

AB "Civinity"

SEPARATE UNAUDITED FINANCIAL STATEMENTS
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION FOR SIX MONTH PERIOD ENDED 30 JUNE 2024

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INFORMATION ABOUT THE COMPANY

Name of the Company	AB „Civinity“
Legal form	Public limited liability company
Company code	302247881
Registered office address	Naugarduko st. 98, 03160 Vilnius
Date of registration	13 November 2008
Registrar	State enterprise Centre of Registers
Profile of activities	Business and other management consultations
Company's financial year	Calendar year
Chief Executive Officer	Virgeda Jackaitė

REPORT OF THE COMPANY FOR SIX MONTH PERIOD ENDED 30 JUNE 2024

1. Objective overview of the Company's financial position, performance and development, description of its exposure to key risks and contingencies

AB "Civinity" ("the Company") is a public limited liability company registered in the Republic of Lithuania on 13 November 2008. With effect from 13 March 2017, a private limited liability company Civinity was reorganised to a public limited liability company. The Company's name after the reorganisation is AB "Civinity". The address of its registered office is as follows: Naugarduko 98, LT 03160 Lithuania.

AB "Civinity" controls corporate group which are engaged in provision of facility management and integrated utility services in Baltics region and provides professional management, risk controls, investment planning and financial services for the Group companies. Currently the Group companies operates in Lithuania, Latvia and United Kingdom (subsidiary of Civinity Engineering, UAB).

AB "Civinity" gets revenue from management consulting services, which is the core of company business and from investment activities in form of dividends from controlled subsidiaries and interest from loans. Services to the group companies are provided base on transfer pricing documentation and approved principles.

The company assesses general risks relating to economical, political and social factors and therefore it is careful in choosing investments. Such factors as consumer price inflation, rising remuneration base and economic growth are considered as the most important ones for the company daily operations and investment decisions. ■

On 16 November 2021 Civinity, AB signed the shareholders agreement with company "Sail Invest" UAB and agreed to merge residential companies "Civinity namai" UAB, "Civinity namai Vilnius" UAB, "Servico" UAB and part of "Pastatu meistrai" UAB under the ownership of "SPV-31" UAB, which already controls company "Civinity Solutions" UAB. The merger of the mentioned companies finished on 1 March 2022 and now "SPV-31" UAB controls 100% shares of above mentioned companies.

Also as a part of this reorganisation, the new group company "Civinity Meistrai" UAB was established and will cover technical, cleaning and other services outside the Vilnius district.

On 24 December 2021 "SPV-31" UAB signed shares purchase agreement with company "Invalda" AB and "Inservis" UAB (Lithuania) to acquire 100 % of shares "Priemiestis" UAB, "Jurita" UAB, "Inservis" UAB and "Inservis" SIA. The last company operates in Latvia. The transaction and take over was completed on 18 of May 2022. The major part of the transaction was financed by Luminor Bank granted EUR 4.900 thousands loan for a 5 years period.

On January 2023 The Company finalized the procedures of the acquisition of "Valandinis" UAB majority stake of shares (51 %) from UAB "Partly".

On 26 January 2023 "Civinity", AB sold 100 percent stake of shares of "Pilsetas Lifti" SIA to Lithuania based company UAB "Profi Invest". This transaction is further clarification of group business model and business segments.

On 1 December 2023 The Company acquired 80 percent stake of shares of "Ionica Serviss" SIA from related company "Pentaframe Capital" UAB.

"SPV-31" UAB received loan from Luminor bank for Inservis group companies acquisition is guaranteed by its shareholders AB "Civinity" and "Sail Invest" UAB. AB "Civinity" secured amount is EUR 2.499 thousand and UAB "Sail Invest"- 2.401 thousand respectively. Security is valid until all obligations by "SPV-31" UAB will be fully completed. Financial covenants are: "SPV-31" UAB controlled entities consolidated DEBT/EBITDA ratio shall not be above 3.5, Equity to Assets ratio shall not be lower 0.3, DSCR ratio not lower then 1.2 and current liquidity shall be above 1.1. As at 30 June 2024 applicable covenants are : DEBT/EBITDA ratio (1.36), Equity to Assets ratio (0.37), DSCR (1.57) and adjusted current liquidity ratio (1.16).

2. Analysis of the financial and non-financial performance, information on environmental and personnel-related issues

Company's revenue for half year ending 30 June 2024 have increased by EUR 3 797 thousand compared to half year ending 30 June 2023 and amounting to EUR 1 063 thousand (as at 30 June 2024: EUR 4 860 thousand). The key factors for the revenue increase were: higher dividends revenue amounting to EUR 4 000 thousand (in 2023 1HY EUR 281 thousands) and higher management service revenue amounting EUR 775 thousand (in 2023 1HY EUR 661 thousand).

During 6 months period in 2024 all administrative expenses were related with main company activities and amounted to EUR 1 002 thousand (as at 2023 same period EUR 836 thousand) and majority of expenses were directly related with consulting services and remuneration for company employees. The operating result as at 30 June 2024 was EUR 3 959 thousand and is more than as at 30 June 2023, when operating result was EUR 437 thousand, better operating result as at 30 June 2024 is driven by dividends revenue.

Civinity employees related expenses including remuneration and bonuses decreased by EUR 70 thousand comparing to 2023 1HY. Other expenses were similar to the previous year, except consultation expenses, which were EUR 338 thousands (as at 30 June 2023 it was EUR 88 thousand).

3. The Company's key management personnel

As of 31 December 2023, the Group's key management personnel included the following persons:

- Deividas Jacka, Chairman of the Board (since 22 January 2021) and chief business development officer (29 May 2023 - 29 December 2023).

Deividas Jacka is the Chairman of the Board of AB "Civinity" (since 2020). He holds a Master's degree in business administration and executive MBA diploma.

- Virgėda Jackaitė, Chief executive officer (since 29 May 2023).

Virgėda Jackaitė is the Chief Executive Officer of AB "Civinity". She holds a degree in accounting and finance from University of Birmingham. She is a CEO of the group companies "Civinity LT" UAB, "SPV 31" UAB and "Civinity Engineering UK" Ltd and board member of the companies "SPV 31" UAB, "Civinity engineering" UAB.

- Diana Dominiėnė, Independent Member of the Board (since 14 December 2023).

Diana Dominiėnė is the Member of the Board of AB "Civinity". She holds a master's degree in Finance and Credit (Vilnius University).

- Vilius Kucinas, Independent Member of the Board (since 14 December 2023).

Vilius Kucinas is the Member of the Board of AB "Civinity". He holds a master's degree in Business Administration (MBA, Executive MBA from BMI Executive Institute).

- Šarūnas Stanislavėnas, Independent Member of the Board (since 8 February 2024).

Šarūnas Stanislavėnas is the Member of the Board of AB "Civinity". He holds a Executive MBA in Business/Managerial Economics/Marketing/Management accounting (ISM University of Management and Economics).

