €412 from €384 in 2023)

C2C monthly number of active ads (listings in Generalist) grew significantly

Auto[4] +26%
(to 33,695 from 26,824 in 2023)

Real Estate +20%
(to 20,016 from 16,628 in 2023)

Services[5] +32%
(to 8,560 from 6,461 in 2023)

Generalist[6] +5%
(to 99,271 from 94,388 in 2023)

C2C monthly revenue per active ad (per listing on Generalist)

Auto[4] +0%
(€20 in both 2024 and 2023)
an arithmetic result of significant growth in active ads

Real Estate +0%
(€23 in both 2024 and 2023)
an arithmetic result of significant growth in active ads

Services[5] +11%
(to €24 from €22 in 2023)

Generalist[6] +3%
(to €7 from €6 in 2023)

Cultural highlights

Total CO_2 emissions decrease by 70%
2024: 54
2023: 100
2022: 183

The total amount of CO_2 emissions includes Scope 1 and Scope 2 (market-based), tonnes of carbon dioxide equivalent. Change in emissions calculated from a 2022 base year

Gender diversity 50:50

Our team continues to be balanced
(female : male headcount, as at 30 April each year)
(2023: 51:49, 2022: 51:49)

Employee engagement more than 95%

of employees who are proud to be part of the BCG team stays above 95%[7]
(2024: > 95%, 2023: > 95%)

[1] 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.
[2] Leadership position is based on time on site except for Auto24. Auto24 has no significant vertical competitor, the next relevant player is Generalist portal, therefore, the relative market share for this Generalist portal is calculated by multiplying time on site by the percentage of active automotive listings out of total listings at the end of the reported period.
[3] In Jobs & Services business line B2C revenue comes from Jobs only.
[4] Car listings only (excluding listings of vehicle parts, vehicles other than cars and other categories).
[5] In Jobs & Services business line C2C revenue principally comes from Services portals, therefore only Services platforms' information is presented.
[6] Skelbiu.lt only, which is our main Generalist portal.
[7] Over 95% of respondents 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 our annual employee engagement survey.

Chair's Statement

> *Our relentless focus on the core business of each of our 14 portals across the Baltic regions continues to reap rewards.*
>
> ***Trevor Mather,** Chair*

Overview

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

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

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

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

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

☞ For more on our Strategy and Business Model see page 10.

Board

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

☞ For more on our Board see pages 42 to 43; Board effectiveness see page 55 and our approach to Diversity see page 54.

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

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

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

Employees

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

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

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

☞ For more on our Purpose and Culture see page 10 and our People see pages 30 to 34.

> *The operating leverage of the business began to flow through now that the ongoing costs of being a public company are fully baked into the financial performance.*
>
> ***Trevor Mather,** Chair*

Environment, Social and Governance

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

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

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

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

☞ For more on our ESG see pages 22 to 37.

Returns to Shareholders and dividends

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

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

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

☞ For more details on our capital policy see the Financial review on page 19.

Looking ahead

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

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

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

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

Trevor Mather
Chair
2 July 2024

CEO's Statement

The attractive business environment in which we operate - part of the EU, the euro area and NATO enhances our prospects for further success and expansion.

***Justinas Šimkus**, CEO*

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

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

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

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

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

Strong consumers numbers:

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

Growth in both B2C and C2C number of customers:

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

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

Market context:

- Similar to trends in other countries, inflation has rapidly declined in Baltic economies, reaching more normal levels. Prices in the underlying markets of real estate and automotive have risen reflecting rising salaries.
- The number of used car market transactions over the last 12 months has grown by 6%. The average price per used car increased by 5% year-on-year, while the speed of sale has normalised. This has led to a 28% increase in the number of days a vehicle is advertised, providing a tailwind for the stock of vehicles on our sites.
- The number of real estate transactions declined 11% year-on-year, primarily due to higher construction costs since 2023 (and consequent lower supply of new build homes) and increase in the interest rates. However, estate prices grew 6% and most of our customers operate in the secondary market, therefore the commission pool remained healthy. In the environment of a lengthening selling time, BCG was able to double revenue from developers as a result of improvements to our sites in terms of the presentation of new homes and the associated changes in our pricing.
- The employment market has been very active this year, with companies continuing to face a significant labour shortage. The number of employers using Cvbankas.lt increased by 5%. Average salary grew by over 12%, prompting companies to increase their investment in employee search and selection.
- More people are seeking to find service providers online, leading to rapid growth in our Services verticals. We now have 32% more service provider advertisements on our platforms, and the yield has grown by 11%.
- The continuous growth of eCommerce activities has resulted in more transactions moving online. This has supported the growth of our Generalist platforms and ancillary products such as deliveries.

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

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

Justinas Šimkus
Chief Executive Officer
28 June 2023

[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.

Market Overview

Macroeconomic overview

The Group operates in the Baltic region, generating 70% of its revenue for the financial year from Lithuania, 28% from Estonia and 2% from Latvia.

For context, the Baltic states, also known as the "Baltics", consist of Lithuania, Estonia and Latvia.

Note: the macroeconomic data in the Macroeconomic overview is presented in calendar years, which differ from our financial year that starts on 1 May and ends on 30 April.

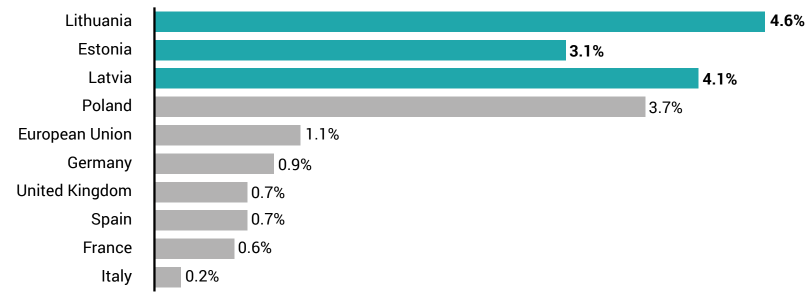
The Baltic States have been a part of NATO, the European Union, the euro area and OECD since:

2004: the Baltic states joined NATO
2004: the Baltic states joined the European Union
2010: Estonia joined OECD
2011: Estonia joined the euro area
2014: Latvia joined the euro area
2015: Lithuania joined the euro area
2016: Latvia joined OECD
2018: Lithuania joined OECD

The Baltic region has a strong credit profile with some of the lowest gross public debt to gross domestic product ("GDP") ratios in Europe in 2023: 38.3% in Lithuania, 19.6% in Estonia and 39.7% in Latvia. These are significantly below the euro area average of 88.6%.[1]

The Baltics have a total population of 5.8 million (Lithuania: 2.7 million, Estonia: 1.3 million and Latvia: 1.8 million)[2] and had a nominal aggregate GDP of approximately €150.0 billion in 2023 (Lithuania: €72.0 billion, Estonia: €37.7 billion and Latvia: €40.3 billion.[3]

Real GDP per capita CAGR during calendar years 2000-2023



Source: Eurostat (data for EU members), The Office for National Statistics (data for United Kingdom).

The region's economy has demonstrated resilience and ability to grow significantly over the period of last 23 years, with real GDP per capita growing at a compound annual growth rate ("CAGR") of 4.6% in Lithuania, 3.1% in Estonia and 4.1% in Latvia from 2000 to 2023, compared to 1.1% in the European Union.

The Baltic economies demonstrated remarkable resilience to recent adverse shocks, including the COVID-19 pandemic, the Russian invasion of Ukraine, energy and food price surge, high inflation and high interest rates.

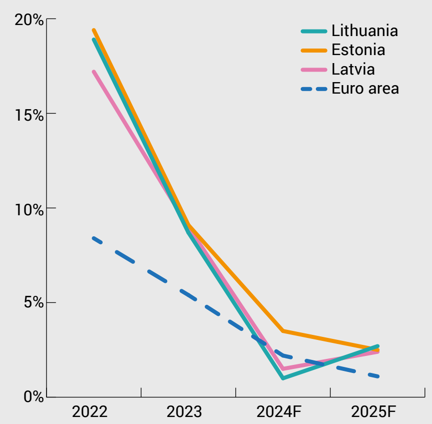
In 2023, the Baltic economies experienced a mild decline in GDP. (0.3)% in Lithuania, (3.0)% in Estonia and (0.3)% in Latvia.[1] However, a normalising inflation, a resilient labour market, anticipated improvement in foreign demand and declining interest rates are forecasted to contribute to a gradual recovery. On average, GDP growth in the Baltics in 2024 and 2025 is expected to surpass the euro area average of 0.6% in 2024 and 1.7% in 2025. GDP growth is forecasted to be 1.5% in 2024 and 2.8% in 2025 for Lithuania, (0.5)% and 3.5% for Estonia and 1.9% and 2.7% for Latvia.[1]

The unemployment level in the Baltic countries remains low and which is forecasted to stay near the euro area average in the coming years. In 2023, the average unemployment level was 6.8% in Lithuania, 6.4% in Estonia and 6.5% in Latvia.

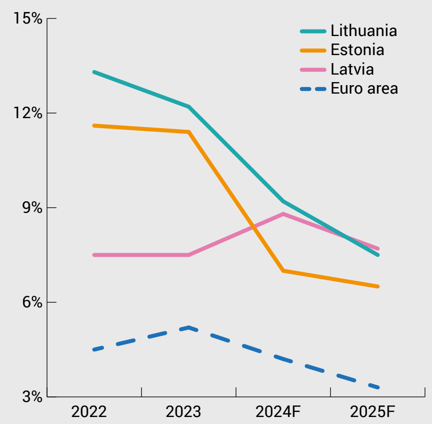
As projected, inflation in the Baltics eased in 2023 after a year of high double-digit levels, dropping to 8.7% in Lithuania, 9.1% in Estonia and 9.0% in Latvia. Inflation is expected to decrease further in 2024 to 1.0% in Lithuania, 3.5% in Estonia and 1.5% in Latvia.

The Baltic countries have a trend towards higher wage inflation, which is also part of increasing prosperity of the region. In 2023, despite a slowdown in the economy, labour markets showed resilience and wages increased by 12.2% in Lithuania, 11.4% in Estonia and 7.5% in Latvia.

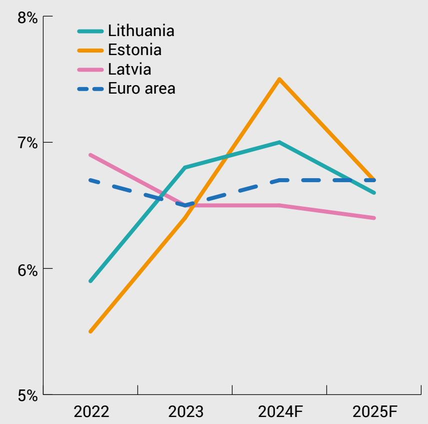
Consumer prices, YoY change[4]



Wages, YoY change[4]



Unemployment[4]



Source: Skandinaviska Enskilda Banken (SEB), May 2024

[1] Source: Skandinaviska Enskilda Banken (SEB), May 2024.
[2] Source: Wordometers, April 2024.
[3] Source: Eurostat.
[4] Actual figures in 2022-2023 and forecasted figures in 2024-2025.

Automotive market

Baltic Classifieds Group operates Auto portals in Lithuania and Estonia. Over the past 12 months the used car markets in Lithuania and Estonia have been influenced by rebounding supply, increased car affordability due to rising consumer incomes, and more favourable conditions for sourcing used cars from abroad. Additionally, the upcoming introduction of a car tax in Estonia has led to increased local market activity within the country.

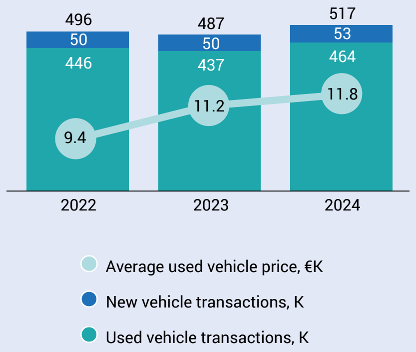
During this financial year, the number of new car transactions increased by 5% to 52 thousand per year, while the number of used car transactions increased by 6% to 464 thousand per year, combined in both Lithuanian and Estonian markets. The growth of the used car market was driven by continued recovery in used car imports in Lithuania, where they represent a significant portion of dealer business, and by more active local markets in both countries.

The average price of a used car has remained stable for the last three half-year periods, but, on average, it is 5% higher than the previous financial year, at €11.8 thousand. Consumer demand continues to be strong and steady, supported by rising household incomes, ensuring that there is no affordability pressure on vehicle prices.

The increasing number of transactions, combined with price growth and more favourable acquisition costs in Western European markets for used cars, has contributed to the expansion of the dealer margin pool.

The rebounding supply and inventory levels on our marketplaces have resulted in a 28% increase in the time it takes for dealers to sell a used car compared to last year. While this metric remained unchanged in Estonia, it significantly increased in Lithuania, where inventory and supply are recovering from an all time low in 2022.

Average used vehicle price and total transactions[1]



Source: Company information (average used vehicle price); Regitra, Autotyrimai and Maanteeamet (number of transactions)

Real estate market

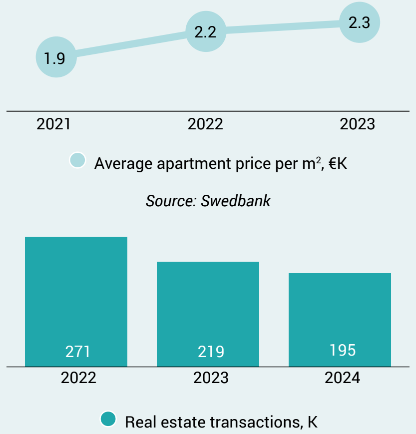
The Group operates online classifieds portals in the real estate markets of Lithuania, Estonia and Latvia. The home ownership rates in Lithuania, Estonia and Latvia are some of the highest in Europe: 89% (16% with mortgage or loan), 82% (27% with mortgage or loan) and 83% (13% with mortgage or loan) respectively.[2] Accordingly, secondary market transactions in the region are popular and account for the majority of real estate transactions.[3]

During the last 12 months ending April 2024, the Baltic real estate market was affected by several factors, including a rapid increase in interest rates, geopolitical tensions, and a slowdown in the economy. These factors led to an 11% decrease in the number of real estate transactions in 2024, bringing the total to 195 thousand transactions. This figure includes 90 thousand residential and 105 thousand non-residential real estate and land transactions.

Real estate prices have demonstrated resilience despite the decline in market activity. In the calendar year 2023, the average price per square metre of an apartment for sale in the Baltic capitals increased by 6%. This price increase is supported by the solid financial situation of real estate developers and elevated construction costs.[4]

As a result, decreased real estate demand in the region and elevated prices have led to longer selling times and increased inventory on our real estate portals. This provides visitors with a larger array of property choices.

Average apartment price[5] and real estate transactions[6]



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

[1] Number of transactions in Lithuania and Estonia, including vehicles that were registered in these countries for the first time.
[2] The home ownership rate measures the share of the population who are owner-occupants with or without a mortgage. Source: Statista, 2022.
[3] Source: Company information.
[4] Source: Swedbank, March 2024.
[5] Average apartment price per square metre in Vilnius, Tallinn and Riga during calendar years 2021, 2022 and 2023.
[6] Total number of real estate transactions in Lithuania, Estonia and Latvia.

Jobs & services market

The Group operates an online jobs board in Lithuania. Over the past 12 months ending April 2024, employer activity has shown much more stability, with job posting numbers remaining relatively consistent with the previous year, in contrast to the significant year-over-year fluctuations observed earlier. Despite ongoing geopolitical tensions and economic headwinds, the number of job advertisements listed on our jobs portal remained significantly higher than pre-2022 levels. This indicates a continued strong demand for workers in the Lithuanian job market.

A tight labour market has supported strong wage growth. Over the past 9 years, the compound annual growth rate for average gross wage was a notable 10%, showcasing consistent and substantial salary increases.[1] During the calendar year 2023, the average gross wage in Lithuania increased by 12%. Growing wages support the trend of higher investment in employee search and selection.

The average unemployment rate in Lithuania has slightly increased from 5.9% to 6.8% in the calendar year 2023. However, the number of employed persons in Lithuania increased in the calendar year 2023 and reached the highest level since 2007.[1]

Jobseekers' activity continues to grow rapidly, rebounding from the post-pandemic stagnation. This growth is supported by the inflow of workforce from foreign countries. Over the past 12 months, there has been a significant surge in applications on CVbankas.lt, with a 19% increase compared to the previous year.

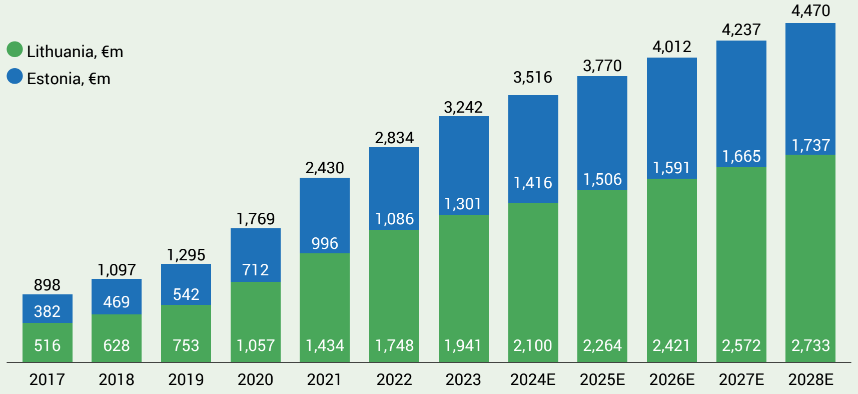
The Group operates services portals in Lithuania, Latvia and Estonia. Examining the service providers market, we have observed a significant increase in activity in 2024. Since 2023, the number of active advertisements on our Services portals has risen by 32%. The main drivers behind this growth was the increasing popularity and traffic to the portals, as well as the impact of the acquired portals GetaPro in Latvia and Estonia in 2023. The growing number of clients and leads encouraged more service providers to advertise. The slowdown in the macro environment has further catalysed this growth.

Generalist market

The Group operates Generalist portals in Lithuania and Estonia. The COVID-19 pandemic restrictions in 2020 and 2021 significantly boosted e-commerce growth in these countries. As a result, more customers turned to online shopping, leading to an increase in the number of online buyers, sellers, and transactions.

The Lithuanian and Estonian e-commerce markets experienced significant growth, with a combined CAGR of approximately 20% from calendar year 2017 to 2019, 37% from 2019 to 2021, and 15% from 2021 to 2023. Although growth slowed in 2022 and 2023 compared to the peak pandemic years of 2020 and 2021, it remained strong. This sustained growth continued to support our Generalist platforms and ancillary products, such as delivery services.

E-commerce market growth[2]



Source: Euromonitor

[1] Source: The Lithuanian Department of Statistics.
[2] E-commerce retail value RSP (retail selling price) excl. sales tax in calendar years. Figures updated as per changes in Euromonitor data (May 2024).

Our Business at a Glance

We love transactions!

BCG is a collection of the leading online classifieds websites across real estate, cars and jobs in the Baltic region. The Group is proud to be operating 14 online portals as shown in the Our brands section on the following page.

Our portals are among the most visited sites in Lithuania and Estonia. **The majority of the Group's traffic is direct, with a combination of direct and organic unpaid search channels accounting for 86% of total traffic. Paid search traffic is minimal, and our total marketing expenses are less than 2% of 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 2024, the Group's portals were visited on average 56.0[1] million times per month which means that on average, a resident in the Baltics visited one of our sites 10 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 auto, real estate, and other items, as well as job seeking, recruiting or locating a service provider.

Our business model

Our success stems from a proactive, consumer-focused business model that integrates both specialised (vertical) and general (horizontal) online portals, as shown in the table on the next page.

Our brands include vertical portals tailored to specific industries, facilitating advertising, promotion and sales within those sectors. These portals attract a significant number of loyal and returning business customers (B2C subscribers with contracts). They are also widely used by individual customers and the general public (C2C users engaging in one-time transactions and returning to our portals every few years to transact), enriching our portals with unique, hard-to-replicate content.

In addition, we operate horizontal or generalist portals, such as marketplaces, online auctions, and price comparison websites, which are popular among individual customers and the general public.

The advantages of this combined business model are:

- A wide selection for prospective consumers, maximising our audience reach.
- The ability to cross-list items between vertical and generalist portals, expanding reach, increasing available content, and driving traffic from generalist portals to higher monetizing vertical portals.
- Strong brand awareness across a wide network.

Our market position

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

Our leadership[2] position remains very strong compared to our closest competitor. The Group's portals are among the most visited websites in Lithuania and Estonia. According to April 2024 ratings from SimilarWeb, (which also include websites such as Facebook, Youtube and local news portals) Skelbiu was the 5th, Autoplius - 7th, Auto24 - 10th, Aruodas - 14th, KV – 17th, Osta - 13th in their respective countries.

Our purpose and culture

BCG exists to connect consumers with advertisers, facilitating easier transactions.

The Group's purpose, values, and strategy are closely aligned with its culture. Our governance framework, organisational structure, and culture significantly contribute to the successful delivery of our business model and support our overarching purpose.

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

- Enhancing the transaction experience.
- Providing the easiest solutions for sellers and buyers to connect.
- Ensuring a simple advertising process for our consumers and advertisers.
- Being the primary solution for our consumers' and advertisers' transaction needs.

See pages 47 to 48 for information on our Stakeholders and our approach to engagement.

See pages 22 to 37 for information on our approach to Sustainability.

Our strategy

Our successful business model, **combining vertical and generalist platforms,** is sustained by strategic decisions, including:

- **Investing in fit-for-purpose, long-term technology:** We develop all technology in-house and on a portal-specific basis, allowing an agile approach while sharing components and applications across the platforms. This investment has created a scalable infrastructure capable of handling increasing traffic levels.
- **Focusing on cash generation with excellent margins:** Our market leadership and strong brand identity enable low marketing expenditures. Additionally, our organisational structure supports shared corporate functions and minimal capital expenditure.
- **Talent recruitment and retention:** We attract and retain a highly skilled and efficient workforce. Our core HR objective is to recruit high-potential, motivated employees and provide them with opportunities for growth and development.

For our strategic aims see Moving our Strategy Forward on pages 13 to 15.

"BCG is a collection of the leading online classifieds websites across real estate, cars and jobs in the Baltic region."

[1] Note: The changes in the cookie consent policy, which now require general consent for all cookies not strictly necessary for website operation, have impacted data collection. Additionally, internet browsers have implemented stricter controls on third-party cookies, leading to a loss of data collected by Google Analytics. As a result, the statistics in Google Analytics are incomplete and show a decline in total visits to our portals.

