AB "Civinity"

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION,
PRESENTED TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

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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 g. 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	Deividas Jacka

Independent auditor's report

To the shareholder of Civinity AB

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Civinity AB (the "Company") as at 31 December 2022, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements that are relevant to our audit of the financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements.

Reporting on other information including the annual report

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the annual report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

PricewaterhouseCoopers UAB, J. Jasinskio g. 16B, LT-03163 Vilnius, Lithuania
+370 (5) 239 2300, lt_vilnius@pwc.com, www.pwc.lt

With respect to the annual report, we considered whether the annual report includes the disclosures required by the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the annual report has been prepared in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report which we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of PricewaterhouseCoopers UAB

Rasa Radzevičienė
Partner
Auditor's Certificate No.000377

Vilnius, Republic of Lithuania
28 April 2023

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report

REPORT OF THE COMPANY FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 revenues from management consulting services, what is core of company business and from investment activities in form of dividends from controlled subsidiaries and interests 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 such Covid-19 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.

At 16 November 2021 Civinity, AB signed the shareholders agreement with company Sail Invest UAB and agree to merge residential companies Civinity namai UAB, Civinity namai Vilnius UAB, Servico UAB and part of Pastatų meistrai UAB under ownership of SPV-31 UAB, which already controls company Civinity Solutions UAB. The merger of the mentioned companies finished at at 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.
At 24 December 2021 SPV-31 UAB signed shares purchase agreement with company AB Invalda and UAB Inservis (Lithuania) to acquire 100 % of shares UAB Priemiestis, UAB Jurita,
UAB Inservis" and SIA Inservis. The last company operates in Latvia. The transaction and take over was completed at 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.

SPV-31 UAB received loan from Luminor bank for Inservis group companies acquisition is guaranteed by it 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 obigations by SPV-31 UAB will be fully completed or financial covenants for the SPV- 31 UAB will be met according year 2022 consolidated financial statements. 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.

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

In 31 December 2022 the Company revenue decreased by EUR 1.425 thousand and amounted to EUR 2.541 thousand (as of 31 December 2021: EUR 3.966 thousand). The key factor for the revenue decrease in the year 2022 was lower dividends receivables from the subsidiaries (2022 dividends revenues EUR 660 tousands, 2021 - EUR 1.860 thousand) and decrease of revenues from managment and control services (2022 management services revenue were EUR 1.684 tousands, 2021 - EUR 2.024 thousand).
During 2022 all administrative expenses were related with main company activities and amounted to EUR 3.624 thousand (as of 2021: EUR 2.344 thousand) and majority of expenses were directly related with consulting services and remuneration for company employees. Also in ear 2022 it was made EUR 1.755 thousand impairment in the subsidiary Civinity Solutions SIA. The operating result as of 31 December 2022 was EUR 1.994 thousand and exceeds result from 2021, when operating result was EUR 1.621 thousand.
In year 2022 Company's EBT was positive and amounted to EUR 1.266 thousand (as for 31 December 2021: EUR 868 thousand). The net of tax result increased by EUR 398 thousand and this positive increase Company's equity at 31 December 2022 which amounted EUR 778 thousand (as for 31 December 2021: EUR -2.044 thousand). The company after couple years period met the obligatory equity ratio (equity ratio not less than 50% of its authorised share capital) as stated by the law of Companies of Republic of Lithuania.

Civinity employees related expenses including remuneration and bonuses decreased by EUR 82 thousand during the year 2022 in comparison 2021 (2022: EUR 784 thousand, 42% all operating expenses; 2021 EUR 866 thousand or 37% from all administrative expenses). During 2022 IT related consulting expenses amounted to EUR 277 thousand, or EUR 329 thousand less then in 2021 when IT related consulting expenses amounted to EUR 606 thousand. Consulting expenses amounted EUR 281 thousand in 2022 are mainly related with Servico UAB and Inservis Group acquisition legal and due dilligence expenses.