- Martynas Gudonavičius, Independent Member of the Board (since 7 May 2024).

Martynas Gudonavičius is the Member of the Board of AB "Civinity". He holds a degree in Business administration (Kaunas University of Technology).

4. Number and nominal value of the shares of the Company acquired and held by the Company or the Company companies and the percentage of authorised share capital they represent

The share capital of the Company is EUR 100 thousand as at 30 June 2024. It is divided into 100 ordinary shares with the nominal value of EUR 1 thousand. All shares of the Company are paid up. As at 30 June 2024 the Company neither acquired nor disposed any shares of the Company and on 30 June 2024 the Company held no shares of the Company.

The Company does not have any other classes of shares than ordinary shares mentioned below, there are no restrictions of share rights or special control rights for the shareholders settled in the Articles of Association of the Company. No convertible securities, exchangeable securities or securities with warrants are outstanding, likewise, there are no outstanding acquisition rights or undertakings to increase share capital.

As at 30 June 2024 the sole shareholder of the Company was SIA "Nord Finn Assets" (Latvia).

5. Information on branches and representative offices of the entity

The Company has no branches neither representative offices.

6. Significant events subsequent to the end of the current reporting period

For the significant events after the reporting financial year please refer to a note 25.

7. The Company's operation plans and prospects

In 2HY 2024, the Company's management plans to operate consistently in view of improving its productivity, business process efficiency and optimizing business processes. A special focus will be on researching and developing property management solutions to improve customers service.

In 2022 the Company started developing its ESG [Environment - Social - Governance] strategy. As part of the strategy creation process the Company conducted a thorough materiality analysis and identified key sustainability topics that represent the Company's largest impacts and are the most important to all stakeholder groups. As a result, the Company identified 12 sustainability focus areas: Efficient energy use, Carbon footprint, Good working conditions & well-being, Training & development opportunities, Health & safety, Fair remuneration, Involving and empowering employees, Employee retention & recruitment, Service efficiency, Competitive advantage, Compliance & anti-corruption, Data protection. The Company will continue to identify goals, KPI, and an action plan for management of each material topic, and will announce the ESG strategy with its related policies during the 2HY 2024.

Civinity and the Group keep the main focus on the multiapartment modernization (renovation) projects including availability to install and service solar plants and provide green energy solutions to our customers. The Company is also researching and investigating solutions to invest into EV charging solutions applicable to multiapartment house usage.

8. Financial risks of the Company

In October 2023 "Civinity" AB has successfully raised the full amount of EUR 8 million bonds at 11% interest per annum. The funds raised were used to redeem the debt securities placed in 2021. The Company's borrowings mostly comprise borrowings and finance lease liabilities bearing a variable interest rate linked with EURIBOR that expose the Group to the interest rate risk, but it is not considered a significant one. As at 30 June 2024 and as at 31 December 2023, there were no financial instruments designated to control the risk of interest rate fluctuations.

The Group is meeting its short term debt obligations and has the ability to pay off its short-term liabilities and is in control of liquidity risk, refer to note 2.1.

The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 4.38 as at 30 June 2024 (31 December 2023: 2.03). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group.

Virgeda Jackaitė
Chief Executive Officer
30 September 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	30 June 2024	30 June 2023
Management service revenue		775	661
Dividend income		4 000	281
Interest income		85	121
Employee related expenses	5	(268)	(338)
Depreciation and amortisation	7, 8, 9, 16	(189)	(242)
Consulting expenses		(338)	(88)
Legal expenses		(40)	(30)
Transportation related expenses		(20)	(19)
Audit and accounting expenses		(77)	(56)
Other operating expenses		(71)	(64)
Gain / (Loss) on disposal of Property, Plant and Equipment		16	15
Other gains		84	119
Profit on disposal of subsidiaries	10	2	76
Operating profit		3 961	437
Interest expenses		(671)	(433)
Profit before income tax		3 290	4
Income tax expenses	6	-	-
Profit for the period		3 290	4
Other comprehensive income		-	-
Total profit or loss and other comprehensive income for the period		3 290	4

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

The financial statement were approved and signed by:

Chief Executive Officer

Virgeda Jackaitė

30 September 2024

Chief accountant

Vilma Marciukaitė

30 September 2024

STATEMENT OF FINANCIAL POSITION

	Note	30 June 2024	31 December 2023
ASSETS			
Non-current assets			
Intangible assets	7	288	347
Property, plant, and equipment	8	348	366
Right - of - use assets	9	130	143
Investments in subsidiaries	10	9 582	9 583
Loans granted to related parties	11	2 111	2 037
Other receivables	13	593	262
Total non-current assets		13 052	12 738
Current assets			
Trade and other receivables	13	2 432	1 815
Loans granted to related parties		159	108
Cash and cash equivalents	14	962	8
Total current assets		3 552	1 932
TOTAL ASSETS		16 604	14 670
EQUITY			
Share capital	15	100	100
Retained earnings		1 771	(1 519)
Total equity		1 871	(1 419)
LIABILITIES			
Non-current liabilities			
Borrowings	16	13 295	14 825
Lease liabilities	9	627	311
Total non-current liabilities		13 922	15 136
Current liabilities			
Borrowings	16	38	36
Lease liabilities	9	282	258
Trade and other payables	17	492	659
Total current liabilities		811	953
Total liabilities		14 733	16 089
TOTAL EQUITY AND LIABILITIES		16 604	14 670

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer _____

Virgeda Jackaitė _____

30 September 2024 _____

Chief accountant _____

Vilma Marciukaitė _____

30 September 2024 _____

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 January 2023		100	(878)	(778)
Profit for the period			(642)	(642)
Total profit or loss and other comprehensive income for the period			(642)	(642)
Equity as at 31 December 2023		100	(1 519)	(1 419)
Profit for the period			3 290	3 290
Total profit or loss and other comprehensive income for the period			3 290	3 290
Equity as at 30 June 2024	15	100	1 771	1 871

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer	Virgeda Jackaitė	30 September 2024
Chief accountant	Vilma Marciukaitė	30 September 2024