[2] 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.

Our brands	Automotive	Real Estate	Jobs & Services	Generalist
Lithuania	autoplius.lt	aruodas.lt	(Services) Paslaugos.lt CV bankas (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 2024	38%	25%	19%	18%

Why invest in us

Attractive business environment

Western-minded and business-oriented

- **Part of EU and NATO** since 2004[1]
- **Part of the euro area** since 2011-2015[1]
- **Part of OECD** since 2010-2018[1]

Low public debt

38% in Lithuania
20% in Estonia
40% in Latvia
vs
89% euro area average

gross public debt to GDP ratio[2]

GDP growth exceeds EU avg

1st in the EU

4.6% in Lithuania
3.1% in Estonia
4.1% in Latvia
vs
1.1% EU average

Real GDP per capita CAGR 2000-2023

Economic freedom

#12 Lithuania
#12 Estonia
#25 Latvia

in respect to the economic freedom globally[3]

Ease of doing business

#11 Lithuania
#18 Estonia
#19 Latvia

in respect to ease of doing business globally[4]

High digital quality of life

#2 Lithuania
#2 Estonia
#20 Latvia

in electronic security globally[5]

eGovernment maturity score

#8 Lithuania
#2 Estonia
#9 Latvia

in eGovernance maturity score ratings in the "EU27+"[6]

[1] Calendar years.
[2] Calendar year 2023. Source: Skandinaviska Enskilda Banken (SEB), May 2024.
[3] Source: Economic Freedom of the World Annual Report, 2023.
[4] Source: World Bank's Doing Business report, 2020.
[5] Source: Digital Quality of Life, 2023.
[6] 'EU27+': the 27 European Union Member States, Iceland , Norway , Switzerland , Albania , Montenegro , North Macedonia , Serbia and Turkey. Source: eGovernment Benchmark 2022.

Proven track record and strong financial position

Early in monetization journey	Robust EBITDA[1] growth	Exceptional EBITDA[1] margin
Our take rates are lower than those of our international peers	19% EBITDA CAGR, 2021-2024	77%

Strong revenue growth	Highly cash generative	Strong Balance Sheet
19% Revenue CAGR, 2021-2024	99% Cash conversion[1]	0.5x leverage[1] compared to 2.75 at IPO in July 2021

Strong foundations support our growth

We are a clear leader

7x Autoplius
36x Auto24
17x Aruodas
19x KV and City24 in Estonia
7x CVBankas
23x Skelbiu

Leadership position[2] in number of times against closest competitor

BCG is a collection of the leading[2] online classifieds websites across real estate, autos, jobs, services and general merchandise in the Baltics.

Go-to destination

56.0m visits per month

Group's portals were visited on average 56.0 million times a month[3]. This equals to each resident in the Baltics visiting our site 10 times per month.

Deeply penetrated

86%

The majority of the Group's traffic[4] is direct, with a combination of direct and organic unpaid search channels

Benefiting from synergies

#1 horizontal and #1 vertical portals reinforce each other

A combination of verticals and horizontals brings a lot of synergies and allows covering the wider market

Fragmented customer base

50% B2C and 39% of C2C

Core classifieds revenue amounts to 90%. Having a significant part of C2C ads to customer fragmentation.

Experienced and diverse team

8 and 13 y. of tenure

average 8 years of tenure per employee and average 13 years of tenure per Senior Management employee

50:50

the split between women and men in our organisation

Highly engaged team

>95%

more than 95% of our employees feel proud to be a part of the BCG team[5]

Committed to sustainability

70%

reduced our Scope 1 and 2 carbon emissions by 70% since 2022

[1] Alternative performance measure (see note 4 to the consolidated financial statements on pages 89 to 90). 2023-2024 EBITDA and 2022 adjusted EBITDA.
[2] 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.
[3] Source: Google Analytics, 2024.
[4] Source: SimilarWeb data, 2024.
[5] Annual BCG employee survey, 2024.

Moving our Strategy Forward

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 purpose is to connect consumers with advertisers and help them transact more easily. 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 advertisers. The digital marketplaces we operate promote trust, fairness and efficiency.

Our Company values and behaviours

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 strategic pillars

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

Our stakeholders

- Investors
- Consumers and Advertiser
- Our People
- 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:

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

For more on our culture see pages 30 to 34.
For more on Engagement with our Stakeholders see pages 47 to 48.
For more on our ESG see pages 22 to 37.

Our strategic aims

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, enabling upsell and cross-sell.

How we measure progress

- Revenue
- C2C yield[1]
- B2C average revenue per user (ARPU)

2024 progress

We ended our year 2024 with the highest ever yearly revenue in all four business units. **Group's revenue grew 19% to €72.1 million** (2023: €60.8 million).

The robust growth across all four business lines was primarily driven by strength in the core business. The growth came from **B2C and C2C** which are the core revenue streams and together **now represent 90% of BCG revenue. B2C and C2C revenue grew 22% and 18% respectively.**

Improvements to our products and packages for B2C customers supported price increases in our Auto, Real Estate and Jobs business lines towards the end of the H1 this year. **Monthly ARPU has grown across all business lines.**

At the beginning of the reporting period, we implemented a C2C pricing event that increased the price per listed C2C ad.

Associated risks

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

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 traffic 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

2024 progress

The Group is highly penetrated. Due to its leading market positions and strong brand affinity, the Group's portals attract a large and highly engaged consumer audience.

During the last years, all **our leading sites have maintained their significant audience lead[2] over the closest competitor** (based on the time spent on site data from SimilarWeb).

With a large and engaged consumer audience, the Group's brands are widely known and thus organically attract advertisers to advertise products for sale, resulting in the Group's portals having leading content that in turn attracts more consumer traffic. However, changes in the cookie consent policy, which now require general consent for all cookies not strictly necessary for website operation, have impacted data collection. Additionally, internet browsers have implemented stricter controls on third-party cookies, leading to a loss of data collected by Google Analytics. As a result, the statistics in Google Analytics are incomplete and show a decline in Group's traffic. According to Google Analytics, during 2024 we had on average 56.0 million visits per month, **which equates to every resident in the Baltics visiting our sites 10 times per month, making the portals the go-to place for consumers to shop.**

Associated risks

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

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 advertisers in the Baltic markets.

How we measure progress

- Developments
- Innovations
- Partnerships

2024 progress

Auto. In Lithuania we have upgraded and expanded the car history check, introduced a new data product, that enables business customers to analyse competitors and benchmark their performance.

In Estonia, we re-launched the car history check service with a new user interface and tighter integration with Auto vertical, which acts as a data source and marketing channel.

Real Estate. In Lithuania, we introduced a new prominence package for business clients.

In Estonia, we launched a new product for the property rental market in Estonia, allowing landlords and tenants to sign rental contracts through our platform.

Jobs & Services. On our Jobs board in Lithuania, we developed tools to streamline the job candidate selection process. Employers can now use filters to quickly identify the best candidates that match their criteria and easily access potential employees in the CV database.

On our Services platform in Lithuania, we introduced the option for service providers and customers to sign service agreements directly within the platform.

On our Latvian and Estonian Service platforms we focused on enhancing content quality.

Generalist. In Estonia we introduced a "buy now, pay later" feature, providing buyers with an easy financing alternative for their purchases. We also launched a parcel self-service platform that aggregates popular parcel delivery providers.

In Lithuania, on our price comparison website, we continuously work on improving content quality. Last year, we added over 25,000 item specifications, enhancing user experience and boosting our SEO efforts.

More details in our Operational Review (page 20).

Associated risks

- Competition risk
- Technology risks

[1] "Yield" refers to the average monthly revenue per active (Auto or Real Estate) or listed (Generalist) C2C listing.

[2] 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.

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 EBITDA margin[1]
- Operating profit
- Adjusted operating profit[1]
- Cash generated from operating activities
- Cash conversion[1]
- Basic EPS
- Adjusted basic EPS[1]

2024 progress

Year 2024 profitability was the highest ever.

Our **EBITDA grew 20% to €55.3 million** (€46.0 million in 2023) and ended our year with 77% EBITDA margin (76% in 2023).

Adjusted operating profit up 21% to €54.5 million (2023: €45.3 million).

Operating profit up 32% to €38.3 million (2023: €29.1 million).

Cash generated from operating activities was up 23% to €59.0 million (2023: €48.0 million).

Cash conversion maintained at 99% (99% in 2023).

Basic EPS up 40% to 6.5 € cents (2023: 4.7 € cents).

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

Associated risks

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

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

2024 progress

There were no acquisitions this year. Last year, in July 2022, we acquired GetaPro services platforms in Latvia and Estonia.

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

Associated risks

- Acquisition risk

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

2024 progress

During 2024 we made progress in our net zero journey by reporting our Scope 3 carbon emissions for the first time and reducing our impact on the environment:

- we reduced the total CO_2 emissions in direct operations by 70% from a 2022 base year and
- increased the portion of electricity used from renewable sources from 63% in 2022 to 88%, while
- emission-free electricity was increased from 66% in 2022 to 99%.

During the year we have conducted an employee engagement survey and were pleased that, in line with last year, 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 an equal female-to-male ratio of 50:50 (as of the end of 2023: 51:49).

Associated risks

- Climate change risk

[1] Alternative performance measure, see note 4 to the consolidated financial statements.

Financial Review

We have achieved our strongest financial results to date, with a c.70% increase in revenue and EBITDA compared to our IPO three years ago.

***Lina Mačienė**, CFO*

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

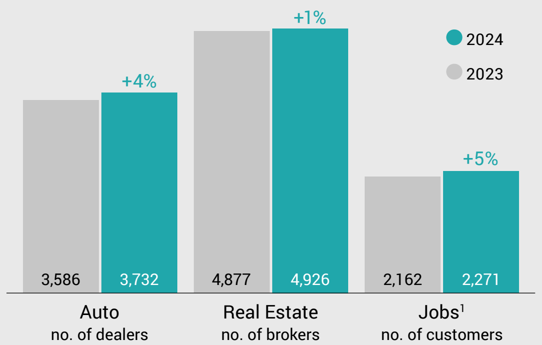
- **The Auto business line grew by 24%. B2C grew 31% and C2C grew 23%.**
- **The Real Estate business line grew by 20%. B2C grew 24% and C2C grew 21%.**
- **The Jobs & Services business line grew by 17%. B2C (Jobs) grew 12% and C2C (mainly Services) grew 45%.**
- **Generalist business line, which is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

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

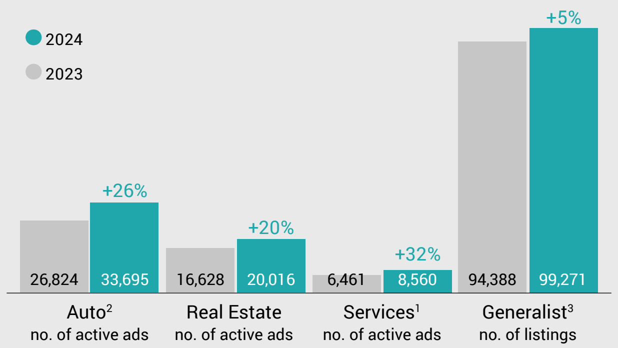
The main drivers of revenue growth continue to be the increase in the number of advertisements and active C2C listings, the rise in the number of advertisers across all business sectors, and the higher average spend per customer and advertisement across our business.

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

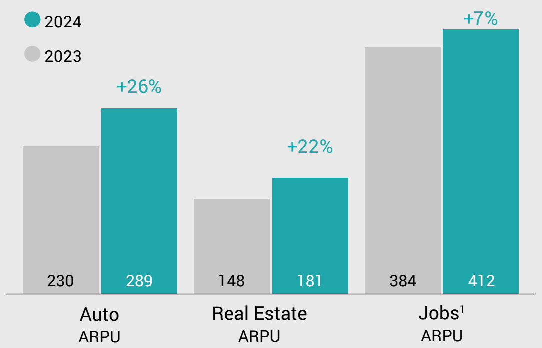
B2C - monthly number of dealers/brokers/companies by business line



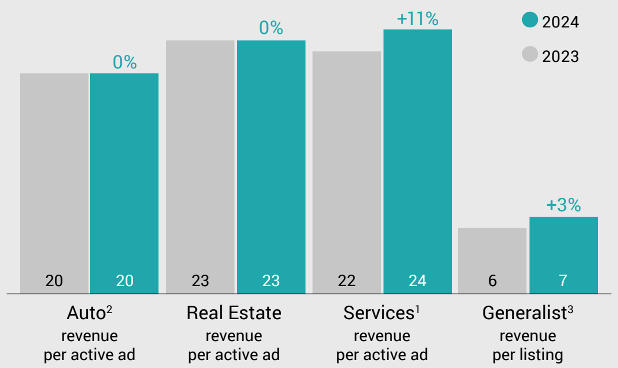
C2C - monthly number of active ads/listings by business line



B2C - monthly ARPU[4] (€)



C2C - monthly revenue per active ad/revenue per listing C2C (€)



[1] In Jobs & Services business line B2C revenue comes from Jobs only; C2C revenue principally comes from Services portals, therefore only Services platforms' information is presented.

[2] Car listings only (excluding listings of vehicle parts, vehicles other than cars and other categories).

[3] Skelbiu.lt only, which is our main Generalist portal.

[4] ARPU - average revenue per user.

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

The number of B2C customers grew across all business lines:

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

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

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

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

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

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

Operating costs

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

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

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

Net finance expense

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

Net debt and leverage

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

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

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

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

[1] Yield refers to the average monthly revenue per active C2C ad (in Auto, Real Estate, Services), per C2C listing (in our Generalist) or ARPU in B2C. ARPU is monthly average revenue per user (in Auto – per dealer, in Real Estate – per broker, in Jobs – per company).

[2] Alternative performance measure, see note 4 for further details.

[3] Customer credit balances relate to amounts held by customers in e-wallets and are included within trade and other payables as well as cash and cash equivalents.

Tax

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

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

Profitability and Alternative Performance Measures

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

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

For APM descriptions and reconciliation to IFRS measures, see note 4.

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

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

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

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

[1] Alternative performance measure, see note 4 for further details.

Earnings per share ("EPS")

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

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

Cash flow and cash conversion

Cash generated from operating activities grew 23% to €59.0 million (2023: €48.0 million). Cash conversion[1] continues to be maintained at 99% (2023: 99%). Net cash inflow from operating activities grew 20% to €51.2 million (2023: €42.7 million).

Capital allocation

Net cash generated from operating activities was used for:

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

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

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

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

Going concern

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

Lina Mačienė
Chief Financial Officer
2 July 2024

STRATEGIC REPORT

[1] Alternative performance measure, see note 4 for further details.

Operational Review

> *We continue operating business in the BCG way - consistently entrepreneurial, agile, and pragmatic whilst holding a long-term perspective.*
>
> ***Simonas Orkinas**, COO*

Our third successful year as a public listed company has passed. We continue operating business in the BCG way - consistently entrepreneurial, agile, and pragmatic whilst holding a long-term perspective.

We have maintained a hybrid working culture which blends office and remote work. Feedback tells us this model is highly appreciated by our teams, who remain exceptionally stable, engaged and capable of developing products and features across all our business lines.

Here we look at our key product developments in 2024 by business line:

Auto

We have upgraded and expanded the car history check service to the whole Lithuanian market and have re-launched this service in Estonia. It now features a new user interface and tighter integration with Auto24.ee, which serves as a data source and marketing channel. It is a natural extension of our marketplace offering. We are offering standalone reports for buyers to purchase with a potential to include them in the higher-tier business customer packages. Additionally, we introduced a new data product on Autoplius.lt, enabling business customers to analyse competitors and benchmark their performance against other market players.

We introduced the rating system for the highest tier car dealers on Autoplius.lt. This system allows them to ask for feedback from car buyers which builds both trust and competitive advantage. Our experience is that ratings motivate dealers to further improve the experience they provide for car buyers which enables car buyers to make a better choice.

Real Estate

In Aruodas.lt and KV.ee we introduced a new prominence package for business clients. This package includes bump-ups of listings which effectively increase the number of impressions and leads. We also upgraded the KV.ee property history tool, helping buyers navigate the latest developments in the real estate market better.

In Estonia, together with our partners, we launched a new product for the property rental market. Landlords and tenants now have the option to sign rental contracts through our platform, benefiting both parties significantly. Firstly, background checks are conducted on potential tenants and a score is provided to help landlords make informed decisions. Secondly, compensation to landlords for property damage is ensured through third-party insurance. Tenants benefit from a balanced rental agreement, 24/7 emergency service, insurance for property damage, and rental payment protection in case of their inability to pay. This approach also offers clear advantages for our platform. By facilitating these rental agreements, we can get recurring revenue throughout the rental period instead of a one-time payment.

Jobs & Services

In CVbankas.lt we developed tools to simplify the selection of job candidates. Employers can now set filters to quickly identify the best candidates that fit their criteria and easily access potential employees in the CV database. Additionally, we established a partnership with the Lithuanian startups association Unicorns Lithuania, supporting its members in their employment journey by providing additional exposure on our platform.

Paslaugos.lt introduced the option to sign service agreements between service providers and customers within the platform. This feature is viewed as a convenient tool for users and a valuable data source for the platform.

In GetaPro we focused on improving content quality. We encourage service providers to add more information to their profiles and collect more feedback, which helps them achieve higher listing positions.

Generalist

In Osta.ee we introduced a "buy now, pay later" functionality, which provides buyers with an easy financing alternative for their purchases. We also launched a parcel self-service platform that aggregates the most popular parcel delivery providers. This convenient tool is not limited to Osta.ee users and can be used to send items sold on any marketplace.

In the price comparison service Kainos.lt, we are continuously working on improving content quality. Last year we added over 25,000 item specifications, enhancing the user experience and benefiting our SEO efforts.

In addition to these consumer-facing developments, substantial progress has been made behind the scenes. In 2024 we successfully upgraded our production hardware, continuously tested and improved our disaster recovery plans, and implemented new payment methods to better meet customer needs and optimise costs.

Simonas Orkinas
Chief Operating Officer
2 July 2024

Section 172(1) Statement

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

"In order to promote the success of the Company for the benefit of all its Stakeholders, the Directors confirm that they have acted with the long-term success of the Company in mind for the benefit of Shareholders, in accordance with the Companies Act 2006 Section 172(1) (a) to (f). The Board of Baltic Classifieds Group PLC acknowledges all legal duties specifically S171 to S177 Companies Act 2006. The Board primarily engages with employees and Shareholders, but also stays informed about other Stakeholders' issues through Executive Directors, reports from Senior Management, and external advisors."

Pages 47 to 49 outline the ways in which we have engaged with key Stakeholders and focuses on the following key areas:

- Who the key Stakeholders are and the issues that matter the most to each Stakeholder group
- How the Board engages with and has oversight of those Stakeholder groups
- Board priorities, key actions and principal decisions and how they tie into Section 172(1) (a) to (f)

The Board views "Principal Decisions" as decisions that have important long-term effects and consequences for the Company and/or its Stakeholders. These decisions are different from the regular, routine decision-making processes the Board typically undertakes.

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

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	13
Risk Management	38
Board Leadership and Company Purpose	46
S172(1)(b) Interests of employees	
Section 172(1) Statement	21
Engagement with our Stakeholders	47
Sustainability Report	22
Board Leadership and Company Purpose	46
Statement of Engagement with Employees	69
Board activity and culture	46
Board priorities, key actions and principal decisions	49
Non-financial and Sustainability Information Statement	36
S172(1)(c) Fostering business relationships with suppliers, customers and others	
Moving our Strategy Forward	13
Section 172(1) Statement	21
Engagement with our Stakeholders	47
Board Leadership and Company Purpose	46
Statement of engagement with other business relationships	69
Non-financial and Sustainability Information Statement	36
S172(1)(d) Impact of operations on the community and the environment	
Moving our Strategy Forward	13
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Board Leadership and Company Purpose	46
Non-financial and Sustainability Information Statement	36
S172(1)(e) Maintaining high standard of business conduct	
Moving our Strategy Forward	13
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S172(1)(f) Acting fairly between members	
Section 172(1) Statement	21
Engagement with our Stakeholders	47
Division of Responsibilities	50

Sustainability Report

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 the ESG strategy.

Our ESG working group makes sure we follow and continue to evolve our strategy and make progress towards our goals. The ESG working group consists of five members, including three Executive Directors and two other employees. The Chair, together with Non-Executive Director Jurgita Kirvaitienė, are actively involved in ESG activities and attend ESG working group meetings on demand.

During 2024, the ESG working group met four times. The following topics have been discussed by the ESG working group during the year:

- progress towards our ESG targets;
- new gender diversity targets;
- the Group's carbon footprint;
- Scope 3 reporting;
- forthcoming ESG reporting requirements;
- feedback from our investors on ESG related issues;
- climate-related risks and opportunities; and
- BCG score in ESG rating agencies.

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

- tracking our progress against ESG targets;
- tracking our Scope 1, 2 and 3 emissions; and
- focusing on forthcoming ESG reporting.

The Board fully supports the initiatives of the ESG working group and gives Board-level oversight of environmental, social and governance issues and achievement of our ESG goals. Environmental, social and governance matters are included in the Board's formal annual schedule and are regularly discussed during the meetings.

Reporting frameworks

We continue to evolve our Environmental, Social and Governance ('ESG') reporting to meet the requirements of leading industry frameworks and our stakeholders' expectations. BCG has aligned its ESG reporting to the Task Force on Climate-related Financial Disclosures (TCFD) and to the principles of the Sustainability Accounting Standards Board (SASB) framework for Internet and Media Services. We have also identified the UN Sustainable Development Goals ('SDGs'), which we believe we can make a meaningful contribution to.

Disclosure index for the Task Force on Climate-related Financial Disclosures (TCFD) framework can be found on page 24.

Disclosure index for the Sustainability Accounting Standards Board (SASB) framework can be found on page 37.

ESG materiality assessment

In order to have a successful sustainability strategy in the long run, an understanding of which ESG topics are the most material to BCG is crucial. In 2023, we performed a materiality assessment and identified the most material ESG topics for BCG. As part of this process, we considered various topics raised by investors, ESG rating agencies, Senior Management and employees to determine the ESG issues most 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

- Labour 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

ESG highlights 2024

Environmental

- Reported our Scope 3 carbon emissions for the first time
- Reduced our absolute Scope 1 and 2 emissions by 70% from a 2022 base year
- Achieved our goal to have at least 80% of used electricity derived from renewable energy sources by 2025 by increasing the portion of electricity derived from renewable sources from 63% in the base year 2022 to 88%
- Offset our Scope 1 and 2 carbon emissions and achieved carbon neutrality across our direct operations

Social

- Set gender diversity goals
- Ranked within top 10 best performers in FTSE Women leaders review 2023 (FTSE250)
- Expanded our employee training disclosure with employee training statistics
- Maintained our average 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: 50:50
- Donated €0.2 million to selected charitable causes

Governance

- Introduced new policies: AI Policy, Confidential Information Policy, Code of Conduct, Supplier Code of Conduct and Disaster Recovery Policy
- Improved our data security practices with 2FA authentication for e-mail boxes and MDM (mobile device management) solution in Lithuania
- Continued to evolve with the requirements of GDPR by carrying out optimisation for personal data deletion processes
- Increased awareness of cyber security and GDPR through employee training

Alignment with the UN SDGs

The Sustainable Development Goals ("SDGs") 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.