3. The Company's key management personnel

As at 31 December 2022, the Group's key management personnel included the following persons:
- Deividas Jacka, Chairman of the Board and Chief Executive officer (since 23 December 2020),
Deividas Jacka (born in 1982) is the Chairman of the Board of AB "Civinity" (since 2020). He holds a Master's degree in business administration and executive MBA diploma.
- Giedrius Jakubauskas, Member of the Board and Chief Financial officer (since 23 December 2020),
Giedrius Jakubauskas (born in 1974) is the Member of the Board of AB "Civinity" (since 2020). He holds a Master's degree in finance. He is a member of the board at Civinity solutions UAB and Civinity Engineering UAB (since 2021).
- Danielius Uznys, Member of the Board, Chief Operational officer (since 15 December 2022),

Danielius Uznys (born in 1988) is the member of the Board of AB "Civinity" (since December 2022) and chief operational officer at Civinity AB. He holds a Master's degree in business administration.

- Vilija Zapalskienė, Lead of Civinity group companies in Lithuania (since June 2022), Member of the Board at SPV-31 group.
Vilija Zapalskienė, Chief Executive officer at SPV-31 (since 1 August 2022) is also the member of the Board of AB Civinity and Lithuania country operations manager (since 17 June 2022). She holds a Master's degree in engineering science (Vilnius university)

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 31 December 2022. It is divided into 100 ordinary shares with the nominal value of EUR 1 thousand. All shares of the Company are paid up. As of 31 December 2022 the Company neither acquired nor disposed any shares of the Company and on 31 December 2022 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 any 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 of 31 December 2022 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 nor branches neither representative offices.

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

AB "Civinity" owned companies Kretingos būstas UAB, Būsto administravimas UAB, Debreceno valda UAB were merged with Civinity namai Klaipėda UAB at 01 August 2022. After the merger AB "Civinity" controls three subsidiaries in Klaipėda district - Civinity Namai Klaipėda UAB, Civinity namai Vakarai UAB and Civinity namai Palanga UAB.
Company also fulfilled merger of Latvia subsidiaries where Home Master SIA was merged with Civinity majas Jurmala SIA and VBS serviss SIA, Labo namu agentura SIA were merged with Civinity majas AS. Both mergers are effected from 02 August 2022.
In January 2022 AB "Civinity" started its subsidiary ALG Cleaning SIA (Latvia) liquidation procedure, which was fully completed at 21 September 2022.

At 08 December 2022 AB "Civinity" owned group company SIA "CS Apkope" change the name to SIA "Civinity engineering LV".

At 2022 three Board member at AB "Civinity" left their possition or were replaced: Vytenis Morkūnas (from 2022.06.27 till 2022.12.15), Edvinas Paulauskas (from 2021.05.13 till 2022.12.15) and Giedrius Eidimtas (from 2022.01.11 till 2022.08.16) owned group company SIA " CS Apkope" change the name to SIA "Civinity engineering LV".

7. The Company's operation plans and prospects

In 2022, the Company management plan to operate consistently in view of improving its productivity, business process efficiency and optimizing business processes. A special focus will be on research and development property management solutions to improve customers service. Company direct subsidiary, responsible for IT support Smart Technologies UAB signed licences agreement with SFDC Ireland company and currently implementing SalesForce ERP system, which will cover main areas of business processes including customer service, services task and control and etc.

In 2022 the Company started developing its sustainability (ESG) 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's, and an action plan for management of each material topic, and will announce the ESG strategy with its related policies during 2023.

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. Company also researching and investigating solutions to invest into EV charging solutions applicable to multiapartment house usage.

8. Financial risks of the Company

The company borrowings mostly comprise borrowings and finance lease liabilities bearing a variable interest rate linked with EURIBOR that expose the company to the interest rate risk. As at 31 December 2022 and 2021, there were no financial instruments designated to control the risk of interest rate fluctuations. The company 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.