STATEMENT OF CASH FLOWS

	Note	30 June 2024	At 30 June 2023
Cash flows from operating activities			
Profit (loss) before income tax		3 290	4
Adjustments for:			
Depreciation and amortisation	7, 8, 9, 16	189	242
Interest expenses		671	433
Interest income		(85)	(121)
Loss on disposal of property, plant and equipment		-	(76)
Profit on disposal of subsidiaries		(16)	-
Impairment of subsidiaries	10	-	-
Impairment of financial assets	11	-	-
Dividends		(4 000)	(281)
Changes in working capital			
(Increase) decrease in trade and other receivables	12	(4)	83
Increase (decrease) in trade and other payables	17	(44)	(150)
Cash generated from operations		(0)	134
Interest received		-	8
Interest paid		441	(199)
Net cash flows generated from operating activities		441	(57)
Cash flows from investing activities			
Purchase of intangible assets	7	-	-
Purchase of property, plant and equipment	8	-	(6)
Sale of property, plant and equipment	8	37	-
Loans granted	11	(256)	(540)
Loan repayments received	11	86	448
Dividends received		281	281
Net cash flow generated from (used in) investing activities		148	183
Cash flows from financing activities			
Issues of the bonds	16	-	-
Borrowings received		478	387
Repayments of borrowings	16	(48)	(507)
Lease payments		(66)	(47)
Net cash flows generated from (used in) financing activities		365	(167)
Net increase (decrease) in cash flows		954	(41)
Cash and cash equivalents at the beginning of the period		8	66
Cash and cash equivalents at end of the period		962	25

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer _____

Virgeda Jackaitė _____

30 September 2024 _____

Chief accountant _____

Vilma Marciukaitė _____

30 September 2024 _____

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Information about the Company

"Civinity", AB (referred to as the Company, registration code 302247881) is a public limited liability company registered in the Republic of Lithuania. It was established on 13 November 2008. The Company's registered office and head office address is Naugarduko g. 98, Vilnius, Lithuania. The principal activity of the Company is to provide management related services to its subsidiaries and holding activities. From 29 May 2023, the Company's chief executive officer is Virgėda Jackaitė.

From 30 March 2020 the sole shareholder and ultimate shareholder of the Company is "Nord Fin Asset", SIA (registration number 44103136863, address: Dubultu prospekts 3, Jūrmala, Latvia). "Nord Fin Asset", SIA acquired 100% of shares of the Company from previous shareholder "Civinity" OU. The sole ultimate beneficiary holding a 100% ownership interest of "Nord Fin Asset", SIA is Deividas Jacka.

The Company's board consists of:

- Deividas Jacka, Board Member (from 10 August 2018 until 10 April 2020 and since 23 December 2020), Chairman of Board (since 22 January 2021);
- Virgėda Jackaitė, Board Member and Chief Executive Officer (since 29 May 2023);
- Diana Dominienė, Board Member (since 14 December 2023);
- Vilius Kucinas, Board Member (since 14 December 2023)
- Šarūnas Stanislovenas, Board Member (since 8 February 2024)

As at 30 June 2024 and as at 31 December 2023, the Company's authorised share capital consisted of 100 ordinary registered shares with par value of EUR 1 thousand each. All the shares of the Company have been fully paid up. The subsidiaries do not hold the Company's shares. The Company's shares are not publicly traded.

As at 30 June 2024, the Company had 8 employees (31 December 2023: 7 employees).

Along with these separate financial statements, the management of the Company have prepared the set of consolidated financial statements combining the balances and the financial results of the Company and its' controlling entities (the Group). The consolidated financial statements of the Group were issued and approved by the Management and are available at the Company's registered office address.

Company's direct and indirect investments into subsidiaries:

Name of subsidiary	Address	Date of acquisition or establishment	Ownership % 30 June 2024	Ownership % 31 December 2023	Activity
UAB Civinity namai Kaunas	Chemijos 15, Kaunas, Lithuania	2013.02.28	100%	100%	Facility management services
UAB Civinity namai Vakarai	Danės 5-41, Klaipėda, Lithuania	2014.07.11	81,72%	81,72%	Facility management services
UAB Civinity meistrai	Naugarduko 98 Vilnius, Lithuania	2022.02.25	100%	100%	Construction and repair services
UAB Civinity namai Vilnius [3]	Naugarduko 98 Vilnius, Lithuania	2016.02.11	51%	51%	Facility management services
UAB Pastatų meistrai [3]	Naugarduko 98 Vilnius, Lithuania	2016.04.26	51%	51%	Construction and repair services
UAB Civinity namai [3]	Naugarduko 98 Vilnius, Lithuania	2010.06.17	51%	51%	Facility management services
UAB Debrecono NT [5]	Taikos pr. 101D, Klaipėda, Lithuania	2021.04.21	95,44%	95,44%	Real estate administration
UAB Civinity renovacija	Naugarduko 98 Vilnius, Lithuania	2010.01.12	100%	100%	Construction and repair services
UAB Civinity namai Palanga	Virbališkės 3F-1, Palanga, Lithuania	2021.12.15	99,44%	99,44%	Facility management services
UAB Civinity namai Klaipėda	Danės 5-41, Klaipėda, Lithuania	2005.09.01	100%	100%	Facility management services
UAB Smart technologies	Naugarduko 98 Vilnius, Lithuania	2018.08.29	100%	100%	IT services
UAB Civinity MD	Naugarduko 98 Vilnius, Lithuania	2021.12.28	100%	100%	Projects management
UAB Civinity LT	Naugarduko 98 Vilnius, Lithuania	2017.12.06	100%	100%	Services center
UAB City Billing Solutions	Naugarduko 98 Vilnius, Lithuania	2021.08.13	100%	100%	Accounting services
SIA SPV-4	Dēļu iela 5, Rīga, Latvia	2017.01.11	100%	100%	Holding company
SIA Civinity engineering LV	Dēļu iela 5, Rīga, Latvia	2019.12.16	100%	100%	Construction and repair services
SIA Civinity solutions	Dēļu iela 5, Rīga, Latvia	2016.09.21	100%	100%	Commercial sector facility management services
SIA Civinity LV	Dēļu iela 5, Rīga, Latvia	2017.04.04	100%	100%	Services center
SIA City billing solutions	Dēļu iela 5, Rīga, Latvia	2021.12.01	0%	100%	Accounting services
AS Civinity majas [4]	Dēļu iela 5, Rīga, Latvia	2016.07.28	100%	100%	Facility management services
UAB SPV 32	A. Goštauto 40B, Vilnius, Lithuania	2018.01.29	51%	51%	Holding company
UAB SPV 31	Šv. Stepono 7, Vilnius, Lithuania	2018.01.29	51%	51%	Holding company
SIA Civinity Majas Jūrmala [1]	Dubultu prospekts 3, Jūrmala, Latvia	2014.12.29	100%	100%	Facility management services
SIA CS Renovacija [2]	Dubultu prospekts 3, Jūrmala, Latvia	2017.02.07	100%	100%	Construction and repair services
Civinity Group Latvija PS [9]	Dēļu iela 5, Rīga, Latvia	2021.07.27	100%	100%	Commercial sector facility management services
UAB Civinity Solution [3]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management services
UAB Civinity Engineering [4]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management services
LTD Civinity Engineering UK [4]	United Kingdom	2020.12.15	51%	51%	Commercial sector facility management services
UAB Servico [6]	Naugarduko 98 Vilnius, Lithuania	2022.03.01	51%	51%	Facility management services
UAB Inservis [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
UAB Jurita [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
UAB Priemiestis [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
SIA Inservis [7]	Smišū iela, Rīga, Latvia	2022.05.18	51%	51%	Facility management services
UAB Valandinis [8]	Naugarduko 98 Vilnius, Lithuania	2023.01.01	51%	51%	Platform for freelancerconstruction professionals
SIA Ionica serviss [9]	Jūrkaines 15, Rīga, Latvia	2023.12.01	80%	80%	Commercial sector facility management services