Environment

Helping customers to make more sustainable choices

We take pride in the fact that many of the Group's 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 all contribute to minimising carbon emissions related to unnecessary travel, as well as saving time and resources for our customers.

Auto

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

- extra fields for electric vehicle listings: range and battery capacity;
- information on emissions, the rate of the pollution levy and fuel usage in auto ads;
- informative articles and videos for consumers about electric vehicles and models that are currently on the market.

Jobs & Services

Our Jobs & Services portals also help our advertisers and consumers make more environmentally friendly decisions, reducing GHG emissions brought on by needless travel:

- customers may locate the services they require online on our Services portals;
- jobseekers and recruiters may connect through our Jobs site online;
- remote workplace location tags and travel to work time and distance information help jobseekers find positions with less daily travel required.

Real Estate

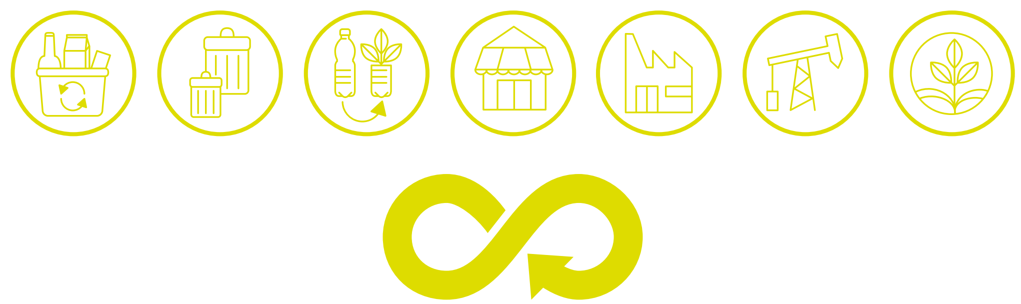
In the Baltics, which have some of the highest home ownership rates in Europe, residential real estate is a significant industry. The Group's Real Estate online listings portals play a vital role in the Baltic real estate market, which enables us to significantly improve the real estate industry's environmental performance. We hope to save time and resources for clients, as well as decrease needless trips to estate agents' offices and inappropriately described properties by these features of our Real Estate portals:

- high quality photos, 3D tours, video tours, floor plans, and property descriptions online;
- location of a listed property on a map, providing both a route and street view option;
- information on heating costs, the energy class, air quality in a particular location, including information on ambient air pollutants, nitrogen dioxide ($NO2$) and coarse particulate matter (PM10).

Generalist

Our online classifieds and marketplace portals not only offer one of the best ways for customers to advertise and find goods and services across the Baltics, but they also direct clients towards decision that promote circular economy and are socially responsible:

- by purchasing used goods on our Generalist portals rather than brand-new ones, fewer products need to be made and end up in landfills, reducing GHG emissions and material waste;
- rubbish collection services on our portals can only be offered by licensed providers, helping our clients in making more sustainable decisions as unlicensed suppliers may harm the environment. In order to control the content and combat illegal rubbish collectors, we also work with local authorities;
- pet category listings require specific information about pets, such as the seller's registration number and the pet's microchip number. We also work with local authorities to promote ethical and pet-friendly breeding.



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 focussed on understanding the full scope of our direct and indirect carbon emissions and making progress towards our environmental targets.

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 governance

Board oversight of climate-related risks and opportunities

The Board has overall responsibility for the Group's preparedness for adapting to climate change. To ensure the Board has sufficient oversight of climate change issues, the Board has established an ESG working group, consisting of three Executive Directors and two other employees, and assigned climate-related responsibilities to the working group. The ESG working group reports to the Board and regularly updates the Board on climate related risks and opportunities, as well as progress against targets addressing climate related issues. For more information on the ESG working group, see the Sustainability Report on page 22.

During the year ended 30 April 2024, the Board included climate-related topics in four of the Board's meetings. In October 2023, the Board reviewed progress towards our environmental targets and forthcoming environmental reporting requirements. In February 2024, the Board reviewed the Group's 2024 H1 emissions, discussed identified Scope 3 activities and methodologies and approved the Group's Scope 3 business goals. In March 2024, the Board reviewed climate change risks and opportunities as part of an annual ESG Risk Register review. In April 2024, the Board received and discussed the results of an annual employee engagement survey.

Climate-related issues are also considered when reviewing business activities, strategic objectives, risk management or annual budgets. Climate-related risks are included into the overall Group's Risk Register and reviewed on a regular basis. In 2023, the Group included an environmental strategic aim into the Group's strategy. Because of the business nature, during the financial year there were no other material changes to business activities and plans nor additional expenditure, acquisitions or divestitures budgeted for the next year, regarding climate change.

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	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 TCFD governance section of this TCFD Report.
2. Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	
3. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	The material climate-related risks and opportunities and the impact they may have on the Group have been identified and are disclosed in the Climate strategy section of this TCFD Report.
4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The climate-related risks and opportunities were stress-tested in three different climate scenarios and the resilience of our strategy is described in the Climate strategy section of this TCFD Report.
5. Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios	
Risk management	
6. Describe the organisation's processes for identifying and assessing climate-related risks	The Group's processes for identifying, assessing and managing climate-related risks are described in the Climate-related risk management section of this TCFD Report.
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	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 Climate-related risk management section of this TCFD Report and the Risk management section of the Strategic Report on pages 27 and 38.
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	Our environmental targets are described in the Environmental metrics and targets section of this TCFD Report.
10. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Scope 1, 2 and 3 GHG emissions, energy consumption, water consumption and information on electricity are also disclosed in the Environmental metrics and targets section on pages 27 to 29.
11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	

Management's role in assessing and managing climate-related risks and opportunities

The ESG working group is in charge of the ESG Risk Register, which is a subsection of the Group's Risk Register and includes climate-related risks and opportunities. The ESG working group organises an annual update for climate-related risks and opportunities with the Senior Management. Senior 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.

Climate strategy

Climate-related risks and opportunities

Due to our 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 the business. In 2024, the Group reviewed 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 associated with 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 (up to 3 years)
- Medium term (up to 10 years)
- Long term (over 10 years)

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

- Auto
- Real Estate
- Jobs & Services
- Generalist

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 and opportunities, including related 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 🟡
Rising mean temperatures	Rising mean temperatures may result in heatwaves, which would increase cooling costs in offices and data centres.	All business lines 🟡
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 🟡
Transitional risks		
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 🟢 🔵 🟡
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 🟡
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 🔵 🟡
New regulations reduce real estate stock on the market	If stock is reduced on the market due to increasing environmental regulations, like restrictions on energy use, requirements for energy performance certificates and other environmental data, the volume of transactions and ads will decrease, leading to a 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 🔵 🟡
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 🔵 🟡
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 🟢 🔵 🟡
New environmental regulations reduce mortgage availability	Reduced mortgage availability due to environmental regulations may decrease the number of transactions leading to increase in the length of ads being advertised and as a result higher revenue in the Real Estate segment.	Real Estate 🔵 🟡
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 🔵 🟡
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 🔵 🟡
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 reputation may also result in higher availability and lower cost of capital.	All business lines 🟢 🔵 🟡

🟢 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 scenarios published by NGFS (Network for Greening the Financial System). Based on the latest publication by NGFS (November, 2023), we also considered a new fourth scenario "Too little, too late", which was explored for the first time by NGFS. Key assumptions from this scenario are covered in our scenarios 2 and 3, as a result we decided not to include it in our analysis. The three scenarios that we employed in our analysis are as follows:

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, which leads to a hot house world with significant global warming and, as a result, strongly increased exposure to physical risks.

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 below.

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, Senior 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 advertisements 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, Senior Management does not foresee any material impact on the financial planning that may arise from climate-related issues.

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 2031)	No policy action
Transition	Smooth transition	Disruptive transition	Business as usual
Time horizons	Short to medium-term	Medium to long-term	Medium to long-term
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 2 degrees above pre-industrial levels
Sea level rise	Low	Low	High
Risks	Low physical and transition risks	Higher transition risk	Higher physical risks
Shadow carbon prices (2010 US$ per tonne of CO_2e)	Estimated range: 100-600	Estimated range: 300-400	Estimated range: 0-100

Type of risk / opportunity	*Specific risk / opportunity*	*Scenario 1 "Orderly" Timeframe of impact: short to medium- term*	*Scenario 2 "Disorderly" Timeframe of impact: medium to long-term*	*Scenario 3 "Hot house world" Timeframe of impact: medium to long-term*
Physical risks	Changing weather patterns and increased severity of extreme weather events	● Immaterial	● Immaterial	● Medium
Transitional risks	Higher taxation on transactions of internal combustion engine vehicles	● Immaterial	● Low	● Immaterial
	Internal combustion engine vehicles ban	● Immaterial	● Low	● Immaterial
	Consumers switching to electric vehicles	● Immaterial	● Immaterial	● Immaterial
	New regulations reduce stock on the market	● Immaterial	● Immaterial	● Immaterial
Opportunities	Introduction of yearly internal combustion engine vehicle ownership tax	● Immaterial	● Low	● Immaterial
	Opening of new market segments, such as advertising EV charging infrastructure	● Immaterial	● Immaterial	● 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

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 "Orderly" and "Disorderly", though there are differences in their timings and materiality of financial impacts. On the other hand, "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 38). 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 2024, 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 TCFD Report.

Each member of the Senior Management has endorsed the risk management framework and, as risk owner, is 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.

Environmental metrics and targets

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.

Our total CO_2e emissions[1]		*2024*	*2023*	*2022 (base year)*	*Units*
Scope 1 direct emissions	Combustion of fuel and operation of facilities	40.0	43.7	48.6	tonnes CO_2e
Scope 2 indirect emissions[2]	Purchased electricity, heating and cooling (location-based)	141.2	151.4	324.3	tonnes CO_2e
	Purchased electricity, heat and cooling (market-based)	14.5	56.8	134.2	tonnes CO_2e
Scope 1 & 2 total CO_2e (location-based)		181.2	195.1	372.9	tonnes CO_2e
Scope 1 & 2 total CO_2e (market-based)		**54.5**	**100.5**	**182.8**	**tonnes CO_2e**
Scope 3[3]	Purchased goods & services	811.1	-	-	
	Capital goods	95.9	-	-	
	Fuel and energy-related activities	37.2	-	-	
	Business travel	9.3	-	-	
	Employee commuting (including working from home)	105.8	-	-	
Scope 3 total CO_2e[3]		1,059.3	-	-	tonnes CO_2e
Scope 1,2 & 3 total CO_2e (location-based)[3]		1,240.5	-	-	tonnes CO_2e
Scope 1,2 & 3 total CO_2e (market-based)[3]		1,113.8	-	-	tonnes CO_2e
Intensity ratios for Scope 1 & 2 CO_2e					
CO_2e per employee[4] (location based)		1.3	1.5	3.0	tonnes CO_2e
CO_2e per million revenue[5] (location-based)		2.5	3.2	7.3	tonnes CO_2e
CO_2e per employee[4] (market-based)		0.4	0.8	1.5	tonnes CO_2e
CO_2e per million revenue[5] (market-based)		0.8	1.7	3.6	tonnes CO_2e
Global energy consumption (Scope 1 & 2)		634.3	670.6	692.8	MWh

[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] No comparable data. Scope 3 emissions presented for the first time.
[4] Carbon emissions divided by average number of FTEs during the year - 136 (2023 - 131).
[5] Carbon emissions divided by revenue in millions - €72.1 million (2023 - €60.8 million).

STRATEGIC REPORT

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 operational control approach, as defined in the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard. In 2024, GHG Accounting Consolidation Approach was changed from financial control approach to operational control approach to include all GHG emissions we have operational control over. Previous years' emissions were not restated as it was calculated that there is no material effect from this change.

We have calculated our emissions using emission conversion factors published by the Department for Environment, Food and Rural Affairs (Defra), the Department for Business, Energy & Industrial Strategy (BEIS), the Joint Research Centre (JRC) - the European Commission's science and knowledge service, Association of Issuing Bodies (Residual Mixes) and Exiobase.

Scope 1

Scope 1 emissions cover natural gas combustion within boilers and road fuel combustion within leased/rented vehicles across all Group companies. During 2024, we reported road fuel combustion from 8 vehicles (2023: 9 vehicles), while the total number of vehicles decreased to 4 at the end of the year. The total Scope 1 CO2 equivalent emissions decreased by 8% in 2024, driven by the decrease in the Group's fleet.

Scope 2

Scope 2 emissions cover purchased electricity, heat and cooling for own use across all 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. Total Scope 2 location-based emissions decreased by 7% in 2024 as a result of an energy optimisation program carried out in our Vilnius office and one of our data centres in Estonia. Total Scope 2 market-based emissions decreased by 74% in 2024, largely due to our data centre in Poland switching to 100% electricity from renewable sources at the end of 2023.

Scope 3

In 2024, we completed our Scope 3 carbon emissions assessment, where we identified relevant Scope 3 categories, which are listed in the GHG emissions table on page 27. We used a combination of spend-based, average-data, fuel-based and distance-based methods for calculating our Scope 3 emissions. We also applied an Environmentally-Extended Input-Output database methodology. The accuracy of our Scope 3 footprint will get better each year as we revisit and refine the methodology and underlying dataset.

Intensity ratio

Emissions have also been calculated using an 'intensity metric', which enables the Group to monitor how well we are controlling emissions on an annual basis, independent of fluctuations in the levels of Group's 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 absolute emissions helped us to decrease market-based emissions per employee to 0.4 tonnes of CO_2e (2023: 0.8 tonnes of CO_2e) and market-based emissions per million revenue to 0.8 tonnes of CO_2e (2023: 1.7 tonnes of CO_2e).

Electricity consumption

The total electricity consumption in 2024 was 367.9 MWh (2023 - 363.0 MWh). In 2024, 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. We are proud to announce that, in 2024, the percentage of renewable energy used in our offices and data centres increased from 73% to 88%, while emission-free electricity increased from 87% to 99% during the year. Also, 80% of electricity used in our data centres is from renewable energy (100% 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. During 2024, our Vilnius office carried out an outsourced energy optimisation, which involved reviewing the efficiency of appliances and heating systems. As a result, energy used in the Vilnius office was reduced by 8% in 2024, compared to 2023. In addition to that, one of our data centres in Estonia changed server settings to optimise the electricity usage. As a result, 16% less energy was used in this data centre in 2024, compared to 2023.

The picture shows our participation in tree planting organised by the organisation "Unicorns Lithuania", which BCG joined after becoming the third official unicorn (a company that is valued over $1 billion) in Lithuania (source: Dealroom).

Water

Our total water consumption during 2024 increased to 642 cubic metres due to a higher number of days of employees working from the offices (2023 - 471 cubic metres). The water usage is derived from our offices in Vilnius, Tallinn, Tartu and Riga, where municipal water supplies provide 100% of the water. No water is withdrawn from areas with high water stress. Waste water produced in the Groups' premises is treated by the municipalities.

Waste

In BCG we recycle the waste we generate in our offices, including paper and plastic. We also seek to minimise the environmental impact of our business activities by extensive use of digital documentation, including e-signatures and e-contracts to reduce paper usage. BCG companies by nature do not produce toxic waste, all waste produced is non-toxic paper, plastic, food and general waste. The waste is treated by local waste management companies.

Carbon neutrality

BCG has been carbon neutral across its direct operations (Scope 1 and 2) since it has raised a goal to be carbon neutral in 2022. This year in collaboration with eAgronom, we offset 55 tCO_2e to neutralise our 2024 carbon footprint, including our Scope 1 and Scope 2 carbon emissions. To achieve carbon neutrality, we have funded an eAgronom project, which involves improving agriculture land management in Lithuania. The project helps Lithuanian farmers to transition from conventional practices into conservation agriculture practices, such as reducing soil disturbance by reducing tilling, increasing soil cover by implementing or intensifying the frequency of cover crops, crop residue management and nitrogen fertiliser reduction.

eAgronom

Science Based Targets initiative

In 2023, 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 Scope 1 and 2 emissions by at least 42% by 2030 from a 2022 base year. 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 70% from 2022. 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 100% by 2030, which will allow us to further reduce our emissions.

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	On track	During the year, 4 internal combustion engine vehicle leases and rents came to an end and were not renewed or replaced, which is in line with our program to give up all high emission vehicles. As a result, emissions from vehicles in Scope 1 were reduced by 19%.
Scope 2. At least 80% electricity to be from renewable energy sources by 2025 and 100% by 2030	On track	We achieved our goal to have at least 80% of used electricity derived from renewable energy sources by 2025 by increasing the portion of electricity derived from renewable sources to 88% in 2024, while our emission-free electricity increased to 99%. 98% of electricity used in our offices and 80% 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 a 2022 base year. Because we are using more renewable electricity in our offices and data centres, we have reduced the amount of emissions by 70% compared to the 2022 base year. We will 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 are working toward our net zero target and as part of our net zero journey we reported our Scope 3 carbon emissions for the first time. We 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 net zero 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 are 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 is 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.

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 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 10th of the best performers within the FTSE 250 with 50% of women in leadership positions as at 31 October 2023. We are proud to have a female CFO and can now confirm we have four females on our Board of nine directors.

> *We are proud to be acknowledged and ranked as 10th of the best performers within the FTSE 250 with 50% of women in leadership positions.*

Ethnic diversity

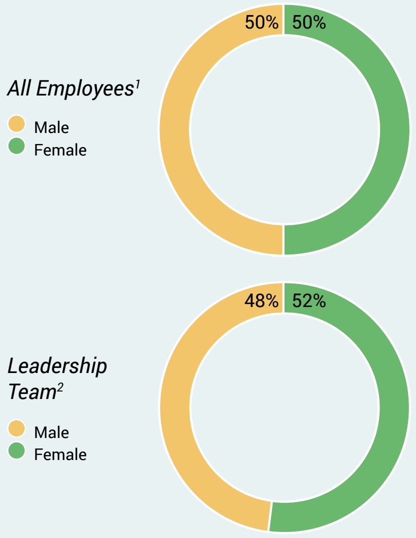
BCG cares about creating a diverse and inclusive work community. In order to better understand the ethnic diversity across our workforce, we conducted our annual diversity and inclusion survey which gave us a better understanding of ethnicity across our workforce.

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 in the 2023 Annual Report.

Talent attraction and retention

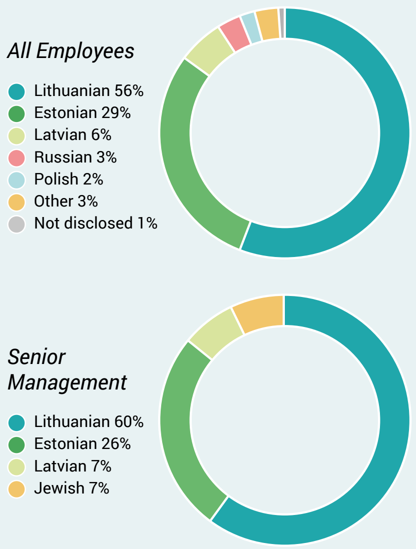
The competence and commitment of the Group's employees are important factors for the Group's success. Our success also depends on the ability to attract, train, motivate and retain highly qualified individuals, whilst building our corporate culture. The Group faces significant and increasing competition 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, which has led to Senior Management and key employees holding shares in BCG. As of 30 April 2024, we had an average of 8 years of tenure per employee and an average 13 years of tenure per Senior Management employee.

Gender diversity

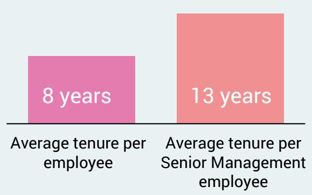


For the Board's gender figures see page 54.

Ethnic diversity[3]



Average Employee Tenure[4]



[1] Calculated on a headcount basis, as at 30 April 2024 (2023: female 51%: male 49%).

[2] Executive Committee and Direct Reports to the Executive Committee, according to the FTSE Women Leaders Review, as at 30 April 2024 (2023: 45%:55%).

[3] Data collected on a headcount basis during the Employee diversity survey in April 2024.

[4] Calculated on a headcount basis, as at 30 April 2024 (2023 average tenure per employee: 8 years, 2023 average tenure per Senior Management employee: 14 years).

new Employee training and skills development

To support continuous professional development, training and skills development opportunities are available to all employees. The training our people receive can be split into mandatory and non-mandatory categories. Mandatory training covers our compliance essentials to ensure compliance with our legislative and regulatory requirements and other skills necessary for work purposes. Our non-mandatory training covers a broad range of learning and development areas, including technical skills, soft skills and awareness. Employee training includes workshops, conference attendance, online learning, and professional qualifications, all initiated by the employer. Our training statistics does not include on-the-job training and additional personal or professional training employees pursue on their own.

Summary of training provided	*2024*
Total hours of training	2,488
Hours of mandatory training	945
Hours of non-mandatory training	1,543
Average hours of training per employee	17
Annual cost of training, €	67,149
Average cost per employee, €	466
Average number of active employees during the year	144

Employee engagement and wellbeing

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

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 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 conduct an annual employee engagement survey. We welcome open and honest feedback from our employees and that is why we conduct employee surveys on a regular basis.

We are pleased that the 2024 employee survey showed that, in line with last year's results, more than 95% of our employees feel proud to be a part of the BCG team and would recommend their friends to work here.[1]

Summary results were presented to the Board and 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 1,138,024 share options under the PSP scheme in 2024 (2023: 1,465,911 share options, including special retention award for GetaPro employees).

For more information on the PSP scheme, see note 24 to the consolidated financial statements on page 104.

> *We are pleased that the 2024 employee survey showed that more than 95% of our employees feel proud to be a part of the BCG team and would recommend their friends to work here.*

[1] Over 95% of respondents 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?".