Deividas Jacka
Chief Executive Officer
28 April 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Note	31 December 2022	31 December 2021
Management service revenue		1,684	2,024
Dividend income		660	1,860
Interest income		197	82
Impairment of subsidiaries	10	(1,755)	-
Employee related expenses	5	(784)	(866)
IT service expenses		(277)	(606)
Depreciation and amortisation	7, 8, 9	(485)	(394)
Consulting expenses		(281)	(242)
Legal expenses		(79)	(49)
Transportation related expenses		(59)	(48)
Utilities		55	(21)
Impairment (reversal) of receivables		(0)	(42)
Other operating expenses		42	(76)
Gain / (Loss) on disposal of Property, Plan and Equipment		35	(2)
Profit on disposal Subsidiaries	10	3,040	-
Operating profit		**1,994**	**1,621**
Interest expenses		(728)	(752)
Profit before income tax		**1,266**	**868**
Income tax expenses	6	-	-
Profit for the period		**1,266**	**868**
Other comprehensive income		-	-
Total comprehensive income for the period		1,266	868

The accompanying notes on pages from 13 to 28 form an integral part of these financial statements.
The financial statement were approved and signed by:

Chief Executive Officer	Deividas Jacka	28 April 2023
Chief accountant	Vilma Marciukaitė	28 April 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2022	At 31 December 2021
ASSETS			
Non-current assets			
Intangible assets	7	491	590
Property, plant, and equipment	8	515	303
Right - of - use assets	9	186	137
Investments in subsidiaries	10	8,801	7,309
Loans granted to related parties	11	2,892	3,570
Other receivables	13	428	203
Total non-current assets		13,313	12,112
Current assets			
Trade and other receivables	13	1,262	616
Loans granted to related parties		697	-
Cash and cash equivalents	14	66	38
Total current assets		2,025	654
TOTAL ASSETS		15,338	12,766
EQUITY			
Share capital	15	100	100
Retained earnings (deficit)		(878)	(2,144)
Total equity		(778)	(2,044)
LIABILITIES			
Non-current liabilities			
Borrowings	16	5,961	13,300
Lease liabilities	9	509	311
Other payables	17	44	74
Total non-current liabilities		6,514	13,684
Current liabilities			
Borrowings	16	8,544	67
Lease liabilities	9	209	143
Trade and other payables	17	849	916
Total current liabilities		9,602	1,126
Total liabilities		16,116	14,810
TOTAL EQUITY AND LIABILITIES		15,338	12,766

The accompanying notes on pages from 13 to 28 form an integral part of these financial statements.

Chief Executive Officer	Deividas Jacka	28 April 2023
Chief accountant	Vilma Marciukaitė	28 April 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 January 2021		100	(3,013)	(2,913)
Profit for the period			868	868
Total comprehensive income for the period			868	868
Equity as at 31 December 2021		100	(2,144)	(2,044)
Profit for the period			1,266	1,266
Total comprehensive income for the period		-	1,266	1,266
Equity as at 31 December 2022	15	100	(878)	(778)

The accompanying notes on pages from 13 to 28 form an integral part of these financial statements.

Chief Executive Officer	Deividas Jacka	28 April 2023
Chief accountant	Vilma Marciukaitė	28 April 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF CASH FLOWS

	Note	At 31 December 2022	At 31 December 2021
Cash flows from operating activities			
Profit (loss) before income tax		1,266	868
Adjustments for:			
Depreciation and amortisation	7, 8, 9	485	394
Impairment (reversal) of receivables		0	42
Interest expenses		728	752
Interest income		(197)	(82)
Loss on disposal of property, plant and equipment		(35)	2
Profit on disposal Subsidiaries		(3,040)	-
Impairment of subsidiaries	10	1,755	
Dividends		(660)	(1,860)
Changes in working capital			
(Increase) decrease in trade and other receivables	12	(871)	304
Increase (decrease) in trade and other payables	17	(97)	350
Cash generated from operations		(667)	772
Interest paid		(496)	(350)
Net cash flows generated from operating activities		(1,163)	422
Cash flows from investing activities			
Purchase of intangible assets	7	(112)	(135)
Purchase of property, plant and equipment	8	(227)	(262)
Sale of property, plant and equipment	8	47	41
Loans granted	11	(1,020)	(1,255)
Loan repayments received	11	1,004	67
Dividends received		750	233
Net cash flow generated from (used in) investing activities		442	(1,311)
Cash flows from financing activities			
Issues of the bonds	16	-	7,760
Borrowings received		3,762	-
Repayments of borrowings	16	(2,978)	(6,815)
Lease payments		(34)	(28)
Net cash flows generated from (used in) financing activities		750	917
Net increase (decrease) in cash flows		28	28
Cash and cash equivalents at the beginning of the period		38	10
Cash and cash equivalents at end of the period		66	38

The accompanying notes on pages from 13 to 28 form an integral part of these financial statements.