In January 2023 Company bought 51% shares of UAB "Valandinis"

In January 2023 sold 100% shares of Pilsetas lifti SIA

In December 2023 the Company acquired 80% shares of Ionica serviss SIA

In May 2024 the Company has sold 100% shares of SIA City billing solutions

- [1] - control via the subsidiary UAB Civinity namai Kaunas;
- [2] - control via the indirect subsidiary SIA Civinity Majas Jūrmala;
- [3] - control via subsidiary UAB SPV 31;
- [4] - control via subsidiary UAB SPV 32, in 2020 Civinity Engineering UAB established company Civinity Engineering UK in United Kingdom;
- [5] - control directly (72,54%) and via subsidiaries UAB Civinity namai (12,84%), UAB Kretingos būstas (10,04%), as at 31 December 2021; control directly (72,54%) and via subsidiaries UAB Civinity namai (12,84%), UAB Civinity namai Klaipėda (10,04%), as at 31 December 2023;
- [6] - control via subsidiary UAB SPV-31 from March 2022;
- [7] - control via subsidiary UAB SPV-31 from May 2022;
- [8] - control directly 51%;
- [9] - control directly 80%.

In January 2023 AB "Civinity" finalized the procedures of the acquisition of "Valandinis" UAB majority stake of shares (51%) from UAB "Partly". The transaction details were initially stated in Information Document for the offering of bonds of AB "Civinity" from 30 September 2021 and public announcement in Nasdaq system from 04 October 2022. Transaction value amounted to EUR 543 thousand.

On 26 January 2023 AB "Civinity" sold 100 percent stake of shares of "Pilsetas Lifti" SIA to Lithuania based company UAB "Profi Invest". This transaction is further clarification of group business model and business segments. "Pilsetas Lifti" SIA sales consideration amounts to EUR 137 thousand and profit from the sale of the subsidiary amounts to EUR 76 thousand.

On 1 December 2023 AB "Civinity" finalized the procedures of the acquisition of "Ionica serviss" SIA majority stake of shares (80%) from related party UAB "Pentaframe". Transaction value amounted to EUR 300 thousand.

On 28 May 2024 AB "Civinity" sold 100 percent stake of shares of SIA "City billing solutions" to Lithuania based company UAB "Profi Invest". This transaction is further clarification of group business model and optimization of business processes. SIA "City billing solutions" was sold at nominal value of 2 800 EUR.

2. BASIS OF PREPARATION AND SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements of Civinity Group are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

2.1. Basis of preparation

These financial statements include the Company's financial statements for the half year ended 30 June 2024.

The presented financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by and effective in the European Union (the "EU"). Civinity Group consolidated financial statements for the year ended 30 June 2024 are prepared separately.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

All amounts in the financial statements, including amounts disclosed in notes to the financial statements, are presented in the thousands euros (EUR) unless otherwise stated.

The Company's financial year starts as at 1st of January and ends as at 31st of December of the corresponding calendar year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make assumptions in the process of applying the Company's accounting policies. The areas involving important assumptions, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 "Critical accounting estimates".

2.2. New and amended standards and their interpretations adopted by the Company

There are no new or amended standards or changes in their interpretations adopted by the Company for the half year ended 30 June 2024.

2.3. Investments in subsidiaries

Investments in subsidiaries are stated at costs less impairment, if any.

2.4. Intangible assets

Amortisation is calculated on the straight-line method to allocate the cost of intangible asset over estimated benefit period as follows:

- Computer software, licences	3 years
- Trademark	10 years
- Other	3 years

2.5. Property, plant, and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and impairment losses.
Land is not depreciated. Depreciation of other assets is calculated using the straight-line method over useful lives established as follows (in years):

- Vehicles	5-10 years
- Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed each reporting period and adjusted, if it is required due to the nature of use of non-current assets.

2.6. Financial assets and liabilities

Under IFRS 9, Financial Instruments, the Company classifies its financial assets into the following 3 categories: financial asset at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss. During the current and prior periods the Company did not hold any financial assets at fair value through profit or loss. All the Company's financial assets are measured at amortised cost at the end of the current period.

At initial recognition, the Company measures financial assets at fair value, except for trade receivables that do not have a significant financing component. Transaction costs comprise all charges and commission that the Company would not have paid if it had not entered into an agreement on the financial instrument.

If the fair value of the financial asset at initial recognition differs from the transaction price, the difference is recognised in profit or loss.

In view of the business model applied for managing the Company of financial assets, the accounting for financial assets is as follows:

Financial assets measured at amortised cost

Loans granted by the Company and amounts receivable are accounted for under the business model the purpose of which is to hold financial assets in order to collect contractual cash flows that can contain cash flows related to the payment of the principal amount and interest inflows.

Loans and amounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the date of the statement of financial position. These are classified as non-current assets.

Loans and receivables are initially recognised at cost (the fair value of consideration receivable) and subsequently carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when these assets are derecognised, impaired or amortised.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or event that is past due for more than 90 days;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The combined effect of several events that may occur simultaneously or subsequently throughout the term of validity of the agreement on the financial assets may have caused financial assets to become credit-impaired.

The lifetime expected credit losses of loans receivable and trade receivables are recognised in profit or loss through the contra account of doubtful receivables.

The Company writes off the loans receivable and trade receivables when it loses the right to receive contractual cash flows from financial assets.

Other financial liabilities

Other financial liabilities, including borrowings, are recognised at fair value, less transaction costs.

In subsequent periods, other financial liabilities are measured at amortised cost using the effective interest rate method. Interest expenses are recognised using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

If a financing agreement concluded before the balance sheet date proves that the liability was non-current by its nature as of the date of the balance sheet, that financial liability is classified as non-current.

2.7. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits with an original maturity of three months or less.

2.8. Impairment of non-financial assets

Non-financial assets are assessed for impairment when events and circumstances indicate that the value of assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the carrying amount of an asset exceeds its recoverable amount, impairment loss is accounted for in profit or loss. The previously recognised impairment loss is reversed when there are indications that recognised loss on impairment of an asset no longer exists or has reduced significantly. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal is accounted for in profit or loss under the same item as impairment loss.

2.9. Leases

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date, i.e. at the date at which the leased assets are available for use by the Company. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the interest rate of Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group uses recent financing received under other contracts of financial liabilities.