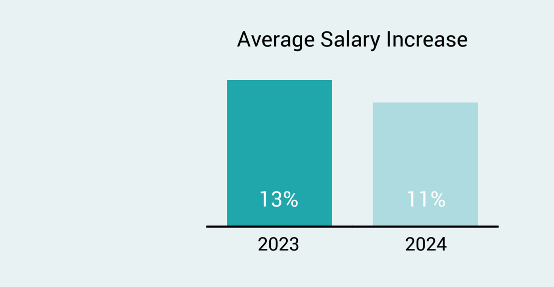
STRATEGIC REPORT

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 11% during 2024 and 13% during 2023.

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.

For more information on director and employee remuneration, see pages 61 to 65.



Health and safety

The health and safety of all employees and visitors is a priority for the business. Our principal objective is to prevent or minimise accidents, injury and ill health to staff working at our premises or remotely. This includes contractors, and others, who work at, or visit our premises.

There were no fatalities, serious injuries or safety accidents reported during the year, and there was no lost time due to work-related incidents or work-related occupational disease.

All our employees have fire safety training at least every 1 to 2 years in line with the national requirements across our offices in Lithuania, Latvia and Estonia. All our new employees are trained in safety once they join the BCG team. Also, we provide our employees with a health check-up every 2 to 3 years, depending on the location and national requirements.

Mental health

We are committed to supporting our employees in all aspects of their health and wellbeing, including mental health. Every year we have regular team building events, the purpose of which is to get to know colleagues and thereby create a pleasant working environment in the offices. Managers have regular performance reviews with employees, which also include discussing if the employee is feeling satisfied and motivated in the organisation. We also organise knowledge sharing sessions and seminars for employees on personal wellbeing, including on demand training related to employees' mental health.

Workplace flexibility and work-life balance

Currently we apply a hybrid working model, mixing in-office and remote work. We also provide a flexi-time working system with a set number of hours with the starting and finishing times chosen within agreed limits by the employee.

Access and affordability

On average each resident in the Baltics visited BCG sites 10 times per month during 2024, making BCG the leading online classifieds group in the Baltics. It is important for us to ensure that the most disadvantaged members 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 advertisers, portal-specific ancillary services, such as financial intermediation and data services (for example 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

> *Since the beginning of the war in Ukraine the Group has donated €0.4 million to support the struggle of Ukrainians.*

Social and community issues

BCG engages with local communities, and supports them on an ongoing basis, through local connections, charitable work and support. During 2024, the focus continued to be on both organisations that support Ukraine, to which we donated €0.1 million, and local initiatives, to which we also donated €0.1 million.

Since the beginning of the war in Ukraine, the Group has donated €0.4 million to support the struggle of Ukrainians through various charity organisations. €0.2 million has been donated to a local non-government organisation "Blue / Yellow" which provides nonlethal supplies to Ukraine and €0.1 million has been donated to the Red Cross. An additional €0.1 million has been donated to other initiatives that help civilians who are forced to leave their homeland and flee from the war zone.

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 include:

1 Free placement of ads for professional services offered by Ukrainians in Paslaugos.lt

Helps Ukrainians to find clients in Lithuania and earn money for the services provided

Label "Help for Ukrainians" in Aruodas.lt

Allows customers to advertise that they offer more flexible conditions to refugees and enables Ukrainians to find the advertisements they need more easily

Label "Ukrainians are welcome" in CVbankas.lt

Help Ukrainian refugees find jobs, which are the most suitable for them

Category "For Ukraine" in Skelbiu.lt

People can list clothes, furniture, appliances or any other items free of charge to give away for free

2 Rental agreements in Aruodas.lt

Translated into English, Ukrainian and Russian languages

3 CVbankas.lt in Ukrainian

Visitors may view the portal's content, including job advertisement information in Ukrainian language. Applicants' resumes can also be created in Ukrainian language

During 2024, we were proud to donate, among others, to the following charities:

Blue / Yellow
Provides Ukrainian soldiers and volunteers with essential supplies that help them battle Russian aggression

Tryzub
Collects donations to purchase SUVs and ambulances, which are then stocked with medical supplies, drones, and other necessities. These vehicles are directly delivered to the Ukrainian army to aid their efforts

Renkuosi mokyti
Recruits and trains passionate people to become teachers over a two year period. These teachers are committed to ensuring every child in their school gets the support they need to succeed

4 Percent
Initiative of the civil society that seeks to urge Lithuanian politicians to agree on the allocation of 4% of GDP to Lithuania's defence

Unicorns Lithuania
Support for the free IT exam organised by the esteemed Lithuanian startup organisation "Unicorns Lithuania"

Jaunimo linija
One of the largest charities providing free emotional support by telephone and internet in Lithuania

Myliu mišką
Non-profit organisation dedicated to bolstering Lithuania's forested landscapes by combatting CO_2 emissions

Vilnius University Students' Representation
Support for the Vilnius University event, which aims to connect students with their future employers

new

In 2024 Osta.ee hosted the largest private initiative charity auction in Estonia, where nearly 600 dresses and ties were collected from both public figures and private individuals for auction. Money was collected for the Estonian Cancer Society for the purchase of a mobile computed tomography scanner for the early diagnosis of cancer and examination of acute illness and major trauma. Osta.ee provided the platform free of charge, and the Osta team contributed their free time to ensure the auctions ran smoothly on the platform. More than €46 thousand were raised. In March 2024 the mobile computed tomography scanner was acquired and will start operating in the remote areas of Estonia, offering critically important medical support in regions where hospitals lack such equipment.

Social targets

Target	*Status*	*Description and progress towards our goals*
Maintain average employee tenure above 5 years	Achieved	In 2024 the average employee tenure was maintained at 8 years.
Maintain employee engagement above 90%	Achieved	In 2024 we conducted our annual employee engagement survey which showed that in line with last year's results, more than 95% of employees are proud to work at BCG.
new Maintain at least 40% women in the whole workforce	Achieved	We maintained our gender diversity in the whole workforce with 50% of the workforce being women.
new Maintain at least 40% of women in our Leadership Team*	Achieved	We increased the representation of women in our Leadership Team from 45% to 52%.

*Executive Committee and Direct Reports to the Executive Committee, according to the FTSE Women Leaders Review, as at 30 April 2024.

Governance and Compliance

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. 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.

As a leading group of digital marketplaces in the Baltics, we are committed to putting data security, as well customer and consumer privacy at the heart of what we do. It is our highest priority to provide reliable, efficient and fair digital platforms. Cyber security and privacy is also included into the Board's schedule. The Senior Management briefs the board on information security matters at least once a year.

Data security

In order to ensure 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 and does not constitute an invasion of privacy. When processing personal data, we strive to keep it accurate, secure, confidential, properly stored and protected. Also, we make every effort to minimise the amount of personal data transferred before data is transferred.

We have adopted the EU GDPR and UK Data Protection Act 2018 as our benchmarks for data protection. Where required, users have to consent with our Terms of Use, Privacy Policy and Cookies consent management platform.

Each of our portals has a public Privacy Policy uploaded on their website with clear terms involving the collection, use, sharing and retention of user data including data transferred to third parties. We are committed to notify data subjects in a timely manner in case of policy changes or data breach. We require all third parties with whom the data is shared to comply with the company's privacy standards.

To protect the personal data of the private sellers who advertise on our platforms we hide part of their contact data and provide virtual numbers. Also, we constantly improve our data privacy practices and during 2024 all BCG portals carried out optimisation for personal data deletion processes.

In addition, all of our employees have been trained for GDPR. As planned, we did GDPR training for all our offices in 2024. We are looking at data privacy with great scrutiny and will run this training every 2 years.

During 2024, our outsourced internal auditors finalised the comprehensive GDPR assessment across the companies of the Group and reached the conclusion that the Group implemented sufficient technical and organisational measures (including policies and procedures) for the protection of personal data to address the requirements of the GDPR. For more information on our Internal audit, see Audit Committee Report on page 58.

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. In 2024 BCG adopted the Business Partner Code of Conduct which includes the main principles of human rights that our business partners must respect. We safeguard our employees through a framework of policies and statements including Code of Conduct, Modern Slavery and Whistle-Blowing policies.

Modern slavery

We are committed to addressing the potential risks of modern slavery, human trafficking and other 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 adopted an Anti-Bribery and Anti-Corruption Policy which outlines main rules and principles that ensure a consistent standard of behaviour across the Group. All Board members and employees, including Senior Management, are trained to identify and avoid the risks related to corruption and bribery.

The Company is committed to taking a proportionate and risk-based approach to due diligence of its third-party intermediaries. Where third-party intermediaries are engaged, an effective risk assessment informs the procedures to be imposed to mitigate the risk of bribery by any such third-party intermediary. BCG assesses the reputation and standing of the firm or individual it is employing and the historical issues that have arisen in the relevant industry sector or region of employment.

As per our Gifts and Entertainment Policy, BCG does not tolerate any inappropriate attempts to influence or reward someone in connection with any business decision or transaction through gifts or entertainment. Pre-approval is mandatory for gifts or entertainment provided to or received in excess of €750. Disclosure and documentation is mandatory for any gifts or entertainment employees provide or receive that exceed €250 per employee per annum.

There were no political donations made during the financial year (€nil in previous financial year).

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. All BCG employees have access to all contact details and information on the whistle-blowing procedure.

Every effort will be made to keep the identity of an individual who makes a disclosure under this Policy confidential. No employee who raises concerns under this procedure will be dismissed or subjected to any detriment as a result of such action. Employees who victimise or retaliate against those who have raised concerns under this Policy will be subject to disciplinary action.

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 competition from both traditional and new online classified portals such as Facebook Marketplace and Linkedin.

We put a strong focus on compliance with competition laws. Our approach involves monitoring our pricing strategies to ensure that the planned pricing is fair and reflects the economic value of the product offered, maintaining transparency in our dealing to ensure the access to our platforms, and refrain from exclusive dealings that could unfairly hinder the competition. Our pricing strategies had been challenged by the third parties and National Competition Authorities in Lithuania and Estonia adopted positive decisions verifying that the prices were fair compared to selected benchmarks. It gives the credibility to assess the pricing limits and the legality of the planned actions.

Tax transparency

BCG is committed to paying its fair share of tax in a transparent manner. The Group's effective tax rate for 2024 was 8% (2023: 12%) with income tax of €2.9m (2023: €3.2m). For more information on our total tax contribution, see Financial Review on page 18.

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 the countries the Group operates	Achieved	During 2024, BCG complied with all tax, data protection, human rights, bribery, corruption and other related rules and regulations in the countries the Group operates.

Non-Financial and Sustainability Information Statement

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	*new* Code of Conduct Business Partner Code of Conduct	Sustainability Report TCFD Report Principal risks and uncertainties Engagement with our Stakeholders	22 24 38 47
Employees	Whistle-Blowing Policy Disciplinary Rules and Procedures Policy *new* Code of Conduct Confidential Information Policy AI Policy	Sustainability Report Engagement with our Stakeholders Directors' Remuneration Report	22 47 60
Social and community matters	Modern Slavery Statement Board Diversity Policy	Sustainability Report Engagement with our Stakeholders	22 47
Respect for human rights	Modern Slavery Statement Privacy Policy Document Retention Policy GDPR Policy *new* Code of Conduct Business Partner Code of Conduct	Sustainability Report Engagement with our Stakeholders	22 47
Anti-bribery and corruption	Anti-Bribery and Corruption Policy Gifts and Entertainment Policy	Sustainability Report Board Leadership and Company Purpose Audit Committee Report	22 46 56
Business model	N/A	Our Business at a Glance	10
Principal risks and uncertainties	Risk Register Disaster Recovery Policy	Principal risks and uncertainties	38
Non-financial KPIs		Strategic Highlights Our Business at a Glance Sustainability Report	2 10 22

Sustainability Accounting Standards Board (SASB) Disclosure Topics & Accounting Metrics

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.

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 TCFD Report on pages 27 to 28. Water usage disclosed in TCFD Report on page 29. We have raised a goal to move to 100% renewable electricity by 2030 including our data centres. Please see the TCFD Report on page 29.
Data privacy, advertising standards and freedom of expression	
• Description of policies and practices relating to behavioural advertising and user privacy	Information on data security and data privacy can be found on page 35 of the Sustainability Report .
• Total amount of monetary losses as a result of legal proceedings associated with user privacy	In 2024 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	We report qualifying incidents to the relevant national regulators and impacted individuals, where we are legally required to do so and within the mandated timeframes. If regulators find any faults with our data breach management or data security practices, sanctions may be imposed. No such sanctions were imposed in 2024. More information on data breaches can be found on page 49 in the Corporate Governance Report. Information on data security can be found in the Sustainability Report on page 35 and Principal risks and uncertainties section on page 39.
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 30 to 31.
Intellectual property protection and competitive behaviour	
• Total amount of monetary losses as a result of legal proceedings associated with anti competitive behaviour regulations	In 2024 we had no monetary losses as a result of legal proceedings associated with anti competitive behaviour regulations.

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 2023 and March 2024.

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 21 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, potentially impacting consumer behaviour (e.g. reducing spending or investing), seller activity (e.g. disrupting retail), and investor perception of the business.

Mitigation

- Maintaining a flexible cost base that can respond to changing conditions
- Maintaining a flexible capital allocation policy, with limited debt

Developments in 2024

Despite concerns over increased geopolitical tensions, the Group's portals experienced sustained growth throughout the year. This resilience underscores both the strength of our Company and the Baltic economies amidst heightened geopolitical uncertainties in the region.

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 advertisers budgets or appetite to spend, which all have the potential to reduce revenue. Economic conditions can also impact the cost pressures (such as wage growth, price inflation, interest rates, etc.).

Mitigation

- Maintaining a flexible cost base that can respond to changing conditions
- Maintaining a flexible capital allocation policy, with limited debt

Developments in 2024

After a year of high inflation in 2023, consumer prices have stabilised during the year. The speed of sale in the underlying markets has slowed down, which has a positive impact on the Group's performance due to an increase of active advertisements on our portals.

Disruption to our customer and / or supplier operations

Description & impact

Disruptions to the operations of the Group's customers and suppliers in their day-to-day business may affect the Group's ability to achieve desired results.

Mitigation

- Maintaining market leadership in our main verticals while offering value-added products and packages
- Continuous improvements to our platforms
- Enhancing our product offerings to continue meeting our customers' needs and adapting to evolving business models
- Maintaining a healthy liquidity headroom with an unused revolving credit facility of €10 million as at 30 April 2024, along with significant headroom against debt covenant
- Maintaining diversified revenue streams
- Working with well established and reliable third parties
- Having incident management process

Developments in 2024

The Group continued to strengthen its offering during the year, including an upgrade and expansion of car history reports and the launch of property rental services, which further diversified our customer base.

Laws & regulations

Description & impact

The Group is subject to competition and antitrust laws, which may limit the market power, pricing or other actions of any firm within the Group.

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

Future acquisitions by the Group could be affected by applicable antitrust laws and may be unsuccessful if the required approvals from competition authorities are not obtained.

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 2024

In April 2024, Estonian Competition Authority terminated excessive pricing investigations against the Group's Real Estate and Automotive portals in Estonia.

The Group has one remaining supervisory proceeding ongoing at Estonian Competition Authority regarding the failure to supply. Since 2022 autumn there are no updates nor actions in this proceeding.

The proceeding cannot lead to imposition of fines to any Group company, however, a precept ordering the Group companies to end any ongoing infringements could be imposed or the Estonian Competition Authority could potentially initiate misdemeanour proceedings that would entitle the imposition of a fine of up to €400 thousand per case. See note 25 to the consolidated financial statements for further detail.

In February 2024 the Estonian Parliament initiated the legislative process to adopt the new draft law of the Law on Competition implementing the ECN+ Directive ((EU) 2019/1). The draft law is subject to further discussions in the Parliament, but it is strongly likely that the current law will be amended, and it might be relevant for the proceedings against the Group company. If proceedings against Allepal are still ongoing on the date of the act taking force, the Competition Authority could have the power to impose a fine of 10% of the whole Group's turnover under the new law.

Technology

Description & impact

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

Major data breach. A cyber-attack or internal failure, resulting in disabling of platforms or systems, or a major data breach, could adversely impact the Group's reputation, erode trust and lead to a loss of revenue and / or profits. Data breaches, a common form of cyber-attack, can have a significant negative business impact and often arise from insufficiently protected data.

Disruption to availability of services. The availability and reliability of services for the Group's customers are of paramount importance. Any downtime or disruption to consumer or advertiser services can adversely impact the business through customer complaints, credits, decreased consumer usage, and potential reputational damage.

Therefore, the availability of third-party services, such as internet provision and mobile communication, which are essential for using the Group's services, is also crucial.

Mitigation

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

Developments in 2024

Having in mind the Geopolitical risk, the risk trend of cyber-attacks is considered to be increasing.

During the year, an internal audit has reviewed the Group's disaster recovery plan.

The Group continued to strengthen its systems and processes following a cyber security assessment performed by the Group's outsourced internal audit last year, along with increasing awareness of both cyber security and data protection across the Group.

Acquisition risk

Description & impact

The Group might make an unsuccessful acquisition or face challenges in integrating an acquisition, which could lead to reduced profits and impairment charge.

Mitigation

- Acquisitions are focused on businesses, operating in sectors where the Group has or can develop a competitive advantage and that offer good growth opportunities
- Conducting detailed pre-acquisition due diligence by in-house personnel and external advisers
- Retaining and motivating key personnel

Developments in 2024

The Services business acquired in 2022 has reached break-even this year.

Whilst there have been no acquisitions made recently, the Board regularly considers potential opportunities.

Competition

Description & impact

The Group may face new competition in existing markets or in new areas of activity. Additionally, changes in technology or consumer behaviour can influence how people search for cars, real estate, jobs or general products, potentially leading to a loss of consumer audience. There is also a risk of new entrants with innovative business models, such as offering services for free, impacting the Group's audience, content and revenue. Furthermore, as the Group diversifies into new and adjacent markets, the competitive landscape widens.

Mitigation

- Investment into customer experience
- Development of cross-linkages between Group's horizontal and vertical platforms
- Development of our offering to provide value-for-money and differentiated services to advertisers

Developments in 2024

During 2024, the Group's leading portals maintained very strong leadership positions. The number of advertisers increased year on year across all business areas.

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 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 taking actions to adapt to the increasing climate change awareness and are ready to adapt if new environmental regulations arise: adopt the platforms for eco-friendly products, introduce necessary filters, educate visitors, enrich ad data with environmental impact related information

Developments in 2024

In 2024, we completed our Scope 3 carbon emissions assessment, reduced our total Scope 1 and 2 carbon emissions by 46% and achieved our goal to have at least 80% of used electricity derived from renewable energy sources ahead of the target date of 2025 by increasing the portion of electricity derived from renewable sources from 73% to 88%.

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 38 to 39.

The Directors have determined that a period of five years to April 2029 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 May 2024. The base case financial projections start with the Group's 2025 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 €50 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 40, was approved by the Board on 2 July 2024 and signed on its behalf by:

Justinas Šimkus
Chief Executive Officer
2 July 2024

Corporate Governance Report

The success of any business is undisputedly linked to its people and culture. At our Company, we take pride in our motto, "we love transactions," and it's evident across our Group.

Trevor Mather
Chair

Letter from 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 success of any business is undisputedly linked to its people and culture. At our Company, we take pride in our motto, "we love transactions," and it's evident across our Group. Since our listing on the London Stock Exchange, our Board has been committed to raising the standards of our governance framework and ensuring that our Company Purpose is at the heart of all decision making. We recognize that good governance is not static, but allows our Group to grow and develop.

Strategy and Stakeholder engagement

The long-term sustainable success of our business is inextricably linked to how well we know and understand our Stakeholders. The Board held its annual strategy day during the year. The main objective this year was to meet with customers from across the business areas, capture their views and what is important to them and consider that in light of the Group's strategy. The Board met with 3 customers from each Auto, Real Estate and Jobs business areas and discussed how the different businesses operate, what opportunities and issues they are facing, what impact the current economic climate is having on them, listened to their views about BCG's products and services and captured any suggested improvements.

During the year I was delighted to join the executive directors on their Investor roadshow in the UK and received detailed feedback from their first ever North America roadshow. It was a truly invaluable experience for me to meet our Stakeholders in person and to build upon the relationships that are already established with the executives.

Board governance

We are pleased to report that shortly after the year end, on 11 June 2024, the Board approved the appointment of a new Independent Non-Executive Director. Rūta Armonė brings extensive legal, regulatory, governance and M&A experience to BCG. With her appointment, the Board meets the minimum target as set out in Listing Rule 9.8.6 of having at least 40% of the Board being women.

The Group will continue to add to the Board over the next years, and will continue to place diversity and inclusion as a key criteria for the appointment, however, as we have previously stipulated, we believe that diversity is to be considered quite differently for BCG compared to many other FTSE companies due to all operations being in the Baltic region.

In accordance with good governance practice, we undertook an internal board performance review during the year to ensure that the Board and its Committees perform effectively. For more on this see page 55.

Future outlook

The Board recognises the importance of a strong governance framework to drive the long-term success of our business. We are committed to establishing our policies and practices to ensure that our governance evolves alongside our business. To achieve this, we review and monitor our governance practices annually.

2024 Annual General Meeting

Our 2024 Annual General Meeting ("AGM") will be held at 11:00 am local time on 27 September 2024 at G.D. Kuverto g. 15, Neringa, LT-93123, 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
2 July 2024

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 2013 until 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; Mather Family Charitable Trust; and Wind HoldCo (Guernsey) Limited.

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.

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 the audit and assurance services department from 2010 to 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

Simonas Orkinas
Chief Operating Officer

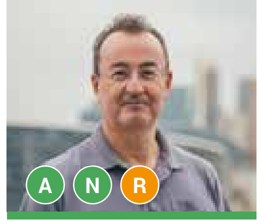
Appointed: 2021

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 2019. Simonas holds a BSc in Business Management from Vilnius University.

Key external appointments: None



Ed Williams
Senior Independent Non-Executive Director

Appointed: 2021

Nationality: British

Independent: Yes

Experience: Ed joined the Group in 2021 as an independent Non-Executive Director. Ed was appointed Chair of Auto Trader prior to its flotation on the London Stock Exchange in 2015, serving in that capacity until 2023. 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: None (Chair of the Board of Auto Trader Group plc until September 2023)

Combination of skills and experience as identified by the Board

The matrix on the right 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.

Figures on the right taken as at 30 April 2024 and therefore excludes Rūta Armonė

Knowledge of operating classifieds businesses	8/8
Finance	5/8
M&A	7/8
Technology (incl. cyber security)	2/8
Digital business (incl. operations and people)	7/8
Listed company experience (incl. ESG)	8/8

Senior Management

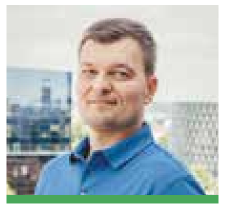
In addition to the three Executive Directors, the Senior Management is made up of the following individuals:

Artūras Mizeras
Development director

Viktorija Steponavičiūtė
Portal manager of Aruodas.lt
(until April 2024)

Dovilė Ramoškaitė
Portal manager of Aruodas.lt
(from April 2024)

Tomas Toleikis
Portal manager of CVbankas.lt



Gvidas Borisas
Portal manager of Kainos.lt and Paslaugos.lt

Dovilė Lukavičiūtė
Portal manager of Autoplius.lt

Tom Hall
Non-Executive Director

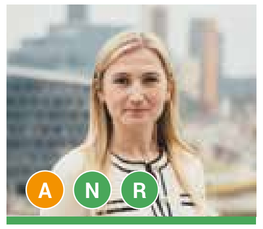
Appointed: 2021

Nationality: British

Independent: No

Experience: Tom joined the Group in 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 Auto Trader, idealista and SouFun.

Key external appointments: Tom is a member of Apax Partners LLP. Tom also holds directorships in the following companies: idealista Global S.A., NEXT plc, Wehkamp Management Pooling Company B.V., Wehkamp Retail Holding Group B.V., Stichting Administratiekantoor Co-Investment STAK B, Stichting Administratiekantoor Sweet Equity STAK A, and Tinka Holding B.V.



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, a private equity investment firm. She holds a BSc and MSc in Finance from the University of Tartu and has been a certified auditor since 2016.

Key external appointments: Kristel is a board member of MM Grupp OÜ, Muffin Investments OÜ, Business Shark OÜ and MM Pharma OÜ. She is also a member of the supervisory boards of Postimees Grupp AS, Magnum AS, Apollo Group OÜ, AS Kroonpress, TVNET Latvia, Semetron AS, Beinita Kodu AS, Leta SIA, Balti Meediamonitooringu Grupp OÜ, Linnamäe Lihatööstus AS, Skeleton Technologies Group OÜ, Confido Healthcare Group, Confido Arstikeskus AS, Tooly OÜ and Kodally OÜ.

Jurgita Kirvaitienė
Non-Executive Director

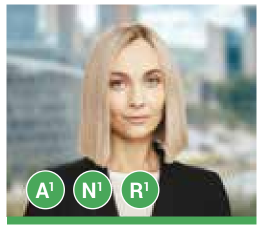
Appointed: 2022

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



Rūta Armonė
Non-Executive Director

Appointed: 11 June 2024 (post year end)

Nationality: Lithuanian

Independent: Yes

Experience: Rūta joined the Group in 2024 as an independent Non-Executive Director. She is experienced in corporate, M&A, and securities law and is a partner and co-chair of the Corporate and M&A practice at the law firm Ellex Valiunas. Rūta actively participates in working groups and associations aimed at enhancing the legal and tax environment to support high-growth tech companies. She holds an LLM from the Institute for Law and Finance (Goethe University Frankfurt) and an International EMBA from the Baltic Management Institute.

Key external appointments: Partner, Co-Head of Corporate and M&A practice at Ellex Valiūnas.

Committee membership key:
A Audit Committee · N Nomination Committee · R Remuneration Committee · Committee Chair

For more information on the Senior Management team refer to the website www.balticclassifieds.com

Tarvo Teslon
Portal manager of KV.ee and KuldneBörs.ee

Karin Noppel-Kokerov
Portal manager of City24.ee

Maksis Karlins
Portal manager of City24.lv

Daniel Skornjakov
Portal manager of Auto24.ee

Jurijs Fridkins
Portal manager of GetaPro.lv and GetaPro.ee

Kristiana Põld
Portal manager of Osta.ee

[1] from 11 June 2024

Corporate Governance Statement 2024

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:

- Information on the Group's risk management and internal controls can be found on pages 38 to 39
- Information with regards to share capital is presented in the Directors' Report from page 68
- Information on Board and Committee composition can be found on pages 42 to 43
- Information on Board diversity including the Board diversity policy can be found on pages 54 and 67

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	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. Shortly after the year end, on 11 June 2024, the Board approved the appointment of a new Independent Non-Executive Director. Following this appointment, the Board is compliant with Provision 11.

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 has 37.5% female representation. Post year end and following the appointment of Rūta Armonė on 11 June 2024, the female representation on the Board is 44.4%. Please see Diversity and inclusion progress during the year and Inclusion and diversity in the Nomination Committee Report.
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 Board does not have any Board members from an ethnic minority group (excluding white ethnic groups). Please see the Nomination Committee report on page 54 for a detailed explanation of this.

Throughout this Corporate Governance Report, we explain how we comply with the Principles and Provisions of the Code:

Code Principle	*Description*	*Section*	*Page*
Board Leadership and Company Purpose			
A	Effective Board	Effective Board	46
		Nomination Committee Report: Board and Committee performance review	55
B	Purpose, strategy, values and culture	Strategic Report:	
		• Our Business at a Glance	10
		• Moving our Strategy Forward	13
		• S172(1) Statement	21
		Purpose, strategy, values and culture	46
		Board activity and culture	46
C	Prudent and effective controls and Board resources	Prudent and effective controls and Board resources	46
		Nomination Committee Report	53
		Governance Report: Leadership structure	50
D	Stakeholder engagement	Strategic Report: S172(1) Statement	21
		Stakeholder engagement	47
		Understanding our stakeholders	47
		Board priorities, key actions and principal decisions	49
E	Workforce policies and practices	Non-financial Information and Sustainability Statement	36
		Strategic Report: Sustainability Report	22
Division of Responsibilities			
F	Board roles	Governance Report: Board of directors	42
		Board roles and responsibilities	50
		Leadership structure	50
		Board and committee meetings and attendance	51
		Directors' Report	66
G	Independence	Independence	51
H	External commitments	External commitments	52
I	Board efficiency	Nomination Committee Report	53
Board Composition, Succession and Evaluation			
J	Appointments to the Board	Governance Report: Board of Directors	42
		Appointments to the Board	52
		Board tenure	52
		Board training and professional development	52
		Annual General Meeting and Director re-election	52
		Directors' Report	66
		Nomination Committee Report	53
K	Board composition	Board Composition, Succession and Evaluation	52
		Nomination Committee Report	53
L	Annual Board evaluation	Nomination Committee Report	53
Audit, Risk and Internal Control			
M	Effectiveness of external auditor and internal audit and integrity of accounts	Audit Committee Report	56
N	Fair, balanced and understandable assessment of Company's prospects	Audit Committee report: Going concern and Viability Statement	57
		Directors' Report: Statement of Directors' responsibilities in respect of the Annual Report and Accounts	70
O	Internal financial controls and risk management	Strategic Report: Risk management framework	38
		Strategic Report: Principal risks and uncertainties	38
		Audit Committee Report	56
Remuneration			
P	Linking remuneration with purpose and strategy	Directors' Remuneration Report	60
Q	A formal and transparent procedure for developing policies	Directors' Remuneration Report	60
R	Independent judgement and discretion	Directors' Remuneration Report	60

Board Leadership and Company Purpose

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 experts, the Board consists of both Executive and Non-Executive Directors whose extensive industry experience and knowledge complement each other. Each Director operates with respect for others and has a clear vision of the Company's purpose. 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 a culture that is entrepreneurial, team-focused, and ambitious, firmly rooted in principles of equality and inclusivity. The Board acknowledges the importance of this culture in the success of the business and is confident that it aligns with the Company's purpose, values, and strategy. In fact, the Board considers this to be the Company's "super-power". The Board is responsible for establishing the Group's strategy and defining its purpose, which is to connect consumers with advertisers and facilitate easier transactions for them.

Board activity and culture

The Board actively assesses and monitors the culture of the Company. 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 pages 21 and 47 to 49.

Prudent and effective controls and Board resources

The Board provides leadership within a framework of prudent and effective controls. It has clear roles and divisions of responsibilities. The framework, along with its Committees, outlines duties, responsibilities, lines of accountability, and oversight. These controls ensure decision-making happens in a timely manner at the appropriate level. The Board continuously monitors the framework to ensure it aligns with the business needs. The Board supports Senior Management in implementing strategic priorities, while providing oversight and creative challenges.

Board activity	*Link to culture*
Review the results of the Employee engagement survey	To gain a deeper understanding of employees' perspectives and learn more about what matters the most to them.
Chair and NED engagement sessions	The Chair and NEDs attend bi-annual in-person employee engagement sessions on a rotating basis throughout the year, answering questions posed by the employees.
CEO, CFO and COO directly responsible for workforce issues	The Executive Directors work alongside the workforce and have direct responsibility for workforce issues. This role establishes a direct connection between the employees and the Board, emphasising that the culture is set from the top.
Monitor and discuss 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.
Oversee employee remuneration and rewards	Discussions in the Remuneration Committee enable assessment and oversight to ensure that employee remuneration and rewards support employee motivation.
Set 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.
Support and maintain an open culture	The Board supports an open culture. BCG has a dynamic and motivated team that enjoys working together and having fun. This collaboration and camaraderie is our "super-power".
Oversee the strategy of each of the four vertical business areas	This gives the Board a chance to engage directly with the portal managers and understand the issues important to them, including their individual business areas, markets, customer and employee needs. This promotes knowledge sharing, improves motivation and supports team building.
Approve Modern Slavery Statement and monitoring the Gender Pay Gap	Enables the assessment of the broader culture of the Group and its relationships with suppliers and employees.
Approve Key workforce-related policies including whistle-blowing and Code of Conduct	Gives the Board oversight to ensure that policies reflect the values and desired behaviours of employees.

The Stakeholder analysis workshop

- The Executive Directors determined that there had been no significant changes to the stakeholder base.
- The workshop drilled down into any actual or perceived changes in the markets where the Group operates. It reassessed all stakeholder groups, their material interests, engagement methods, and Board decisions related to each recognised stakeholder group.
- The resulting stakeholder matrix was reviewed by the Board, noting no significant changes, difficulties or challenges.
- The stakeholder analysis assures the Board that the potential impacts on our stakeholders are carefully considered by management when developing plans for Board approval.

Our stakeholders

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

Stakeholder engagement

The Board recognises the importance of understanding the Company's different stakeholder groups. By understanding them, the Board can ensure that they are represented both at the Board level and throughout the workforce.

During the year, the Executive Directors conducted a review of the Company's Stakeholders, with a particular emphasis on ensuring there had been no changes to these stakeholder groups. The Group is in a strong and stable position, and as such, the relationships with its stakeholders remain consistent and harmonious.

Understanding our Stakeholders

Table on the following page summarises the Group's key Stakeholders and highlights what issues matter the most to them and how the Board engages with them. The Board recognises that this has been a period of stability and there have been no new challenges or difficulties with any stakeholder group.

The table on page 48, which should be read in conjunction with the Section 172(1) Statement on page 21, the Statement of Engagement with Employees on page 69 and the Statement of Engagement with Other Business Relationships on page 69, summarises the key stakeholder groups and matters that are of the most importance to them.

Investors

What matters to our Investors

- Business operations
- Sustainable, profitable growth runway
- Returns on 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

Board oversight and engagement mechanisms

- Investor roadshows, including our first roadshow in North America and the Chair joining Executive Directors on the UK roadshow for the first time
- Regular personal meetings with potential investors
- 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

Consumers and Advertisers

What matters to our consumers (C) and advertisers (A)

- Market reach (A)
- Breadth of network
- Competitive rates (A)
- Functionality and intuition of sites
- Reputation
- Pragmatism
- Customer service
- Training on new functionalities (A)
- Credibility of sellers (C)
- Measures to protect customers
- Data protection
- Prices (primary effect on advertisers and a secondary on consumers)

Board oversight and engagement mechanisms

- This year's Strategy day focused on capturing feedback from customers. The Board met customers from each Auto, Real Estate and Jobs business areas, discussed what matters to those customers and captured feedback on BCG's products and services
- Access to portal managers
- 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

Our People

What matters to Our People

- 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
- Modern slavery policy

Board oversight and engagement mechanisms

- Chair and NEDs sessions with employees
- Employee engagement questionnaire. The survey showed that more than 95% of employees are proud to work at BCG and these results were discussed at Board
- 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

Suppliers

What matters to our Suppliers

- Prompt and accurate payment
- Long-term partnerships
- Collaboration
- Responsible sourcing
- Regulatory compliance
- The Company's financial performance
- Growth prospects
- Reputation

Board oversight and engagement mechanisms

- 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

Regulatory bodies

What matters to our Regulatory bodies

- 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 engagement mechanisms

- Board oversight and approval of filings with Companies House
- Board receives updates on legal matters at Board meetings
- Reviews communications with the FRC

Environment and Community

What matters to our environment and community

- 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

Board oversight and engagement mechanisms

- ESG working group and regular updates at Board meetings
- 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

Board priorities, key actions and principal decisions

The following table lists the Board's priorities, key actions and principal decisions during the year, acknowledging the different stakeholder groups affected and aligning the decisions with the S172(1) factors:

Board priorities	*Key actions and principal decisions*	
Strategy and operations	• B2C and C2C pricing actions • Reviewed M&A strategy, value-creating M&A opportunities and risks, investor feedback and market conditions • Reviewed strategic and operational performance • Reviewed financial performance against budget	A B C D E
Leadership and employees	• Approved a 9% increase to Non-Executive Director fees • Appointed Artūras Mizeras as Development director (non-statutory) • Appointed Rūta Armonė as an independent Non-Executive Director	B
Finance and Investor Relations	• Approved the 2024 forecast • Reviewed the 2025 budget for approval post year end • Received reports and updates on investor relations activities including the Investor roadshows • Approved the Annual report and Accounts for the year ending 30 April 2023 • Approved the final dividend payment for 2023 • Approved the interim dividend payment for 2024 • Capital allocation	A C E
Risk management	• Reviewed the Risk Register and updated the risk ratings to reflect latest positions • Oversaw the review of the effectiveness of the external audit process and the internal audit function by 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 • Received an update on the Disaster Recovery plan • Received a report on the minor data breach situation, reviewed the steps taken to prevent similar breaches in the future, and ensured correct procedures had been followed • Received a report on the handling of a particular client complaint which resulted in the Board scheduling further discussions about content moderation and protecting customers from scam operations	A C E
Governance	• Agreed the internal Board effectiveness review process and subsequent results and action plan • Reviewed and approved the Audit, Nomination and Remuneration Committees' Terms of Reference, Matters Reserved for the Board and Division of Responsibilities • Approved the AGM 2023 resolutions • Received regulatory updates • Approved charitable donations • Undertook director training and development, in particular Market Abuse Regulation refresher training	C D E F
ESG	• Approved new ESG targets • Approved the Modern Slavery Statement • Discussed the results of the employee survey and management's response plan • Received feedback from employee meetings in Vilnius and Tallinn, and recognised suggested areas for improving communication with Estonia. • Met with three customers from each of the Auto, Real Estate and Jobs business areas and listened to their views and suggestions	A B C D E

Stakeholder icons:

Investors
Suppliers
Consumers and advertisers
Regulatory bodies
Our people
Environment and community

Links to S172(1) icons:

A The likely consequences of any decision in the long terms
B The interests of our employees
C The need to foster business relationships with key stakeholders
D The impact of the Group's operations on the community and environment
E The desirability of maintaining a reputation for high standards of business conduct
F The need to act fairly as between members

Division of Responsibilities

Responsibilities of the Board

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. Subsequent to the year end, this figure was increased to three Independent Non-Executive Directors.

The Board is dedicated to upholding the highest standards of corporate governance. The Board oversees the management of the Group and has the authority to make decisions on behalf of the Company. The Board entrusts certain responsibilities to Board Committees and delegates the execution of approved matters to the Executive Management for day-to-day operations of the business.

The Board sets the Group's purpose, values and strategy, ensuring they align with the Company's culture. It provides entrepreneurial leadership, promotes long-term sustainable success and Shareholder value creation, and oversees the Group's risk management processes and internal control environment.

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

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

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 provides oversight whilst demonstrating 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:

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 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

During the year, the Senior Management was made up of the three Executive Directors, Development Director and 10 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

The ESG working group 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 four times during the year and the key areas of responsibility are:

- Climate change and business impact
- Energy management
- Emissions monitoring and reporting
- 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's role in 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.

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.

Board's role in 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 Senior Management remuneration.

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.

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.

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 pleased to report that shortly after the year end, on 11 June 2024, the Board approved the appointment of a new Independent Non-Executive Director. Following this appointment, the Board is compliant with Provision 11.

As at the financial year end date, the balance of independence was 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.

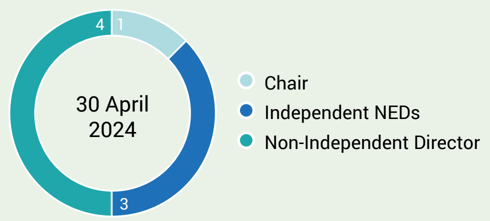
The Major Shareholder will consult in advance with the Nomination Committee regarding the identity of any Director proposed to be nominated by it. In addition, for so long as the Major Shareholder (together with any of its Associates) holds voting rights over 10% or more of the Company's issued share 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 also complied with the independence provisions.

Board and Committee meetings and attendance

Board Director	*Board*	*Audit Committee*	*Nomination Committee*	*Remuneration Committee*
Trevor Mather	11/11	-	4/4	-
Justinas Šimkus	11/11	-	-	-
Lina Mačienė	11/11	-	-	-
Simonas Orkinas	11/11	-	-	-
Ed Williams	11/11	5/5	4/4	5/5
Tom Hall	11/11	-	4/4	-
Kristel Volver	11/11	5/5	4/4	5/5
Jurgita Kirvaitienė	9/11	5/5	3/4	3/5

Independence



As at 2 July 2024, there were 4 independent NEDS and 4 non-independent directors.

GOVERNANCE REPORT

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 Executive 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 at Apax Partners and a director of other entities in which 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 42 to 43.

Change in Directors' commitments

During the year, the Board approved the external appointment of Trevor Mather as Non-Executive Director of a limited company that forms part of the Apax group.

Board Composition, Succession and Evaluation

Appointments to the Board

The Board is composed of three Executive Directors and five Non-Executive Directors. One Non-Executive Director represents a Major Shareholder. After the end of the financial year, on 11 June 2024, Rūta Armonė joined the Board as an Independent Non-Executive Director and as a member of all of the Board Committees.

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.

Board training and professional development

new

During the year, the Board received training on:

- Macroeconomic update
- Market Abuse Regulations
- Key trends in remuneration
- Takeover defence strategies
- Internal ESG updates

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. For more on this see page 42.

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.

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 2024 AGM.

The Board therefore recommends that Shareholders approve the resolutions to be proposed at the Annual General Meeting 2024 relating to the election of the Directors.

Nomination Committee Report

The technology sector is traditionally one which has difficulty attracting female representation, and we are pleased to have been recognised within "Top Ten Best Performers" within FTSE250 and ranked number two within the Technology sector by the 2023 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 51.

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

Key responsibilities

Board and Senior 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, to ensure 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, considering the challenges and opportunities facing the Group, as well as 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:

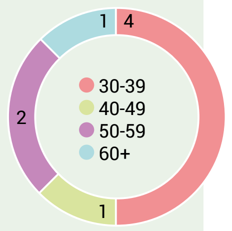
- Consider the internal Board and Committee effectiveness review results and create an action plan;
- Search for a new independent Non-Executive Director; Rūta Armonė was appointed as an Independent Non Executive Director as of 11 June 2024 and has joined all of the Board Committees.
- Succession planning for the Board and key employees;
- reviewing the gender and ethnic diversity of the Board and Senior Management and Board Diversity Policy;
- review and recommendation of the Committee's Terms of Reference for approval by the Board.

Planning for the year ahead:

- Oversee the implementation of the selected Board effectiveness review recommendations;
- Continue to monitor Board and Senior Management succession; and
- In line with succession planning, to actively look for an additional Board member.

Diversity characteristics

Age

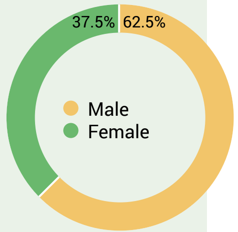


Nationality

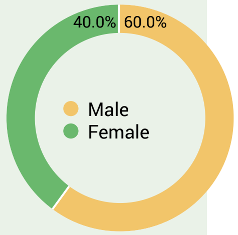
Figures above taken as at 30 April 2024

Gender diversity

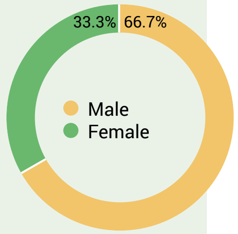
Full Board



Non-Executive Directors



Executive Directors



Figures above taken as at 30 April 2024

Dear Shareholders

On behalf of the Board, I am pleased to present the Nomination Committee Report for the financial year ending 30 April 2024.

Succession planning and Board composition

During the year we have been searching for a new independent Non-Executive Director with a particular focus on candidates who have a high appreciation of the business environment in the Baltics, Scandinavia and/or Eastern Europe. All appointments to the Board are made on merit, against objective criteria and with due regard to the benefits of diversity on the Board.

We have utilised our extensive networks, and conducted a thorough search process including a search on our own job site, CVBankas, and are pleased to confirm that we have appointed Rūta Armonė to join the Board as an Independent Non-Executive Director and a member of all of our committees as of 11 June 2024.

During the recruitment process, it has become apparent that the NED fees are particularly low for a company the size of BCG and this issue has been raised to the Remuneration Committee.

As part of the search process we reviewed the diversity and skills of the Board and will continue to monitor the market to ensure the composition of the Board has the right balance of diversity, skills and experience to support its strategy and purpose.

Succession planning and Senior Management

Despite a continued, remarkable level of consistency in both the Board membership and in the senior executive ranks, effective succession planning is critical to the long-term success of the Company. The continual review of succession plans continued in the year to ensure that arrangements are in place for orderly succession in the context of the Group's strategy for the Board and Senior Management. The Board recognises the importance of developing our employees in relation to succession planning for senior positions. The succession planning activities included a review of the key Group employees and potential knowledge sharing activities and development plans in order to recognise and grow our internal talent.

Appointments to the Board

As there were no appointments during the year, there were no induction programmes to disclose.

Inclusion and diversity

The Committee strives to embed inclusion in everything that it does, and succession planning and the appointment process are key in promoting diversity in a way that is consistent with the Company"s long term strategy.

Our female representation on the Board is 37.5%, including the Audit Committee Chair, the CFO and one Non-Executive Director. The technology sector is traditionally one which has difficulty attracting female representation, and we are pleased to have been recognised within "Top Ten Best Performers" within FTSE250 and ranked number two within the Technology sector by the 2023 FTSE Women Leaders Review.