Lease liabilities are subsequently measured using the effective interest rate method. The lease term is a non-cancellable period of lease; periods covered by options to extend and terminate the lease (if such options exist) are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

The Company is a sub-lessor of the right-of-use assets. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset, otherwise, it is classified as an operating lease.

The Company's subleases classified as operating leases. The lease income from operating leases is recognised on a straight-line basis over the lease term.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee (no residual value guarantees as at 30 June 2024), or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised (no extension options were accounted for the leases due to uncertainties as at 30 June 2024).

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability. No lease incentives, initial direct costs, restoration costs or other costs were recognised for the leased assets by the Company as at 31 December 2023 and as at 30 June 2024.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The leased term straight-line basis was applied for depreciation of the right-of-use assets leased by the Company as at 31 December 2023 and as at 30 June 2024.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of comprehensive income.

2.10. Revenue recognition

Management services revenue

Revenue comprises the fair value of the consideration received or receivable for the services in the ordinary course of the Company's activities. Revenue of the Company is shown net of value-added tax, returns, rebates and discounts, sales taxes. Revenue is measured based on the consideration specified in a contract with a customer. Revenue from contracts with customers is recognised when a performance obligation by transferring service to a customer is satisfied at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenue from contracts with customers is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. More over the Company also are responsible for the quality of rendered services and are the owners of pricing. Revenue from providing management services is recognised in the accounting period in which the services are rendered.

Interest income

Interest income is recognized on a time - proportion basis using the effective interest method to the gross carrying amount of a financial asset except for credit-impaired financial assets. Interest revenue for credit-impaired financial assets is calculated by applying the e effective interest rate to the amortised cost of the financial asset from initial recognition.

Dividend income

Dividend income from investments is recognized when the right to receive payment has been established.

2.11. Income tax and deferred income tax

Corporate income tax (CIT) for the reporting period is included in the financial statements based on management's calculations prepared in accordance with local tax legislation. The CIT rate is 15% for Lithuania.

Deferred income tax is not recognised in financial statements.

2.12. Fair value estimation

The different levels of methods used to measure the fair value of the financial instruments (which are carried at fair value in the statement of financial position) have been defined as follow:

In determining the fair value of assets and liabilities the Company uses as much as possible inputs that are observable in the market. A fair value hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the Company management to exercise its judgement and use estimates that affect reported amounts of income and expenses, assets and liabilities, disclosure of contingent liabilities at the date of the preparation of the financial statements. Uncertainties relating to these assumptions and estimates may cause important adjustments to the carrying amounts of the related assets and liabilities in the next financial year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Recoverable amount of Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Due to possible impairment indicators of investments in certain subsidiaries, the Company has performed impairment tests as at 31 December 2023 and will perform impairment test as at 31 December 2024.

4. FINANCIAL RISK MANAGEMENT

4.1. Financial risk factors

The Company's management is responsible for the development and monitoring of the Company's risk management system. The objective of the risk management policy at the Company is to incorporate risk management function in the Company's normal business operations and management. Risk management is the process involving the identification, assessment and control of business risks which can prevent or impede the achievement of the Company's business objectives.

The Company's risk management policy focuses on financial, operational and legal risks. Strategic risk management decisions are taken by the Board at the Company level. Operational risk management is conducted by executive officers of the company. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Company's main financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company holds various financial assets: trade receivables, loans granted and other amounts receivable. The Company has not used any derivative financial instruments, because, in view of the management, there is no such need. The main risks arising from financial instruments are market risk (including cash flow and fair value interest rate risk, price risk), liquidity risk and credit risk. The risks are identified and described below.

Market risk

Cash flow and fair value interest rate risk. The Company is exposed to risk of changes in market interest rates mainly from assets and liabilities which are subject to variable interest rates.

As at 30 June 2024 and 31 December 2023 financial assets and liabilities exposing the Company to interest rate risk were as follow:

	<u>At 30 June 2024</u>	<u>At 31 December 2023</u>
Loans granted	2 270	2 145
Borrowings (variable interest rate)	5 344	6 825
Bonds (fixed interests rate)	7 988	8 037
Lease liabilities	909	569
Total	<u>11 971</u>	<u>13 285</u>

As at 30 June 2024 and 31 December 2023, there were no interest-free borrowings.

On 15 October 2023 the Company issued public bonds emission for the value of EUR 8.000 thousand and repaid the remaining previous hold bonds. The issue of new bonds emission was subscribed by the independent Company Legisperitus UAB. The nominal value of each bond is EUR 1 thousand, the bonds to be redeemed upon two years with semi-annual interest payment schedule and fixed rate calculated as margin of 11%.

The table below presents the sensitivity analysis of the Company's profit before tax to reasonably possible changes in variable interest rates (EURIBOR) with all other variables held constant (by assessing impact on borrowings with a variable interest rate). There is no impact on the Company's equity, except for impact on the current year profit.

	Increase / decrease, pp	Impact on profit before income tax	
		<u>2024 1 HY</u>	<u>2023 1 HY</u>
in EUR	1%	(40)	(20)
in EUR	-1%	40	20

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

The Company's objective is to maintain balance between the continuity and flexibility of funding using bank borrowings. Liquidity risk management consists of non-current and current liquidity risk management. The liquidity ratio, when current liabilities exceeds current assets is constant at the end of financial year as company significant part of their investing activities expenses "cover" with dividends payable from subsidiaries in following financial year.

The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 4,38 as at 30 June 2024 (31 December 2023: 2,03). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Current liquidity ratio has improved comparing to previous year due to dividends revenue.

The table below summarises the contractual maturity profile of financial liabilities:

At 30 June 2024

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less				1-5 years		More than 5 years	
Lease liabilities	909	691	106	281	847	-	-	-	-	
Bonds	7 988	9 760	-	880	8 440	-	-	-	-	
Borrowings from related parties	5 344	5 923	244	270	5 409	-	-	-	-	
Trade payables	492	492	310	182	-	-	-	-	-	
Total	<u>14 733</u>	<u>16 866</u>	<u>660</u>	<u>1 614</u>	<u>14 695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

At 31 December 2023

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less				1-5 years		More than 5 years	
Lease liabilities	569	691	71	205	357	-	-	-	-	
Bonds	8 037	9 760	-	880	8 880	-	-	-	-	
Borrowings from related parties	6 825	8 573	168	374	8 030	-	-	-	-	
Trade payables	659	659	549	110	-	-	-	-	-	
Total	<u>16 089</u>	<u>19 683</u>	<u>789</u>	<u>1 569</u>	<u>17 267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Cash flows included in the maturity analysis are not expected to arise significantly earlier or be equal to a significantly different amount.

Credit risk

Credit risk arises from cash and cash equivalents, outstanding trade and other receivable and outstanding loans granted to related parties.

The Company's aging and expected credit loss calculation procedures are disclosed in Note 13.