Listing Rule 9.8.6, states the Group must comply or explain on three diversity targets. For more on our compliance with this please see the Governance Report on page 44 and specifically the table prescribed by LR 9.8.6R(10) on page 67. 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). The Parker Review 2023 has also 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. We will report our intentions to the Parker Review by December 2024.

The Committee continues to monitor diversity as is relevant for the Baltic region and takes into account its diversity targets when considering Board appointments and hiring or promoting to leadership positions. Given that the population of the Baltic States in which the Group operates includes principally white ethnic groups, the Parker Review target is more challenging for the Company. We believe that the ethnic diversity of the Board and employees should reflect the general population in which the Company operates and that our commitment to diversity can be better evidenced by other diversity metrics such as gender and nationality. We speak in detail about ethnic diversity and the Baltic region in the Annual Report 2023, page 74.

- For information on Board Diversity Policy, see page 67.
- Biographies for each Director are available on pages 42 to 43.
- 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 42.
- For Board training and development see the Governance Report on page 52.

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 2024 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.

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. In February 2024, the SID met with the Board members to discuss the performance of the Chair and found no areas of concern.

Board and Committee performance review

During the financial year, the Board participated in an internal Board performance review.

The Board is committed to an annual review of its own and its Committees' performance, with an externally-facilitated effectiveness review carried out at least every three years in compliance with the Code. The last externally facilitated effectiveness review was undertaken in 2023.

As part of the Board performance review, the quality of information, resources, and materials used were reviewed. The Board is committed to ensuring the papers are accurate, clear, comprehensive and up to date. The Committee Terms of Reference were also reviewed during the year, along with the role and function of each Committee.

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

Directors have the right to express opposition or concerns about Board decisions, which will be noted in the minutes. They are also entitled to seek independent professional advice at the Company's expense if deemed necessary. Throughout the year, no Director raised any concerns regarding the Board's operation or Company management.

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 50 to 65.

Process of the internal board effectiveness review:

1. The Company Secretary produced a bespoke questionnaire for Board members designed to capture reflections on Board and Committees performance during the year
2. Once completed and returned, the results were analysed by the Company Secretary and presented to the Board on an anonymous basis in the form of a report
3. The Board and each committee reviewed the report and produced action plans for their relevant areas. The action plans were captured in the Board and Committee minutes to provide easy reference and accountability.

Outcomes of the internal board effectiveness review:

The following action points were identified. The progress against these actions will be reported in the following year.

1. To start looking for additional non-executive director to increase Board membership
2. To ensure the Director induction process is reviewed and is comprehensive.
3. Provide board materials ahead of the Board meeting in a timely manner.
4. Maintain a record of key risks discussed during Board meetings and share it with the Board every half a year and ensure the full Risk Register is on the Board agenda at least annually.

Progress made against key areas of focus from the prior year's external board effectiveness review (year end 2023)

Responsibility	*Key Action*	*Update*
Board	Build upon the strategic objectives and to ensure that purpose and strategic objectives are considered in greater detail against Board decision making	Introduced cover pages for Board materials noting which strategic objectives and stakeholder groups are being impacted to facilitate discussion before decision making.
Nomination Committee	Board and Senior Management succession planning with a particular focus on diversity	Board and Senior Management succession plan was reviewed during the year. See page 67 for details on the review and update of the Board diversity policy and page 54 for the response to the Parker review.
Chair and Company Secretary	Review the appropriateness of Director development	See page 52 for details of training and development during the year
Chair and Company Secretary	Review the forthcoming agenda items to ensure appropriate depth and breadth is covered	Forthcoming agenda items were reviewed and the annual Board agenda schedule was produced by the Company Secretary in consultation with Committee Chairs. This is ongoing with a continued focus on improvement.

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

Trevor Mather
Chair of the Nomination Committee
2 July 2024

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

Both Kristel Volver and Jurgita Kirvaitienė fulfil the requirement for a Committee member to have recent and relevant financial experience. The biographies of each Committee member are set out on pages 42 to 43 with specific skills referenced also on page 42.

Auditors

The Group's external auditor is KPMG

Deloitte is providing internal audit services

Committee meeting attendance can be found on page 51.

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 2024 the Committee met five times and its key activities were:

- reviewing the half year and annual financial statements and reports, the significant financial reporting judgements and estimates, and the use of Alternative Performance Measures;
- assessing the Group's going concern and viability statements;
- reviewing the effectiveness of the external audit process and the internal audit function;
- reviewing the effectiveness of the Group's risk management and internal controls systems,
- reviewing the Group's systems and controls for prevention of bribery;
- approving Tax Compliance Policy;
- receiving reports from internal auditors on internal audit results and updates from management on implementation of internal audit recommendations; and
- approving internal audit charter and internal audit plan for the coming year.

Planning for financial year ahead

- continuing to monitor financial reporting; and
- continuing to monitor and develop response to UK governance changes

Dear Shareholders

I am pleased to present the Audit Committee's Report for the year ended 30 April 2024. This report provides a summary of the Committee's role and activities in the year and sets out the work that the Committee has performed in respect of this Annual Report.

During the financial year ended 30 April 2024, 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.

During the year the Committee continued to focus on the integrity of the Group's financial reporting, key accounting judgments and related disclosures as well as the robustness of the Group's risk management and internal control systems.

In the year ahead, the Committee will continue to focus on ensuring the internal control processes continue to operate effectively and remain appropriate. The role of the Committee will assume further significance in the light of the requirements of the 2024 UK Corporate Governance Code with regard to, among other things, monitoring and review of the Company's risk management and internal control framework.

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 71 to 76 and the financial statements in general.

At the 2024 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 2024 AGM to answer any questions.

Kristel Volver
Chair of the Audit Committee
2 July 2024

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 2024, 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 2024 Annual Report.

The Committee, together with management, identified the following areas of focus:

Area	*Audit Committee action*
Revenue recognition	
As more fully described in note 6 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 40 and 82, the Committee reviewed the work undertaken by management to assess the Group's resilience to the principal risks set out on pages 38 to 39 under various stress test scenarios. 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.

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 risk management and 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 2024, the Audit Committee reviewed the Group's risk management and internal controls systems and procedures for detecting fraud, including related policies.The Committee also reviewed the reports received from the external and internal auditors with audit findings and recommendations, including management's action plans as well as received periodic updates from management on the progress made in addressing those recommendations.

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 2024 the internal audit concentrated on the areas of disaster recovery, taxation and GDPR. No significant failings or weaknesses were identified. However, it was noted that in some cases the control environment lacks formalisation. The Committee has discussed the findings and management's action plan with internal auditors and management. The Committee also received periodic updates on the progress made in relation to internal audit recommendations in the areas of IT systems and revenue recognition which were audited in the previous year.

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

The Committee reviewed an internal audit plan for 2025 which will continue to cover a range of core financial and operational processes and controls, focusing on specific risk areas.

The Committee is reviewing Deloitte's performance as internal auditor annually with the last review having taken place in February 2024 during which an opportunity to further improve internal audit reports format was identified.

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 2024. 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.

Performance of the external auditor is evaluated by the Committee on an annual basis with the last review having taken place in October 2023. 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 Committee is also responsible for ensuring the external auditor remains independent. In assessing the independence of the auditors from the Company, the Committee takes into account the information and assurances provided by the auditors. KPMG confirmed during the year that its partner and staff complied with its ethics and independence policies and procedures which are consistent with the requirements of the FRC Ethical Standard.

The recommendation to reappoint KPMG beyond the financial year ending 30 April 2025 will depend on continuing satisfactory performance.

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 is in place for the provision of non-audit services by the external auditor to ensure that the provision of such services does not impair the external auditor's independence or objectivity.

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")

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 following a competitive tender process, was appointed as a statutory auditor of the Company for the year ended 30 April 2022. Kate Teal took over the position as audit partner with effect from the financial year 2022 and remained the audit partner throughout 2024.

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 Company confirms that it complied with the provisions of the CMA Order for the financial year under review.

Kristel Volver
Chair of the Audit Committee
2 July 2024

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 2024.

Directors' Remuneration Report

We continue to monitor our remuneration arrangements to ensure they remain aligned with our strategy and are simple and transparent.

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 51.

Committee Terms of Reference can be found here: 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 Baltic Classifieds 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 €4,094 fees incurred (€8,234 in 2023) 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 2024.

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 2024 and any other matters not covered in the previous part. It will be subject to an advisory vote at the 2024 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 2024.

The Directors' Remuneration Policy was supported by 97.77% 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 on the right.

Our work during 2024 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.

Remuneration Policy summary

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 €1.0m 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

Pay and performance outcome in 2024

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. 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 2024 and 2025 therefore reflect the simple application of our policy as approved by shareholders in 2022 AMG.

Long Term Incentive Plan (LTIP)

The first The Long Term Incentive Plan (LTIP) awards were granted in 2021 and will vest in July 2024 based on performance in the year ended 30 April 2024. The awards were based 100% on Earnings per share (EPS). EPS in 2024 was above 5.0 € cents (the maximum target set), therefore 100% of LTIP awards will vest and will be subject to a two-year holding period.

The Committee reviewed the incentive outcomes in the context of wider Group performance, the shareholder and wider stakeholder experience (including our employees) and considers that these incentive outcomes are a fair reflection of the Group's performance and therefore no discretion has been applied.

Annual bonus

The company does not operate an annual bonus scheme.

Key remuneration decisions

Annual base salary review for 2025

Average pay rises within the Group (excluding the Directors) were 10% in 2024. Given the wage inflation in the Baltics remains high, a similar pay rise is planned for a considerable majority of employees in 2025 as well.

The base salary or fee for each Director was increased by 9% from 1 May 2024, aligning with the average salary increase across the business. It is high by UK standards, reflecting the much higher level of wage 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 above).

Share awards and performance conditions

Awards to Executive Directors for 2024 and planned for 2025 were made at the levels indicated in the Company's Remuneration Policy. Performance was and will continue in 2025 to be based on EPS[1] metrics (see Remuneration Policy summary above 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 three years as a public company. Outside the Executive Directors, awards under the LTIP awards are generally made to Senior Management and other key personnel who have not benefited from the scheme in the previous year, 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

[1] Subject to the Remuneration Committee applying discretion for M&A and other impacts as determined by the Committee.

GOVERNANCE REPORT

the business against targets over the last three 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 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).

Though restricting the increase in Non-Executive (and Chair) fees to the same percentage as received by the Executive Directors, it was noted that these fees were unusually low for a company of the size and value of BCG, even having adjusted for lower remuneration in Lithuania. It had also arisen as a question when seeking new board members (see Nomination Committee Report). It was agreed that this would be reviewed in the coming year as part of our three-yearly review of Remuneration Policy.

2024 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 2024 AGM for this remuneration report.

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

Ed Williams
Chair of the Remuneration Committee
2 July 2024

Part 2: Annual Remuneration Report

The Remuneration Committee presents the Annual Remuneration Report, which together with the Chair's introduction on pages 60 to 61, will be put to shareholders for an advisory (non-binding) vote at the AGM to be held on 27 September 2024. 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 2024 and any material changes in the way it will be implemented in 2025.

The Remuneration Committee reviewed the base salaries for Executive Directors and the fees for the Chair with regard to 2025. The most recent wage inflation in Lithuania at the time of the review was 12.2% (July-September 2023) compared to the same period in 2022 as the Lithuanian Department of Statistics only issues average wage inflation measures every three months.

The considerable majority of employees in the business will receive a pay rise of at least 9% for 2025.

The Remuneration Committee agreed to a 9% pay rise for Executive Directors on top of the phased increase in base salary explained previously. The Remuneration Committee also agreed to a 9% pay rise for the Chair. The Board proposed and agreed a 9% increase in all fees for Non-Executive Directors.

Summary of approach to executive remuneration

Component of pay	Implementation for 2024	Implementation for 2025
Base salaries	• CEO: €363,000 • CFO: €217,800 • COO: €290,400	• CEO: €428,643 • CFO: €257,186 • COO: €342,914
PSP	• In 2024 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 EPS[1] for 2026 of 9.5 € cents for 25% to vest and then straight line to 12.0 € cents for 100% to vest	• In 2025 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 EPS[1] for 2027 of 12.5 € cents for 25% to vest and then straight line to 15.5 € cents for 100% to vest
NED fees	• Chair fee: €145,200 • Non-Executive Director base fee: €36,300 • Senior Independent Director: €3,025 • Audit and Remuneration Committee Chairs: €9,075	• Chair fee: €158,268 • Non-Executive Director base fee: €39,567 • Senior Independent Director: €3,297 • Audit and Remuneration Committee Chairs: €9,892

As a consequence, the future base salaries for Executive Directors as they transition to public company levels, will further be increased by 9% for the year 2026 and may be subject to further market adjustment.

[1] Subject to the Remuneration Committee applying discretion for M&A and other impacts as determined by the Committee.

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	429	700	1,129	462	700	1,162
CFO	150	300	450	182	300	482	218	300	518	257	300	557	277	300	577
COO	200	500	700	242	500	742	290	500	790	343	500	843	369	500	869

Single total figure for remuneration (audited)

The remuneration of the Directors of the Company during the financial year ended 30 April 2024 for time served as a Director is as follows:

		Base salary and fees (€ thousands)	PSP[1] (€ thousands)	Total remuneration (€ thousands)	Total fixed remuneration (€ thousands)	Total variable remuneration (€ thousands)
Executive Directors	Justinas Šimkus	361	987	**1,348**	361	987
	Lina Mačienė	216	423	**639**	216	423
	Simonas Orkinas	291	705	**996**	291	705
Non-Executive Directors	Trevor Mather	145	-	**145**	145	-
	Ed Williams	48	-	**48**	48	-
	Kristel Volver	45	-	**45**	45	-
	Tom Hall	-	-	**-**	-	-
	Jurgita Kirvaitienė	36	-	**36**	36	-

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

		Base salary and fees (€ thousands)	PSP (€ thousands)	Total remuneration (€ thousands)	Total fixed remuneration[2] (€ 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	-

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[2] (€)	Face value of award[3] (€ thousands)	Multiple of salary	% award vesting at threshold (% maximum)	Performance period[4]
CEO	5 July 2023	370,520	1.89	700	193%	25%	1 May 2023 - 30 April 2026
CFO	5 July 2023	158,794	1.89	300	138%	25%	1 May 2023 - 30 April 2026
COO	5 July 2023	264,657	1.89	500	172%	25%	1 May 2023 - 30 April 2026

[1] 100% of PSP 2021 will vest in July 2024 for a performance period ending 30 April 2024. For the purpose of the single figure, the value of the PSP is based on the average share price for the three months ending 30 April 2024 of £2.32 / €2.72. No amount of the PSP value disclosed in the single figure table above is attributable to share price appreciation.

[2] A 3-month average share price of £ 1.64 / € 1.89 was used

[3] Awards are determined based on a fixed monetary value

[4] PSP awards will normally be eligible to vest three years from grant (5 July 2026) based on performance over the three years to 30 April 2026 and continued employment. Performance targets starting at EPS for 2026 of 9.5 € cents per share for 25% of the award and then in a straight line to 12.0 € cents per share for 100% vesting.

Share options under PSP held by the Executive Directors and not exercised as at 30 April 2024 (audited)

	Date granted	PSP awards held as at 30 April 2023	Granted	Exercise price (£)	PSP awards held as at 30 April 2024	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
PSP 2023	5 July 2023	-	370,520	0.01	370,520	5 July 2026	5 July 2033
Total:		**792,168**	**370,520**		**1,162,688**		
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
PSP 2023	5 July 2023	-	158,794	0.01	158,794	5 July 2026	5 July 2033
Total:		**339,501**	**158,794**		**498,295**		
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
PSP 2023	5 July 2023	-	264,657	0.01	264,657	5 July 2026	5 July 2033
Total:		**565,834**	**264,657**		**830,491**		

All the above PSP awards have a three-year service condition attached and a performance condition that is based on 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;
- 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; and
- PSP 2023: performance target period 1 May 2025 - 30 April 2026 with a target of 9.5 € cents per share for 25% of the award and then in a straight line to 12.0 € 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.

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 2024 PSP awards will also be settled from shares planned to be purchased into the EBT without any requirement to issue further shares.

Share interests (audited)

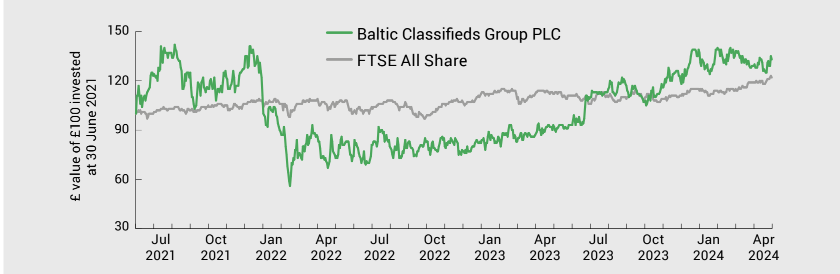
Executive Directors are required to maintain a certain minimum level of shareholding in the Company: €1 million for the CEO and €0.5 million for other Executive Directors. In relation to existing Executive Directors, the minimum value of shareholding acts as a restriction on selling shares to the extent 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 2024.

		Beneficially owned shares[1]	Number of awards held under the PSP conditional on performance	Number of vested but unexercised nominal cost options	Target shareholding guideline (€ m)	Shareholding value[2] (€ m)
Executive Directors	Justinas Šimkus	16,000,000	1,162,688	-	1.0	43.6
	Lina Mačienė	1,940,128	498,295	-	0.5	5.3
	Simonas Orkinas	2,500,000	830,491	-	0.5	6.8
Non-Executive Directors	Trevor Mather	5,081,418	-	-	-	13.8
	Ed Williams	4,910,936	-	-	-	13.4
	Kristel Volver	515,151	-	-	-	1.4
	Tom Hall	-	-	-	-	-
	Jurgita Kirvaitienė	-	-	-	-	-

[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 2024 and 2 July 2024.
[2] Based on the share price at close of business on 30 April 2024 of £2.32 / €2.72; multiplied by the number of beneficially owned shares.



TSR performance

The graph above shows the TSR performance of the Company for the financial year ended on 30 April 2024, 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	2024	2023	2022[2]
CEO total remuneration (€ thousands)	1,348	301	220
PSP vesting (% of maximum)[1]	100%	-	-

Percentage change in the remuneration

The table below sets out the percentage change in the remuneration of the Directors of the Company compared with the average of all employees between 2023 and 2024, based on the figures shown in the single total figure for remuneration tables above.

		Change in salary and fees (%) 2024-2023	2023-2022[5]
Executive Directors	Justinas Šimkus	20%	37%
	Lina Mačienė	19%	19%
	Simonas Orkinas	20%	32%
Non-Executive Directors	Trevor Mather	10%	34%
	Ed Williams	10%	34%
	Kristel Volver	10%	34%
	Tom Hall[3]	n/a	n/a
	Jurgita Kirvaitienė[4]	15%	n/a
	Average employee	10%	12%

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 EBITDA have also been disclosed as these are two key measures of Group performance.

	2024 (€ thousands)	2023	Change %
Employee costs (refer to note 8 to the consolidated financial statements)	11,012	9,327	18%
Dividends paid to shareholders (refer to note 18 to the consolidated financial statements)	13,252	10,918	21%
Purchase of own shares (refer to note 17 to the consolidated financial statements)	19,442	5,775	237%
Average number of full time equivalent employees (refer to note 8 to the consolidated financial statements)	136	131	4%
Revenue (refer to Consolidated statement of profit or loss and other comprehensive income)	72,067	60,814	19%
EBITDA (refer to note 4 to the consolidated financial statements)	55,255	46,045	20%

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 date of appointment and the length of service for each NED are shown in the following table:

	Date of appointment	Length of service as at 2024 AGM
Trevor Mather	2 June 2021	3 year
Ed Williams	2 June 2021	3 year
Kristel Volver	2 June 2021	3 year
Tom Hall	2 June 2021	3 year
Jurgita Kirvaitienė	17 May 2022	2 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 2024 or 2023.

Executive Directors' external appointments

External appointments are listed on pages 42 to 43.

Voting outcomes at AGMs

The table below shows full details of the voting outcomes for the Directors' Remuneration Report and the Remuneration Policy:

	2023 AGM: Directors' Remuneration Report (advisory)	2022 AGM: Remuneration Policy (binding)
Votes for	460,504,853	289,702,212
% Votes for	98.00	97.77
Votes against	9,384,713	6,618,726
% Votes against	2.00	2.23
Votes withheld[6]	851,768	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 2024 AGM.

On behalf of the Board

Ed Williams
Chair of the Remuneration Committee
2 July 2024

[1] The first PSP award will vest in July 2024 and is based on performance in the period ended 30 April 2024. No PSP awards vested during 2023 and 2022.
[2] 2022 was a transition year for the Group as it moved from being a private company to a public listed company. The 2022 remuneration figure includes lower remuneration in the first two months of 2022 prior to IPO.
[3] Tom Hall's directorship is unpaid.
[4] Jurgita Kirvaitienė started her directorship in 2023 (17 May 2022).
[5] 2022 was a transition year for the Group as it moved from being a private company to a public 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.
[6] 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 2024.

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:

Information required by Disclosure Guidance and Transparency Rule 4.1.5 R(2) and 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 40.

The Non-financial and sustainability information statement on page 36 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.

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Information required by Disclosure Guidance and Transparency Rule DTR 7.2.8A

The Board updated and approved its Board Diversity Policy in December 2023. 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 are 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 supports workforce initiatives that promote a culture of inclusion and diversity.

4. The Board supports the Committee in identifying women and other underrepresented groups for promotion into senior management roles.

5. The Board supports the board diversity targets recommended by the FTSE Women Leaders Review on gender diversity. These recommendations are reflected in the Board's current targets:

- At least 40% directors to be women; and
- At least one senior position to be held by a woman - Chair, CEO, CFO, or Senior Independent Director.

Diversity of the Board and Executive Management* 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' on the right.

For more information on the Company and diversity targets, see the Nomination Committee report on page 54.

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 2024

Corporate governance arrangements

During the financial year ended 30 April 2024, 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 2024 is on page 44. Further details on how we have applied the Code can be found in the Corporate Governance Report on pages 44 to 45.

Results and dividends

The financial statements set out the results of the Group for the financial year ended 30 April 2024 and are shown on pages 77 to 112.

The Company declared an interim dividend on 6 December 2023 of 1.0 € cents per Ordinary Share which was paid on 24 January 2024. The Directors recommend a final dividend of 2.1 € cents per Ordinary Share, bringing the total dividend per Ordinary Share to 3.1 € cents for the year ended 30 April 2024. Subject to approval at the 2024 AGM, the final dividend, approximating €10.2 million, will be paid on 18 October 2024 to shareholders on the register of members on 13 September 2024.

Board of Directors

Details of the Directors of the Company who were in office during the year under review are set out on pages 42 to 43.

Substantial interests in shares

As at 30 April 2024, 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.	26.559406	Direct	11 March 2024
Blacksheep Master Fund Ltd.	5.055000	Direct	7 March 2024
Justinas Šimkus	3.245930	Direct	14 December 2023
Kayne Anderson Rudnick Investment Management, LLC	10.054190	Direct	29 June 2023

These figures represent the number of shares and percentage held as at the date of notification to the Company.

The following notifications have been received between 30 April 2024 and 27 June 2024.

	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.	12.923982	Direct	5 June 2024
The Capital Group Companies, Inc	5.334344	Indirect	4 June 2024
Blacksheep Master Fund Ltd.	6.290000	Direct	13 May 2024

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

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 individual proposed to be nominated by it as a Director. 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.

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 conflicts 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.

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.

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 2024, 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 2024 comprised a single class of Ordinary Shares of £0.01 each. As at 30 April 2024, the Company had 488,944,427 Ordinary Shares in issue (net of shares pending cancellation) and 3,355,682 were held in Employee Benefit Trust. As at 27 June 2024, being the last practicable date prior to publication of this report, the Company's issued share capital (net of shares pending cancellation) comprised 488,180,628 fully paid Ordinary Shares and 3,355,682 shares were held in Employee Benefit Trust.

The Company was authorised by its shareholders at the 2023 AGM to purchase its own shares. During the financial year the Company purchased and cancelled 8,018,738 Ordinary Shares (1,500,000 Ordinary shares were purchased off-market), at a total cost of €19,442 thousand and representing 1.61% 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 16 to the financial statements.

☞ Details of share buy-backs during the year can be found on page 68 and in note 16.

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 on the next page.

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 27 to 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 47 to 49 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

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. The Non-Executive Directors rotate to attend sessions with Group employees on a bi-annual basis. 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 154 employees (on a headcount basis) and an experienced Senior Management team with an average tenure at the Group of 13 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 pages 47 to 48, the Non-Financial and sustainability information statement on page 36 and Board principal decisions on page 49.

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 and Engagement with our Stakeholders on pages 47 to 48, the Non-financial and sustainability information statement on page 36 and Board principal decisions on page 49.

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 pages 22 to 37. This includes our Task Force on Climate-related Financial Disclosures ("TCFD") and our Streamlined Energy and Carbon Reporting ("SECR") disclosures on pages 27 to 28, 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 pages 2 to 40.

Going concern and viability

The Group's Going Concern Statement is contained within the consolidated financial statements on page 82. The long-term Viability Statement is set out on page 40.

2024 Annual General Meeting

Baltic Classifieds Group PLC's 2024 AGM will be held at G.D. Kuverto g. 15, Neringa, LT-93123, Lithuania on 27 September 2024 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.

The Company will, at the AGM, continue to seek authority to allot shares on the basis of the authorities sought in the 2023 AGM.

At the 2023 annual general meeting held in September 2023, all resolutions were successfully passed with the requisite majority. 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.

Power for the Company to buy-back its shares

The Company proposes to seek authorisation from its Shareholders at its AGM on 27 September 2024 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 12 at the 2023 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
2 July 2024

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 2024 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 3.

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 2024 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 three financial years ended 30 April 2024. 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	€1.27m (2023:€0.90m) 3.6% (2023: 3.4%) of Group profit before tax	
Coverage	95% (2023: 98%) of Group profit before tax	
Key audit matters		**vs 2023**
Recurring risks	Advertising and Listings revenue	↓
	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 (unchanged from 2023), 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.

Advertising and Listings revenue

(€ 68.31 million; 2023: €57.48 million)

Refer to page 57 Audit Committee Report, page 83 accounting policy and pages 91 to 92 note 6 of financial disclosures.

The risk

Revenue:

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.

Based on our cumulative audit experience, we considered that the risk relating to revenue recognition has reduced in the current year due to Group's continued performance and as there is not a material judgement or estimation in revenue recognition and there is no significant opportunity for fraudulent material misstatement, given the low value and high volume of individual transactions

We continue to 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.

Our response

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 to address the risk included:

- **tests of detail:** performing a cash receipts to revenue predictive analysis procedure with appropriate consideration to adjusting items.
- **tests of detail:** inspecting a sample of credit notes raised post year end for the month of May 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 (invoices) recognised in the month prior to and the month post year-end to determine that revenue was recognised in the correct period in which the performance obligation was fulfilled.
- **tests of detail:** using sampling techniques to test that accrued and deferred income has been appropriately recognised and is accurately recorded.
- **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;

Our results

We considered the Advertising and Listings revenue recognised in the year to be acceptable (2023: acceptable).

Recoverability of parent Company's investment in subsidiaries

(€511.8 million; 2023: €509.6 million)

Refer to page 57 Audit Committee Report, page 109 accounting policy and page 110 note 4 of financial disclosures.

The risk

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 82.7 % (2023: 83.7%) 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.

Our response

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 (2023: acceptable).

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 €1.27m (2023: €0.90m), determined with reference to a benchmark of Group profit before tax (of which it represents 3.6% (2023: 3.4%)).

Materiality for the parent company financial statements as a whole was set at €1.17m (2023: €0.25m), determined with reference to a benchmark of parent company total assets, limited to be less than materiality for group materiality as a whole. It represents 0.19% (2023: 0.04%) of the stated benchmark. The change in the percentage of the benchmark compared to the prior year is due to the parent company being a reporting component in prior year, however in the current year the parent company has been scoped out for the group audit purposes because of its size and risk.

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 75% (2023: 65%) of materiality for the financial statements as a whole, which equates to €0.95m (2023: €0.59m) for the Group and €0.88m (2023: €0.16m) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk in the current period given a lower level of identified misstatements and changes to the control environment. In the prior period, we applied 65% in our determination of performance materiality based on the level of identified misstatements and entity and process control deficiencies during the period.

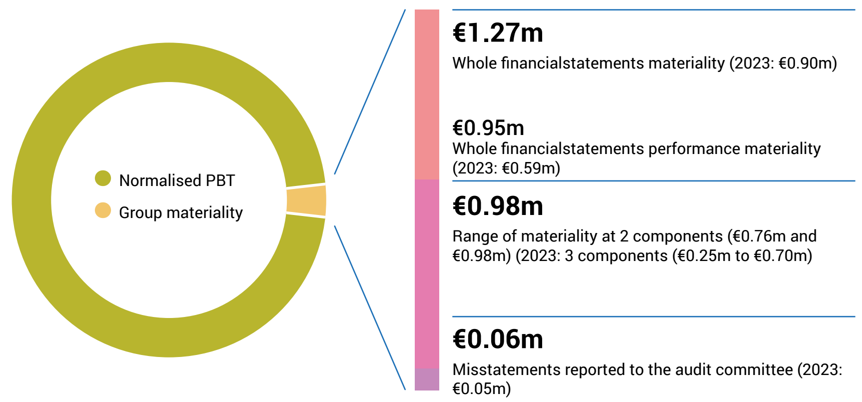
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.06m (2023: €0.05m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 8 reporting components, we subjected 2 (2023: 3) to full scope audits for Group purposes and 1 (2023: 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.

Group profit before tax
€34.93m (2023: €26.37m)

Group materiality
€1.27m (2023 €0.90m)



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.

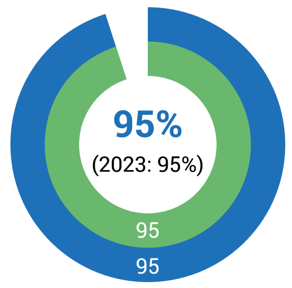
The Group team approved the component materialities which ranged from €0.98m to €0.76m (2023: €0.70m to €0.25m), having regard to the mix of size and risk profile of the Group across the components.

The Group team visited one (2023: two) component location in Lithuania (2023: 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.

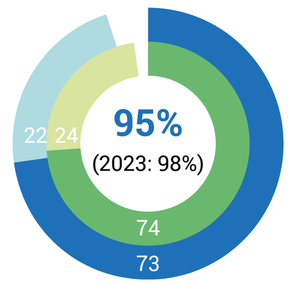
The work on 2 of the 2 components (2023: 2 of the 3 components) was performed by component auditors and the audit of the parent company was performed by the Group team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

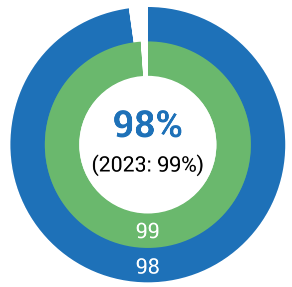
Group revenue



Group profit before tax



Group total assets



Full scope for group audit purposes 2024
Specified risk-focused audit procedures 2024
Full scope for group audit purposes 2023
Specified risk-focused audit procedures 2023
Residual components

FINANCIAL STATEMENTS

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 adverse changes to the competitive environment and continuing geopolitical tensions in neighbouring countries; 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 page 82 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 our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no material judgement or estimation in revenue recognition and no significant opportunity for fraudulent material misstatement, given the low value and high volume of individual transactions.

We did not identify any additional fraud risks.

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, those posted to credit expense accounts with rounded numbers or ending in '999 and those posted with unusual descriptions.

Identifying and responding to risks of material misstatement related to 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 noncompliance 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 the viability statement on page 40 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 40 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.

FINANCIAL STATEMENTS

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 70, 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 under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
2 July 2024

Kate Teal

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 April 2024

	Note	2024 (€ thousands)	2023 (€ thousands)
Revenue	6	72,067	60,814
Other income		25	9
Expenses	7	(33,755)	(31,767)
Operating profit		**38,337**	**29,056**
Finance income	9	238	7
Finance expenses	9	(3,649)	(2,698)
Net finance costs		**(3,411)**	**(2,691)**
Profit before tax		**34,926**	**26,365**
Income tax expense	10	(2,878)	(3,150)
Profit for the year		**32,048**	**23,215**
Other comprehensive income		-	-
Total comprehensive income for the year		**32,048**	**23,215**
Attributable to:			
Owners of the Company		**32,048**	**23,215**
Earnings per share (€ cents)			
Basic	11	6.54	4.68
Diluted	11	6.53	4.68

Consolidated Statement of Financial Position

At 30 April 2024

	Note	2024 (€ thousands)	2023 (€ thousands)
Assets			
Property, plant and equipment		546	502
Intangible assets and goodwill	12	369,299	385,633
Right-of-use assets	13	1,153	884
Deferred tax assets	10	-	153
Non-current assets		**370,998**	**387,172**
Trade and other receivables	14	4,472	3,522
Cash and cash equivalents	15	24,857	27,070
Current assets		**29,329**	**30,592**
Total Assets		**400,327**	**417,764**
Equity			
Share capital	16	5,690	5,783
Own shares held	17	(5,854)	(6,252)
Capital reorganisation reserve		(286,904)	(286,904)
Capital redemption reserve		132	39
Retained earnings		621,090	619,986
Total equity		**334,154**	**332,652**
Loans and borrowings	19	49,941	69,231
Deferred tax liabilities	10	2,874	4,223
Non-current liabilities		**52,815**	**73,454**
Current tax liabilities	10	1,909	1,784
Loans and borrowings	19	356	462
Trade and other payables	20	6,260	5,530
Contract liabilities	6	4,833	3,882
Current liabilities		**13,358**	**11,658**
Total liabilities		**66,173**	**85,112**
Total equity and liabilities		**400,327**	**417,764**

These financial statements were approved by the board of directors on 2 July 2024 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 2024

	Note	Share Capital (€ thousands)	Own shares held (€ thousands)	Capital reorganisation reserve (€ thousands)	Capital redemption reserve (€ thousands)	Retained earnings (€ thousands)	Total Equity (€ thousands)
Balance at 30 April 2022		**5,822**	**(3,418)**	**(286,904)**	**-**	**611,877**	**327,377**
Profit for the year		-	-	-	-	23,215	**23,215**
Other comprehensive income		-	-	-	-	-	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**23,215**	**23,215**
Transactions with owners:							
Share-based payments	24	-	-	-	-	1,567	**1,567**
Tax impact of share-based payments		-	-	-	-	20	**20**
Purchase of shares for performance share plan	17	-	(2,834)	-	-	-	**(2,834)**
Purchase of shares for cancellation	16	(39)	-	-	39	(5,775)	**(5,775)**
Dividends	18	-	-	-	-	(10,918)	**(10,918)**
Balance at 30 April 2023		**5,783**	**(6,252)**	**(286,904)**	**39**	**619,986**	**332,652**
Profit for the year		-	-	-	-	32,048	**32,048**
Other comprehensive income		-	-	-		-	**-**
Total comprehensive income		**-**		**-**	**-**	**32,048**	**32,048**
Transactions with owners:							
Share-based payments	24	-	-	-	-	2,165	**2,165**
Tax impact of share-based payments		-	-	-	-	(20)	**(20)**
Exercise of employee share schemes	17	-	398	-	-	(395)	**3**
Purchase of shares for cancellation	16	(93)	-	-	93	(19,442)	**(19,442)**
Dividends	18	-	-	-	-	(13,252)	**(13,252)**
Balance at 30 April 2024		**5,690**	**(5,854)**	**(286,904)**	**132**	**621,090**	**334,154**

Consolidated Statement of Cash Flows

For the year ended 30 April 2024

	Note	2024 (€ thousands)	2023 (€ thousands)
Cash flows from operating activities			
Profit for the year		32,048	23,215
Adjustments for:			
Depreciation and amortisation	7	16,918	16,989
Profit on property, plant and equipment disposals		-	(4)
Taxation	10	2,878	3,150
Net finance costs	9	3,411	2,691
Share-based payments	24	2,165	1,567
Other non-cash items		-	1
Working capital adjustments:			
Increase in trade and other receivables		(958)	(448)
Increase in trade and other payables		1,554	91
Increase in contract liabilities		951	739
Cash generated from operating activities		**58,967**	**47,991**
Corporate income tax paid		(4,714)	(3,122)
Interest received		237	
Interest and commitment fees paid		(3,292)	(2,208)
Net cash inflow from operating activities		**51,198**	**42,661**
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		(306)	(251)
Proceeds from sale of property, plant and equipment		3	4
Acquisition of business		-	(1,600)
Net cash used in investing activities		**(303)**	**(1,847)**
Cash flows from financing activities			
Repayment of loans and borrowings	19	(20,000)	(14,000)
Payment of lease liabilities		(305)	(247)
Purchase of own shares for cancellation	16	(19,540)	(5,663)
Purchase of own shares for performance share plan	17	-	(2,834)
Proceeds from exercise of share options		3	-
Dividends paid	18	(13,252)	(10,918)
Net cash used in financing activities		**(53,094)**	**(33,662)**
Net cash (outflow)/ inflow from operating, investing and financing activities		**(2,199)**	**7,152**
Differences on exchange		(14)	4
Net (decrease) /increase in cash and cash equivalents		**(2,213)**	**7,156**
Cash and cash equivalents at the beginning of the year		27,070	19,914
Cash and cash equivalents at the end of the year		**24,857**	**27,070**

Notes to the Consolidated Financial Statements

1. General information

Baltic Classifieds Group PLC (the "Company") is a public limited company incorporated and domiciled in the United Kingdom and its registered office is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH (Company no. 13357598). 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 for the year ended 30 April 2024 have been approved by the Board of directors of Baltic Classifieds Group PLC. They are prepared in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and the applicable legal requirements of the Companies Act 2006.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 106 to 112.

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

Other estimates:

- Carrying values of goodwill. An impairment review is performed of goodwill balances by the Group on a 'value in use' basis. This requires making assumptions and estimates in calculating the future cash flows, the time period over which they occur, and in arriving at an appropriate discount rate to apply to the cashflows as well as an appropriate long term growth rate. Each of these assumptions and estimates has an impact on the overall value of cashflows expected and therefore the headroom between the cashflows and carrying values of the cash generating units. Key assumptions and uncertainties for impairment are disclosed in note 12.
- 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 3.

Judgements

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

Other judgements:

- Deferred tax asset. An unrecognised deferred tax asset of €2,652 thousand (30 April 2023: €3,934 thousand) has not been recognised in relation to tax losses incurred by the Company's indirect subsidiary UAB Antler Group and direct subsidiary BCG HoldCo Limited. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the probability of future taxable profit of the indirect subsidiary being available. Taxable losses carried forward for which no deferred tax asset is recognised are discussed in note 10 (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 2024 no amounts of the revolving credit facility were drawn down.

The Group has a bank loan which matures in July 2026 and its availability is subject to continued compliance with certain covenants, it becomes repayable on demand in the case of a change in control. The Group voluntarily repaid €20,000 thousand of the loan during 2024, the outstanding balance at the year ends amounts to €50,000 thousand. The Group had cash balances of €24,857 thousand at the year end. After 30 April 2024, the Group has made a further voluntary repayment of debt of €5,000 thousand.

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

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

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

Effective new standards as at 1 May 2023

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 May 2023:

- 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).

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 subsequent accounting periods including:

- Amendments to IFRS 16 impacting Lease Liabilities in a Sale and Leaseback arrangement;
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lack of exchangeability (Amendments to IAS 21);
- UK legislation on international tax system reform (BEPS);
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures[1].

The Group is assessing the impact of these new standards and the Group's financial reporting will be presented in accordance with these standards in later reporting periods. The Group is not in scope for Pillar Two rules, as it does not meet the threshold of annual revenue of €750 million and therefore the amendment to IAS12 in relation to Pillar Two has no impact.

[1] The implementation and the effective dates of IFRS Sustainability Disclosure Standards are subject to local regulation.

3. Material accounting policy information

The Group has consistently applied the accounting policies to all the periods presented in these consolidated financial statements.

Revenue

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.

Finance costs

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.

The Group's potential dilutive instruments are in respect of share-based incentives granted to employees, which will be settled by ordinary shares held by the Employee Benefit Trust ('EBT').

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.

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

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.

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.

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.

The estimated useful lives are as follows:

Buildings	15-20 years
Vehicles	4-10 years
Other	3-6 years

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.

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.

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. 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.

4. Alternative performance measures (APMs)

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

- Adjusted operating profit which is Operating profit after adding back acquired intangibles amortisation. This measure helps to provide an indication of the Group's ongoing business performance.
- EBITDA which is Operating profit after adding back depreciation and amortisation. This measure is used internally to assess business performance and in budgeting and forecasting.
- EBITDA margin which is EBITDA as a percentage of revenue. Progression in EBITDA margin is an important indicator of the Group's operating efficiency.
- Adjusted EBITDA which is EBITDA after one-off IPO related costs. This is one of the key metrics used by management to assess operating performance of the business and is used in assessing covenant compliance for the Group's loan facility.
- Adjusted EBITDA margin which is Adjusted EBITDA as a percentage of revenue. Progression in EBITDA margin is an important indicator of the Group's operating efficiency.
- Adjusted net income which is Profit for the period after adding back post-tax impact of acquired intangibles amortisation and one-off corporate income tax credit relating to 2021. It is used to arrive at Adjusted basic EPS and in applying the Group's capital allocation policy.
- Adjusted basic EPS which is Adjusted net income divided by the weighted average number of ordinary shares in issue. This measure helps to provide an indication of the Group's ongoing business performance.
- Net Debt which is calculated as total debt (bank loans principal and Osta.ee customer credit balances) less cash and cash equivalents. See Revenue subsection of note 3 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 to EBITDA (or adjusted EBITDA in previous periods where relevant) over last twelve months (LTM) ratio. This measure is used in assessing covenant compliance for the Group's loan facility which includes a Total Leverage Ratio covenant (see note 19).
- Cash conversion which is EBITDA (or adjusted EBITDA in previous periods where relevant) after deducting acquisition of intangible assets and property, plant and equipment as a percentage of EBITDA (or adjusted EBITDA in comparative periods). This measure is used to monitor the Group's operational efficiency.

Reconciliation of alternative performance measures

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

EBITDA	2024 (€ thousands)	2023 (€ thousands)
Operating Profit	**38,337**	**29,056**
Depreciation and amortisation[1]	16,918	16,989
EBITDA	**55,255**	**46,045**
EBITDA margin	**77%**	**76%**

Adjusted net income	2024 (€ thousands)	2023 (€ thousands)
Profit for the year	**32,048**	**23,215**
Acquired intangibles amortisation	16,208	16,198
Deferred tax effect of acquired intangibles amortisation	(1,434)	(1,434)
CIT credit relating to 2021[2]	(1,830)	-
Adjusted net income	**44,992**	**37,979**

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

[2] See note 10 (d) for more information

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Adjusted basic EPS	2024	2023
Adjusted net income (€ thousands)	44,992	37,979
Weighted average number of ordinary shares (note 11)	489,975,882	496,082,891
Adjusted basic EPS (€ cents)	**9.18**	**7.66**

Net debt	2024 (€ thousands)	2023 (€ thousands)
Bank loan principal amount (note 19)	50,000	70,000
Customer credit balances	2,398	2,363
Total Debt	**52,398**	**72,363**
Cash and cash equivalents	(24,857)	(27,070)
Net Debt	**27,541**	**45,293**

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

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

5. 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 6.

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

6. Revenue

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

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

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

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

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 89% of the total ancillary revenue for the year ending 30 April 2024 and 91% of the total ancillary revenue for the year ending 30 April 2023

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Contract liabilities

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

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

7. Operating profit

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

Services provided by the Company's auditors

	2024 (€ thousands)	2023 (€ thousands)
Fees payable for audit services:		
Audit of the Company and consolidated financial statements[2]	(532)	(563)
Audit of the Company's subsidiaries pursuant to legislation	(191)	(197)
Total audit remuneration	**(723)**	**(760)**

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

8. Employee numbers and costs

The average number of persons employed (including Executive Directors but excluding 5 Non-Executive Directors) during the year was 150 (147 in 2023).

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:

	2024 (number)	2023 (number)
Administration	129	125
Key Management Personnel (note 23)	7	6
Total	**136**	**131**

The aggregate payroll costs of these persons were as follows:

	2024 (€ thousands)	2023 (€ thousands)
Wages and salaries	(8,035)	(7,034)
Social security costs	(812)	(726)
	(8,847)	**(7,760)**
Share-based payment costs (note 24)	(2,165)	(1,567)
Total	**(11,012)**	**(9,327)**

[1] Contract liabilities amount in the statement of financial position also include prepayments received from customers.
[2] The total fees payable for audit of the Company and consolidated financial statements include €43 thousand (2023: €102 thousand) audit fees relating to previous financial year.