Maximum exposure to credit risk is as follows:

	At 30 June 2024	At 31 December 2023
Trade and other receivables	3 025	2 077
Loans granted to related parties	2 270	2 145
Cash and cash equivalents	962	8
Total	6 257	4 231

"SPV-31" UAB received loan from Luminor bank for Inservis group companies acquisition is guaranteed by its shareholders AB "Civinity" and "Sail Invest" UAB. AB "Civinity" secured amount is EUR 2.499 thousand and UAB "Sail Invest"- 2.401 thousand respectively. Security is valid until all obligations by "SPV-31" UAB will be fully completed. Financial covenants are: "SPV-31" UAB controlled entities consolidated DEBT/EBITDA ratio shall not be above 3.5, Equity to Assets ratio shall not be lower 0.3, DSCR ratio not lower than 1.2 and current liquidity shall be above 1.1. As at 30 June 2024 applicable covenants are : DEBT/EBITDA ratio (1.36), Equity to Assets ratio (0.37), DSCR (1.57) and adjusted current liquidity ratio (1.16).

The credit quality of cash and cash equivalents can be assessed by reference to the external credit ratings of banks.

The ratings of the rating agencies:

Moody's	At 30 June 2024	At 31 December 2023
Aa3	11	6
Baa2	2	2
Cash in transit	949	-
Total	962	8

Although economic circumstances may impact the recoverability of trade and other receivables, in view of management, the Company is not exposed to significant risk of incurring losses that would exceed already recognised amount Company's loans granted are to related parties (mostly to the subsidiaries and the shareholder) and the risk for the repayment failure is considered to be low. Therefore the expected credit loss is immaterial and is not recognized (see Cash and cash equivalents include cash and cash balances in bank accounts, therefore credit risk arising from them is minimal.

4.2. Capital management

The primary objective of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements, keeps respective capital ratios in order to strengthen its business and maximise return to shareholders, avoids damaging trust of investors, creditors and the market, and maintains business expansion in future.

The Company defines its capital as the authorised share capital and retained earnings. The Company manages its capital structure and makes the adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

The company is obliged to keep financials and business related consolidated covenants in accordance to the term of EUR 8.000 thousand bonds emission issued at 15 October 2023. The group consolidated DEBT/EBITDA ratio shall not be above 4 (30 June 2024: ratio 0.97 and 31 December 2023: ratio 1.16) and Equity to Assets ratio shall not be lower than 0.1. (30 June 2024: ratio 0.24 and 31 December 2023: ratio 0.21). The requirement of the covenant was maintained at the date of reporting period.

According to the bond conditions, AB "Civinity" also limits newly provided loans, guarantees and sureties to other entities, which are not direct or indirect Group companies up to EUR 500 thousand. On 30 June 2024 Civinity Group consolidated newly provided loans, guarantees and sureties to other entities, which are not direct or indirect Group companies, they did not exceed EUR 500 thousand per any subsidiary - the requirement of the covenant was maintained.

The Company shall not, and shall ensure that Group Companies shall not either, carry out any merger or any other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Company or any other Group company with any other companies or entities, if such transaction is expected to lead to non-compliance with the Financial covenant mentioned above.

4.3. Fair value estimation

The following methods and assumptions are used to determine the fair value of each class of financial assets and liabilities:

- The carrying amount of current trade and other receivable, trade and other payables and borrowings approximates their fair value.

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

5. EMPLOYEE RELATED EXPENSES

Employee related expenses	2024 1HY	2023 1HY
Salaries	263	332
Social insurance expenses	5	6
Total employee related expenses	268	338

6. INCOME TAX

Income tax expenses and income, and the components of assets and liabilities:

Components of income tax (expenses) income	2024 1HY	2023 1HY
Current year income tax expenses	-	-
Deferred income tax change	-	-
Income tax (expenses) income recognised in profit or loss	-	-

There are no income tax expenses (income) recognised in other comprehensive income or directly in equity. Deferred income tax assets are recognised to the extent that is probable that these assets will be realised in future periods.

Deferred income tax assets were calculated using a tax rate of 15 per cent.

Company is not recognizing deferred income tax assets due to the future uncertainty.

The movement in deferred income tax assets and liabilities of the Company during 6 months period ended 2024 is as follows:

	Balance at 30 June 2024	Balance at 31 December 2023
Deferred income tax assets		
Accruals	11	24
Taxable losses	712	618
Deferred income tax assets	723	642
Deferred income tax assets – net	723	642
Unrecognised deferred tax asset	(723)	(642)
Total deferred tax assets	-	-

The total amount of income tax expenses can be reconciled to the theoretical amount of income tax using the Company's income tax rates as follows:

	2024 1HY	2023 1HY
Profit (loss) before income tax	3 290	4
Income tax expenses calculated using a tax rate of 15%	494	1
Non taxable income	(600)	(42)
Non deductible expenses	4	2
Not recognized deferred tax assets	103	40
Income tax expenses recognised in the statement of profit or loss and other comprehensive income	-	-

7. INTANGIBLE ASSETS

	Trademark	Computer software, licences	Other	Total
At 1 January 2022				
Cost of fair value	360	973	36	1 370
Accumulated depreciation	(36)	(739)	(5)	(780)
Net book amount	324	234	32	590
Year ended 31 December 2022				
Opening net book amount	324	234	32	590
Additions	-	112	-	112
Depreciation charge	(36)	(163)	(12)	(211)
Closing net book amount	288	183	20	491
At 31 December 2022				
Cost of fair value	360	1 085	36	1 481
Accumulated depreciation	(72)	(902)	(17)	(991)
Net book amount	288	183	20	491
Year ended 31 December 2023				
Opening net book amount	288	183	20	491
Depreciation charge	(36)	(96)	(12)	(144)
Closing net book amount	252	87	8	347
At 31 December 2023				
Cost of fair value	360	1 085	36	1 481
Accumulated depreciation	(108)	(998)	(29)	(1 134)
Net book amount	252	87	8	347
Period end 30 June 2024				
Opening net book amount	252	87	8	347
Additions	-	-	-	-
Depreciation charge	(18)	(34)	(7)	(59)
Closing net book amount	234	53	1	288
At 30 June 2024				
Cost of fair value	360	1 085	36	1 481
Accumulated depreciation	(126)	(1 032)	(36)	(1 193)
Net book amount	234	53	1	288

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Prepayments Total	
At 1 January 2022			
Cost or fair value	72	262	335
Accumulated depreciation	(32)	-	(32)
Net book amount	41	262	303
Year ended 31 December 2022			
Opening net book amount	41	262	303
Additions	500	-	500
Transfer	(6)	(217)	(223)
Depreciation charge	(69)	-	(69)
Depreciation transfer	4	-	4
Closing net book amount	470	45	515
At 31 December 2022			
Cost or fair value	571	45	616
Accumulated depreciation	(101)	-	(101)
Net book amount	470	45	515
Year ended 31 December 2023			
Opening net book amount	470	45	515
Additions	6	-	6
Transfer	(1)	(45)	(46)
Depreciation charge	(109)	-	(109)
Closing net book amount	365	-	365
At 31 December 2023			
Cost or fair value	576	-	576
Accumulated depreciation	(210)	-	(210)
Net book amount	366	-	366
Period ended 30 June 2024			
Opening net book amount	366	-	366
Additions	37	-	37
Transfer	-	-	-
Depreciation charge	(55)	-	(55)
Depreciation transfer	-	-	-
Closing net book amount	347	-	347
At 30 June 2024			
Cost or fair value	613	-	613
Accumulated depreciation	(265)	-	(265)
Net book amount	348	-	348

Company's property, plant and equipment with the acquisition cost of EUR 12 thousand as at 30 June 2024 (31 December 2023: EUR 12 thousand) were fully depreciated but still in use.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	At 30 June 2024	At 31 December 2023
Buildings	46	36
Vehicles	84	107
	130	143

Lease receivables

	At 30 June 2024	At 31 December 2023
Current	218	183
Non-current	593	241
	811	423

Lease liabilities

	At 30 June 2024	At 31 December 2023
Current	282	258
Non-current	627	311
	909	569

There was EUR 580 thousands additions of right use assets during 2024 1HY (no additions 31 December 2023).

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2024 1 HY	2023 1 HY
Depreciation charge of right-of-use assets		
Buildings	10	15
Vehicles	21	27
	31	42
Interest expense (included in finance cost)	15	5
	15	5

The total cash outflow for leases as of 30 June 2024 was EUR 66 thousands (in 2023 1 HY was EUR 47 thousands).

10. INVESTMENT IN SUBSIDIARIES

Movement of the investments into subsidiaries and associate during the respective year is provided below:

	At 30 June 2024	At 31 December 2023
At the beginning of the period	9 583	8 801
Purchase of investment in subsidiaries	-	843
Impairment of investments	-	-
Share capital increase of subsidiaries	-	-
Sale of subsidiaries shares	(1)	(61)
Subsidiaries established	-	-
	9 582	9 583

In May 2024 the Company sold 100% stake of SIA City billing solution shares to Lithuania based company UAB "Profi Invest". Transaction value is company's nominal value.

In December 2023 the Company finalized the procedure of the acquisition of Ionica serviss, SIA majority stake of shares (80%) from UAB "Pentaframe Capital". Transaction value amounts to EUR 300 thousand.

In January 2023 AB "Civinity" finalized the procedures of the acquisition of Valandinis UAB majority stake of shares (51%) from UAB "Partly". Transaction value amounts to EUR 543 thousand.

As at 30 June 2024 the Company's management hasn't performed impairment test for the investment in subsidiaries.

As at 31 December 2023 the Company's management performed impairment test for the investment in subsidiaries. During the test, the value of investment in subsidiaries against the net assets value of those subsidiaries as at 31 December 2023. Where the net assets value was lower than the investment, the management concluded that there existed impairment indications for the investment in that subsidiary and estimated the recoverable amount of the specific subsidiary using the discounted cash flow method. The forecast annual cash flows were determined with reference to the budget for year 2024. The calculations were based on the following assumptions: forecast period of 5 years, annual growth rate 1-3%, discount rate 8,51%. Sensitivity to change in key assumptions used in the impairment test: increase or decrease in annual growth rate by 3% or increase or decrease in WACC by 1% would have no impact on goodwill impairment loss.

Based on the impairment test at 31 December 2023, no impairment loss for investment in subsidiary were recognised in 2023.

The list of the Company's direct holdings into subsidiaries and associates are provided below:

Name of subsidiary	At 30 June 2024	At 31 December 2023
UAB SPV 31	3 332	3 332
AS Civinity majas	2 540	2 540
SIA Civinity solutions	1 755	1 755
UAB Civinity namai Palanga	810	810
UAB Civinity namai Klaipėda	787	787
SIA Civinity Engineering (previously named SIA CS Apkope)	703	703
UAB Valandinis	543	543
SIA Ionica serviss	300	300
UAB Civinity namai Kaunas	249	249
UAB Debreceno valda	-	-
UAB Debreceno NT	46	46
UAB Civinity renovacija	3	3
UAB Smart technologies	3	3
UAB Civinity MD	3	3
UAB Civinity LT	3	3
UAB City Billing Solutions	3	3
SIA Civinity LV	3	3
UAB Civinity meistrai	3	3
SIA City billing solutions	-	1
UAB SPV 32	1	1
UAB Civinity namai	1	1
SIA Pilsetas Lifti	-	-
Impairment in subsidiaries	(1 755)	(1 755)
Total	9 582	9 583

Profit on disposal of subsidiaries for the 6 months period ended 30 June 2024 and in year 2023:

At 28 May 2024 AB "Civinity" sold its investments in SIA City billing solution. Sales consideration amounts to EUR 2,7 thousand and profit from the sale of the subsidiary amounts to EUR 2 thousand.

At 26 January 2023 AB "Civinity" sold its investments in Pilsetas Lifti SIA. Pilsetas Lifti SIA sales consideration amounts to EUR 137 thousand and profit from the sale of the subsidiary amounts to EUR 76 thousand.

	At 30 June 2024	At 31 December 2023
Sale proceeds EUR from the subsidiaries	3	137
Investment costs EUR of the subsidiaries	(1)	(61)
Profit from sale of subsidiary	2	76

11. LOANS GRANTED TO RELATED PARTIES

Debtor	Repayment date	Weighted average interests * 30 June 2024	Weighted average interests * 31 December 2023	At 30 June 2024	At 31 December 2023
Parent	2027.12.31	8,0%	8,5%		601
Subsidiaries	2024.09.30/ 2027.12.31	8,0%	8,5%	1 722	1 687
Other related parties	2024.12.31/ 2027.12.31	8,0%	8,5%	152	69
Total				2 475	2 342
Impairment of financial assets				(196)	(196)
Total loans granted				2 278	2 145
Non-current				2 111	2 037
Current				167	108
Total loans granted				2 278	2 145

Loans granted movement:

	At 30 June 2024	At 31 December 2023
Beginning of the year	2 145	3 589
Interest charged	85	245
Interests received as monetary transaction		(8)
Loans repayment as non-monetary transaction	(122)	(843)
Loans repayment as monetary transaction	(86)	(999)
Loans granted as monetary transaction	256	357
Impairment of financial assets		(196)
End of the year	2 278	2 145

12. FINANCIAL INSTRUMENTS BY CATEGORY

	At 30 June 2024	At 31 December 2023
Financial assets at amortised cost		
Loans granted to related parties	2 270	2 145
Trade and other receivables	3 025	1 932
Cash and cash equivalents	962	8
Total	6 257	4 086
Financial liabilities at amortised cost		
Borrowings	13 332	14 861
Lease liabilities	909	569
Trade and other payables	276	320
Total	14 517	15 750

13. TRADE AND OTHER RECEIVABLES

	At 30 June 2024	At 31 December 2023
Trade receivables from related parties	911	907
Trade receivables, net	911	907
Lease receivables from related parties, gross	811	423
Prepayments	59	145
Dividends receivable	1 023	376
Receivables from subsidiary sale	140	137
Other receivables	81	89
Total	3 025	2 077
Non current	593	262
Current	2 432	1 815

Expected credit loss

The Company applies the simplified, individual approach for calculation of lifetime expected credit losses using the provision matrix for 3rd parties trade receivables. Company receivables from the 3rd parties are insignificant, and expected loss is not calculated for the receivables from the 3rd parties.