9. Net finance costs

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

10. Income taxes

a) Tax recognised in profit or loss

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

Tax losses can be transferred between companies within the same tax group effectively reducing consolidated income tax expense.

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.

	2024 (€ thousands)	2023 (€ thousands)
Profit before tax	34,926	26,365
Tax charge at weighted average rate (2024: 11%; 2023:11%)	(3,726)	(2,988)
Non-deductible expenses	(305)	(127)
Current year losses for which no deferred tax asset is recognised	(332)	
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	(349)	(85)
Prior year adjustments[1]	1,834	50
	(2,878)	**(3,150)**

Summary of taxation rates by country is presented below:

	2024	2023
United Kingdom[2]	25%	25%
Lithuania	15%	15%
Latvia[3]	20%	20%
Estonia[3]	20%	20%

[1] Includes €1,830 thousand credit which relates to CIT for 2021. See note 10 (d) for further details.
[2] Standard Corporate Income Tax rate in United Kingdom was 19% until March 2023. From April 2023, the Standard Corporate Income Tax rate increased to 25%, with the rate for profits under £50,000 remaining at 19%.
[3] 0% income tax rate applies in Estonia and Latvia if there are no profit distributions, which results in a lower weighted average rate for the Group compared to the standard taxation rates in each country.

c) Movement in deferred tax balances

For the year ended 30 April 2023:	Net balance at 30 April 2022 (€ thousands)	Recognised in profit or loss (€ thousands)	Recognised in equity[2] (€ thousands)	Reclassification (€ 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[1]	-	-	-	-	-	(668)	668
Net tax assets (liabilities)	**(5,844)**	**1,754**	**20**	**-**	**(4,070)**	**153**	**(4,223)**

For the year ended 30 April 2024:	Net balance at 30 April 2023 (€ thousands)	Recognised in profit or loss (€ thousands)	Recognised in equity[2] (€ thousands)	Reclassification (€ thousands)	Net balance at 30 April 2024 (€ thousands)	Deferred tax asset (€ thousands)	Deferred tax liability (€ thousands)
Intangible assets amortisation	(4,827)	1,434	-	(102)	(3,495)	-	(3,495)
Capitalized borrowing costs	(64)	20	-	-	(44)	-	(44)
Tax losses	153	(153)	-	-	-	-	-
Other temporary differences	668	(85)	(20)	102	665	665	-
Tax assets (liabilities) before set-off	**(4,070)**	**1,216**	**(20)**	**-**	**(2,874)**	**665**	**(3,539)**
Set-off of tax[1]	-	-	-	-	-	(665)	665
Net tax assets (liabilities)	**(4,070)**	**1,216**	**(20)**	**-**	**(2,874)**	**-**	**(2,874)**

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 prior to being eligible for transfer to other Group companies in Lithuania and by BCG Holdco Limited in United Kingdom, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Until December 2023, the Lithuanian Tax Authority (LTA) maintained that a tax group, and thus the sharing of tax losses with a group company earning taxable profits, could only be established two years after companies became part of the same group. However, a court ruling on 13 December 2023 found this interpretation of Article 56(1), Paragraph 1 of the Corporate Income Tax Law incorrect. The decision is final. Following the ruling, CIT declarations for 2020-2021 were updated with a tax loss of €12,200 thousand being transferred from UAB Antler Group to UAB Diginet LTU, resulting in a €1,830 thousand CIT overpayment by UAB Diginet LTU.

	2024 (€ thousands)		2023 (€ thousands)	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	(16,911)	2,652	(26,229)	3,934
	(16,911)	**2,652**	**(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 €9,092 thousand (€7,270 thousand in 2023). 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.

[1] Set-off is allowed as it is the same jurisdiction (Lithuania).

[2] Taxation on items taken directly to equity relates to share-based payments.

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 in Lithuania and by BCG Holdo Limited in United Kingdom.

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:

	2024 (€ thousands)	2023 (€ thousands)
Do not expire	(16,911)	(26,229)
Total	**(16,911)**	**(26,229)**

11. Earnings per share

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

In calculating diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive shares. The Group's potentially dilutive instruments are in respect of share-based incentives granted to employees. Options under the Performance Share Plan (note 24) are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions are satisfied.
The average market value of the Group's shares for the purposes of calculating the dilutive effect of share-based incentives was based on quoted market prices during the period which the share-based incentives were outstanding.

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

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

12. Intangible assets and goodwill

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

Impairment testing for cash generating units containing goodwill

The following carrying amounts of goodwill are allocated to each cash-generating unit within the Group:

	2024 (€ thousands)	2023 (€ thousands)
Diginet LTU UAB	228,515	228,515
AllePal OÜ	82,297	82,297
Kinnisvaraportaal OÜ	13,976	13,976
City24 SIA	3,998	3,998
VIN Solutions OÜ	1,175	1,175
	329,961	**329,961**

Testing for impairment is performed at the cash-generating unit ("CGU") level, which is the smallest groups of assets that generate cash inflows. The CGUs are legal entities based in Lithuania, Estonia and Latvia and the recoverable amounts of each CGU is determined based on the value in use calculations that use cash flow projections based on the five-year financial forecasts.

The Group has prepared cash flows with the first year in the forecasts from the official budget approved by the Board, with the remaining years forecast prepared by management. After this period, cash flows have been extrapolated using a growth rate of 4-5% (2023: 2.5%) which, in 2024, is the long-term GDP growth rate for the relevant markets and takes into account longer-term considerations such as expected Group performance and market developments. The cash flow forecasts have been discounted using a pre-tax discount rate of 15-17% (2021: 12-14%). The recoverable amount of goodwill shows significant headroom compared with its carrying amount, hence no impairment charge was recorded in the year ended 30 April 2024 (2023: None).

Management has analysed a number of sensitivity scenarios when performing the impairment reviews, including a reduction in revenue growth, increased discount rate and decreased terminal growth. None of those scenarios resulted in an impairment to goodwill. Management considers that no reasonably possible change in the key assumptions would cause a material impairment in goodwill's carrying value at 30 April 2024.

13. Right-of-use assets

	Buildings (€ thousands)	Vehicles (€ thousands)	Other (€ thousands)	Total (€ thousands)
Cost				
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**
Acquisitions	89	-	-	89
Disposals	(8)	-	-	(8)
Re-assessment	489	-	21	510
Balance as at 30 April 2024	**2,224**	**189**	**65**	**2,478**
Accumulated depreciation and impairment losses				
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**
Depreciation	283	26	18	327
Disposals	(5)			(5)
Balance as at 30 April 2024	**1,105**	**165**	**55**	**1,325**
Carrying amounts				
Balance as at 30 April 2022	**350**	**86**	**21**	**457**
Balance as at 30 April 2023	**827**	**50**	**7**	**884**
Balance as at 30 April 2024	**1,119**	**24**	**10**	**1,153**

Certain lease rentals include extension options. The lease re-assessment relate to lease term extension of Tallinn office space in 2024 and lease term extension of Vilnius office space in 2023.

14. Trade and other receivables

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

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

Reconciliation of changes in impairment allowance for trade receivables:

	(€ thousands)
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)**
Recoveries	57
Write offs	47
Changes in allowance and allowance recognised for new financial assets originated	(107)
Balance as at 30 April 2024	**(48)**

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15. Cash and cash equivalents

The balance of the Group's cash and cash equivalents as at 30 April 2024 and 30 April 2023 comprises of cash in banks. The credit rating of banks the Group holds its cash and cash equivalents varies from Aa3 to Baa3 as per Moody's ratings.

As at 30 April 2024 and 30 April 2023, there are no restrictions on cash in Group's bank accounts.

16. Equity

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

Included within shares in issue at 30 April 2024 are 3,356 thousand (3,600 thousand as at 30 April 2023) shares held by the Employee Benefit Trust ("EBT") (note 17).

17. Own shares held

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

18. Dividends

Dividends paid by the Company were as follows:

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

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

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

[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.

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

The Directors intend to return one third of Adjusted net income (as defined and reconciled in note 4) each year via an interim and final dividend, split one third and two thirds, respectively. Adjusted net income (as reconciled in note 4) for 2024 was €44,992 thousand (€37,979 in 2023).

19. Loans and borrowings

Non-current liabilities	2024 (€ thousands)	2023 (€ thousands)
Bank loan	49,122	68,716
Lease liabilities	819	515
	49,941	**69,231**
Current liabilities	**2024 (€ thousands)**	**2023 (€ thousands)**
Bank loan	93	180
Lease liabilities	263	282
	356	**462**

Bank loan:

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

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

The loan agreement prescribes a Total Leverage Ratio covenant. Total Leverage Ratio is calculated as Net Debt over last twelve months (LTM) of Adjusted EBITDA and shall not exceed 5.50:1. As at 30 April 2024 and 30 April 2023, the Group complied with the covenant prescribed in the loan agreement.

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

The following pledges and securities were granted as of 30 April 2024 and 30 April 2023: group companies shares. The carrying amount of pledged assets is as follows:

Pledged assets	2024 (€ thousands)	2023 (€ thousands)
Group companies shares[1]	332,227	332,227
	332,227	**332,227**

[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 26):
- 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.

Reconciliation of movements of liabilities to cashflows arising from financing activities

	Borrowings (€ thousands)	Lease liabilities (€ thousands)	Total (€ thousands)
Balance as at 30 April 2022	**82,432**	**369**	**82,801**
Changes from financing cash flows			
• - Repayment of borrowings	(14,000)	-	**(14,000)**
• - Payment of lease liabilities	-	(247)	**(247)**
Total changes from financing cash flows	**(14,000)**	**(247)**	**(14,247)**
Other liability related changes			
• - New leases and lease-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**
Balance as at 30 April 2023	**68,896**	**797**	**69,693**
Changes from financing cash flows			
• - Repayment of borrowings	(20,000)	-	**(20,000)**
• - Payment of lease liabilities	-	(305)	**(305)**
Total changes from financing cash flows	**(20,000)**	**(305)**	**(20,305)**
Other liability related changes			
• - New leases and lease-reassessments	-	593	**593**
• - Lease disposal	-	(3)	**(3)**
• - Interest expenses	3,516	38	**3,554**
• - Interest paid	(3,197)	(38)	**(3,235)**
Total other liability related changes	**319**	**590**	**909**
Balance as at 30 April 2024	**49,215**	**1,082**	**50,297**

20. Trade and other payables

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

21. 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	2024 (€ thousands)	2023 (€ thousands)
Trade receivables	14	4,023	3,277
Other short-term receivables	14	224	70
Cash and cash equivalents	15	24,857	27,070
		29,104	**30,417**

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 2024:

	ECL rate	Trade receivables (€ thousands)	Impairment allowance (€ thousands)
Not past due	(0.1%)	3,161	(3)
1 – 30 days past due	(0.5%)	492	(2)
31 – 60 days past due	(2.1%)	127	(3)
61 – 90 days past due	(5.7%)	48	(3)
> 90 days past due	(15.4%)	243	(37)
	(1.2%)	**4,071**	**(48)**

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)**

For the movement in impairment allowance see note 14.

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 EUR 60 000 thousand. All of the commitment matures in July 2026. At 30 April 2024, EUR 50 000 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 19.

The table below summarises the remaining contractual maturities of financial liabilities as at 30 April of 2024, 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	49,215	(56,371)	(2,896)	(2,881)	(50,594)	-
Lease liabilities	1,082	(1,313)	(317)	(294)	(654)	(48)
Trade payables	399	(399)	(399)	-	-	-
Other payables	2,622	(2,622)	(2,622)	-	-	-
	53,318	**(60,705)**	**(6,234)**	**(3,175)**	**(51,248)**	**(48)**

The table below summarises the remaining contractual maturities of the Group's 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)**	**-**

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 purchases 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 2024 and 30 April 2023, the Group had no significant monetary assets and liabilities denominated in other currencies.

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	2024 (€ thousands)	2023 (€ thousands)
Instruments with a variable interest rate		
Bank loan	49,122	68,716
	49,122	**68,716**

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.

2024	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	(500)	-100 bp	500

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

d) 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.

e) 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:

2024	Carrying amount (€ thousands)	Level 1 (€ thousands)	Level 2 (€ thousands)	Level 3 (€ thousands)	Total (€ thousands)
Trade and other receivables	4,247	-	-	-	-
Cash and cash equivalents	24,857	-	-	-	-
Loans and borrowings	(49,215)	-	(49,215)	-	(49,215)
Trade and other payables	(5,126)	-	-	-	-
	(25,237)	**-**	**(49,215)**	**-**	**(49,215)**

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)**

22. Related party transactions

During the period ended 30 April 2024 and period ended 30 April 2023, the transactions with related parties outside the consolidated Group consisted of remuneration of key management personnel (note 23), including share option awards under the PSP scheme (note 24).

23. Remuneration of key management personnel and other payments

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

During the period ended 30 April 2024 the Executive directors of the Group were granted a set number of share options under the PSP scheme. See note 24 for further detail.

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

24. Share-based payments

Performance Share Plan

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

The total charge in the period relating to the PSP scheme was €2,165 thousand (€1,567 thousand in the period ended 30 April 2023).

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

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

The 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 (€)
27 July 2021	EPS performance condition, service condition	2.62	0.01	53%	3	(0.20)%	0.78%	2.56
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
5 July 2023	EPS performance condition, service condition	2.22	0.01	40%	3	2.54%	1.12%	2.14

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 2024 was as follows:

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

25. Enquiries by Competition Authorities

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

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

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

26. 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
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 2024 by virtue of section 479A of the Companies Act 2006.

27. Subsequent events

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

Company Statement of Financial Position

As at 30 April 2024

	Notes	2024 (€ thousands)	2023 (€ thousands)
Fixed assets			
Investments	4	511,796	509,631
Current assets			
Debtors: amounts falling due within one year	5	103,691	98,854
Cash at bank or in hand	6	3,062	103
Creditors: amounts falling due within one year			
Amounts due to subsidiary undertakings	7	(43,635)	(6,189)
Other creditors	7	(510)	(336)
Net current assets		**62,608**	**92,432**
Total assets less current liabilities		**574,404**	**602,063**
Capital and reserves			
Called up share capital	10	5,690	5,783
Retained earnings		574,436	602,493
Capital redemption reserve		132	39
Own shares held	11	(5,854)	(6,252)
Total Capital and reserves		**574,404**	**602,063**

The profit for the year of the Company was €2,867 thousand (2023: profit €2,630 thousand).

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 2 July 2024.

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 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:						
Purchase of shares for cancellation	(39)	-	-	39	(5,775)	(5,775)
Dividends paid	-	-	-	-	(10,918)	(10,918)
Share-based payments	-	-	-	-	1,567	1,567
Acquisition of treasury shares	-	-	(2,834)	-	-	(2,834)
Balance at 30 April 2023	**5,783**	**-**	**(6,252)**	**39**	**602,493**	**602,063**
Profit / (loss) for the period	-	-	-	-	2,867	2,867
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	**2,867**	**2,867**
Transactions with owners:						
Share-based payments	-	-	-	-	2,165	2,165
Exercise of share options	-	-	398	-	(395)	3
Acquisition of treasury shares	-	-	-	-	-	-
Purchase of shares for cancellation	(93)	-	-	93	(19,442)	(19,442)
Dividends paid	-	-	-	-	(13,252)	**(13,252)**
Balance at 30 April 2024	**5,690**	**-**	**(5,854)**	**132**	**574,436**	**574,404**
Set aside for dividends declared after the reporting period					(10,200)	(10,200)
Total					**564,236**	**564,204**

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 2023 to 30 April 2024.

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 of Baltic Classifieds Group PLC. The profit for the financial period dealt with in the financial statements of the parent company was €2,867 thousand (2023: €2,630 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 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 at bank or in hand

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

	2024 (€ thousands)	2023 (€ thousands)
Fees payable for audit services:		
Audit of the Company and consolidated financial statements	(532)	(563)
Total audit remuneration	**(532)**	**(563)**

The total fees payable for audit of the Company and consolidated financial statements include €43 thousand (2023: €102 thousand) audit fees relating to previous financial year. Refer to note 7 on page 92 in consolidated financial statements for further detail.

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3. Directors' remuneration

The Company has no employees other than the Directors.

The aggregate remuneration of the directors was €345 thousand (2023: €312 thousand).

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

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**
Share-based payments	2,165
Investment in subsidiaries at 30 April 2024	**511,796**

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 24 to the consolidated financial statements.

The closing balance of the Investment in subsidiaries at 30 April 2024 consists of €506,452 thousand investment in BCG Holdco Limited and Share based payments in amount to €5,344 thousand. No impairment indicators were identified for the investment in subsidiaries.

5. Debtors: amounts falling due within one year

	2024 (€ thousands)	2023 (€ thousands)
Intercompany loan and interests to BCG HoldCo Limited	103,444	98,733
Amounts owed by subsidiary undertakings	49	-
Other short-term receivables	198	121
	103,691	**98,854**

Terms, repayment of intercompany loan

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 1.1% plus 1 month EURIBOR (2023: 2.5% plus 1 month EURIBOR) The loan is not expected to be paid within 1 year in the course of the normal operating cycle.

6. Cash at bank or in hand

	2024 (€ thousands)	2023 (€ thousands)
Cash at bank	3,062	103
	3,062	**103**

There were no restrictions on cash at bank or in hand held at 30 April 2024 and 2023.

7. Creditors: amounts falling due within one year

	2024 (€ thousands)	2023 (€ thousands)
Trade creditors	(76)	(11)
Share buybacks liability	(211)	(113)
Accruals	(223)	(212)
Intercompany loan and interests from Antler Group UAB	-	(6,189)
Intercompany loan and interests from Diginet LTU UAB	(43,635)	-
	(44,145)	**(6,525)**

The loan is repayable immediately on demand by the lender, Diginet LTU UAB. The borrower may prepay or repay any or all of the loan at any time and bear interest at a rate of 0.5% 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 2024 may be analyzed as follows:

	2024 (€ thousands)	2023 (€ thousands)
Financial assets measured at amortized cost	106,752	98,957
	106,752	**98,957**

Financial assets specified and detailed disclosed in notes 5 and 6.

	2024 (€ thousands)	2023 (€ thousands)
Financial liabilities measured at amortized cost	(44,145)	(6,525)
	(44,145)	**(6,525)**

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 2024. Swedbank Bank AB had a credit rating of Moody's Aa3 as at 30 April 2024.

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 Diginet LTU UAB, The Company and Diginet LTU 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 purchases that are denominated in a currency other than EUR. As at 30 April 2024 the Company has 227 thousand liabilities and 47 thousand cash at bank account in GBP currency. As at 30 April 2023, the Company has 105 thousand liabilities and 4 thousand cash at bank account in GBP currency.

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, Antler Group UAB and Diginet LTU UAB are related parties, the Company assumes liquidity risk to the limited extent.

10. Share capital

	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**
Purchase and cancellation of own shares	(8,018,738)	(93)	93
As at 30 April 2024	**488,944,427**	**5,690**	**132**

In October 2022 the Company initiated its share buyback program. During 2024, the Company purchased 8,018,738 (2023: 3,429,240) ordinary shares with a par value of £ 0.01 for cancellation. For this reason, a capital redemption reserve was formed in amount of €132 thousand as at 30 April 2024.

Fully paid ordinary shares, which have a par value of £0.01, carry one vote per share and carry a right to dividends.

11. Own shares held

	Shares held by EBT Amount (€ thousands)	Number ('000)
Balance as at 30 April 2022	**(3,418)**	**2,100**
Purchase of shares for performance share plan	(2,834)	1,500
Balance as at 30 April 2023	**(6,252)**	**3,600**
Balance as at 30 April 2023	**(6,252)**	**3,600**
Purchase of shares for performance share plan	-	-
Exercise of share options	398	(244)
Balance as at 30 April 2024	**(5,854)**	**3,356**

No shares purchased to EBT during 2024. During 2023, 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 2024		Year ended 30 April 2023	
	€ cents per share	(€ thousands)	€ cents per share	(€ thousands)
2022 final dividend paid	-	-	1.4	6,955
2023 interim dividend paid	-	-	0.8	3,963
2023 final dividend paid	1.7	8,359		
2024 interim dividend paid	1.0	4,893		
		13,252		**10,918**

The proposed final dividend for the year ended 30 April 2024 of 2.1 € cents per share, totaling approximately €10,200 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 2023 final dividend of €8,359 thousand (1.7 € cents per qualifying share) was paid on 13 October 2023.

2024 interim dividend of €1.0 cents per share, totaling €4,893 thousand was paid out on 24 January 2024.

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 €499 thousand (2023: €474 thousand) was provided to UAB Antler Group in respect of services rendered. During the year, an accounting and Cosec charge of €45 thousand (2023: €nil) was received from UAB Antler Group. At the year end, balances outstanding with other Group undertakings were €103,493 thousand (2023: €98,733 thousand) for debtors as set out in note 5 and €43,635 thousand (2023: €6,189 thousand) for creditors as set out in note 7. Related party transactions for Directors' remuneration are disclosed in note 3 within note 23 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 (registered number 13357598) 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 (registered number 13415193) 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 for the year ended 30 April 2024. This information is disclosed within note 26 to the consolidated financial statements.

Glossary

2022 – means the financial year ended 30 April 2022.

2023 – means the financial year ended 30 April 2023.

2024 – means the financial year ended 30 April 2024.

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.

Advertisers – means users of the websites, listing C2C or B2C advertisements.

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.

GDP – means gross domestic product.

Generalist portals - means portals with no specialisation, listing a wide range of products and services to consumers.

KPI – means 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.

Listing – means an advertisement 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.

OECD – means Organisation for Economic Co-operation and Development.

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 2024 comprised a single class of Ordinary Shares. As at 30 April 2024 there were 488,944,427 Ordinary Shares of £0.01 each in issue (net of shares pending cancellation).

As at 27 June 2024, being the last practicable date prior to publication of this report, the Company's issued share capital (net of shares pending cancellation) comprised 488,180,628 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 16 to the consolidated financial statements.

AGM

The AGM will be held at G.D. Kuverto g. 15, Neringa, LT-93123, Lithuania on 27 September 2024 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]

3 July 2024	Dividend announcement date
13 September 2024	Dividend record date
27 September 2024	Annual General Meeting
18 October 2024	Dividend payment date
December 2024	Half-year results announcement

Company information

Registered office:	Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH
Company number:	13357598
Company Secretary:	Eglė Sadauskienė
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.

All Intellectual Property Rights in the content and materials in this Annual Report vests in and are owned absolutely by Baltic Classifieds Group PLC unless otherwise indicated, including in respect of or in connection with but not limited to all trademarks and the Report's design, text, graphics, its selection and arrangement.

[1] Dates are provisional and may be subject to change.

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