Company estimates trade receivables from the related parties as minor risk receivables, because more than 90% of issued invoices for the services rendered are covered at the date these financial statements are signed. Company's management considers that loss allowance provision is immaterial and therefore is not recognized.

Lease receivables are also from related parties therefore the risk is considered to be low and possible credit loss is treated as immaterial.

Other receivables are immaterial, therefore the loss allowances are not calculated.

Trade receivables from related parties

	Not past due and past due up to 30	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	180-360 days past due	More than 361 days	Total
30 June 2024	395	69	56	59	94	161	77	911
31 December 2023	406	97	86	46	78	130	64	907

Expected changes in macroeconomic situation is incorporated as part of the internal rating model. The Company's management reviews key macroeconomic indicators for the markets where Company's debtors are operating and determines if there are expected significant changes that would affect ECL.

14. CASH AND CASH EQUIVALENTS

	At 30 June 2024	At 31 December 2023	At 30 June 2023
Cash at bank		13	25
Cash and cash equivalents	13	8	25

The Company cash and cash equivalents, are not pledged.

15. SHARE CAPITAL AND LEGAL RESERVE

Share capital

As at 30 June 2024 and 31 December 2023, the Company's authorised share capital consisted of 100 ordinary registered shares with par value of EUR 1.000 each. All shares are fully paid-up.

The Company's Articles of Association do not provide for any restrictions of shareholders' rights to shares or any derivative control rights. The Company has not issued any convertible securities, exchangeable securities or guarantee

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of 5 percent of net profit are required until the reserve reaches 10 percent of the authorised share capital.

16. BORROWINGS

	At 30 June 2024	At 31 December 2023
Non-current		
Bonds	7 988	8 037
Borrowings from the related parties	5 308	6 788
	13 296	14 825
Current		
Bonds		
Borrowings from the related parties	36	36
	36	36
Total	13 332	14 861

Borrowings movement:

	At 30 June 2024	At 31 December 2023
Bonds at the beginning of the year	8 037	7 958
Proceeds from bonds		8 000
Capitalization of the costs, related with the bonds issue		(160)
Bonds repaid		(8 000)
Depreciation of the capitalization of the costs, related with the bonds issue	40	122
Reclass from other liabilities	4	15
Repaid capitalization of the costs, related with the bonds issue	(113)	
Interest charged	461	501
Interest repaid	(441)	(400)
	7 988	8 037
Bonds at the end of the period	7 988	8 037
Borrowings from the related parties at the beginning of the year	6 825	6 548
Proceeds from borrowings as non-monetary transaction	823	-
Proceeds from borrowings as monetary transaction	478	464
Borrowings repaid as monetary transaction	(48)	(660)
Borrowings repaid as non-monetary transaction	(2 977)	-
Interest charged	243	473
Interests repaid as monetary transaction	-	-
	5 344	6 825

The contractual maturity of borrowings:

	At 30 June 2024		At 31 December 2023	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Within one year	-	38	-	36
One to five years	7 988	5 270	8 037	6 788

17. TRADE AND OTHER PAYABLES

	At 30 June 2024	At 31 December 2023
Trade payables to related parties	25	-
Trade payables to 3rd parties	251	320
Prepayments received	51	203
Employees related benefits	44	49
Payable VAT	15	19
Accrued expenses	104	66
Other taxes related payables	1	2
Total	492	659
Non-current liabilities	-	-
Current other liabilities	492	659

18. RELATED-PARTIES TRANSACTIONS

The parties are deemed to be related when one party has a power to exercise control over the other party or make significant influence on its financial and operation decisions.

During 6 month period 2024 and during 2023 year, the Company's related parties are as follows:

- Ultimate Parent and Parent entity - Nord Fin Assets, SIA (registration number 44103136863, Latvia);

- Company's subsidiaries

Other related parties:

- Management, Board members (note 1) and companies related to the Management;

Remuneration of the key Company's management

Payments made to the Company's Directors and Board members and executive personnel:

	2024 1HY	2023 1HY
Wages and salaries, bonuses	31	81
Expenses of social security contributions	1	1
Car rent expenses	4	6
Professional services	48	
Total remuneration of key management personnel	84	88

Loan of EUR 72 thousands is granted to Chairman of the board, no guarantees or any other amounts were paid or calculated to the Company's management and no assets were transferred.

Other transactions with related parties

Presented below are the transactions with related parties reported in the Company's statement of profit or loss and other comprehensive income and the statement of financial position:

	2024 1HY	2023 1HY
Sale of services		
Parent company	7	
Subsidiaries	775	661
	775	661

	2024 1HY	2023 1HY
Dividends from Subsidiaries	4 000	281
Revenues from the subsidiaries sale	-	-
Interests income	85	121
	4 085	402

	2024 1HY	2023 1HY
Purchases of goods and services		
Parent company	150	
Subsidiaries	57	-
	57	-

	At 30 June 2024	At 31 December 2023
Trade and other receivable		
Board members	72	74
Parent company		42
Subsidiaries	838	907
	911	1 023

	At 30 June 2024	At 31 December 2023
Trade and other payables		
Parent company	25	0
	25	0

	At 30 June 2024	At 31 December 2023
Loans granted and interest receivable from related parties		
Parent company	601	585
Subsidiaries	1 525	1 491
Other related parties	152	69
	2 278	2 145

	At 30 June 2024	At 31 December 2023
Borrowings and interest payables to related parties		
Parent company	-	-
Subsidiaries	5 344	6 825
	5 344	6 548

	At 30 June 2024	At 31 December 2023
Guarantees given in relation with the related parties		
Subsidiaries (SPV-31, UAB, loan from Luminor bank)	2 499	2 499

19. EVENTS AFTER THE REPORTING PERIOD

In July 17 2024 "Civinity" AB issued 1 year maturity EUR 5 700k discounted bonds emission. 100 percent of the bonds were acquired by "INVL Bridge Finance". The bonds have 14% fixed interest rate. These funds were used to acquire 9.99% of SIA "Mobilly SPV". This investment is part of "Smart Green city" strategy.