Chief Executive Officer	Deividas Jacka	28 April 2023
Chief accountant	Vilma Marciukaitė	28 April 2023

(All amounts are in the thousand of euros unless otherwise stated)

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 23 December 2020, the Company's chief executive officer is Deividas Jacka.
From 30 March 2020 the sole shareholder and ultimate shareholder of the Company is Nord Fin Asset, SIA (registration number 44103136863, adress: Dubultu prospekts 3, Jurmala, Latvia). Nord Fin Asset, SIA aquired 100% of shares of the Company from previuos 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);
- Giedrius Jakubauskas, Board Member (since 21 January 2021);
- Danielius Uznys, Board Member (from 15 December 2022);

As at 31 December 2022 and 2021, 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 31 December 2022, the Company had 9 employees (31 December 2021: 20 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 % 31 December 2022	Ownership % 31 December 2021	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%	-	Construction and repair services
UAB Civinity namai Vilnius [8]	Naugarduko 98 Vilnius, Lithuania	2016.02.11	51%	100%	Facility management services
UAB Pastatų meistrai [8]	Naugarduko 98 Vilnius, Lithuania	2016.04.26	51%	100%	Construction and repair services
UAB Civinity namai [8]	Naugarduko 98 Vilnius, Lithuania	2010.06.17	51%	100%	Facility management services
UAB Kretingos būstas [10]	Vytauto 118, Kretinga, Lithuania	2010.08.25	100%	100%	Facility management services
UAB Debreceno valda [10]	Danės 5-41, Klaipėda, Lithuania	2009.01.07	100%	100%	Facility management services
UAB Debreceno NT	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 [5], [10]	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%	0%	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%	0%	Accounting services
UAB Būsto administravimas [10]	Danės 5-41, Klaipėda, Lithuania	2009.01.08	-	100%	Holding company
SIA VBS serviss [11]	Dēļu iela 5, Rīga, Latvia	2018.03.01	100%	100%	Facility management services
SIA SPV-4	Dēļu iela 5, Rīga, Latvia	2017.01.11	100%	100%	Holding company
SIA Pilsetas Lifti	Dēļu iela 5, Rīga, Latvia	2019.01.09	100%	100%	Construction and repair services
SIA Labo namu agentura [11]	Dēļu iela 5, Rīga, Latvia	2017.04.11	100%	100%	Facility management services
SIA Home master [12]	Dubultu prospekts 3, Jūrmala, Latvia	2016.07.28	---	100%	Facility management services
SIA Civinity engineering LV (previously SIA CS Apkope)	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
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	100%	100%	Accounting services
AS Civinity majas [11]	Dēļu iela 5, Rīga, Latvia	2016.07.28	100%	100%	Facility management services
SIA ALG cleaning [13]	Dēļu iela 5, Rīga, Latvia	2018.02.15	-	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
UAB Civinity Solution [3]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management
UAB Civinity Engineering [4]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management
UAB Servico [10]	Naugarduko 98 Vilnius, Lithuania	2022.03.01	51%	-	Facility management services
UAB Inservis [9]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	-	Facility management services
UAB Jurita [9]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	-	Facility management services
UAB Priemiestis [9]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	-	Facility management services
SIA Inservis [9]	Smilšu iela, Rīga, Latvia	2022.05.18	51%	-	Facility management services

In February 2022 the Company after de-merger from Pastatų meistrai UAB established new company Civinity Meistrai UAB;
In February 2022 the Company established new company Civinity Meistrai UAB;
In March 2022 the Company sold subsidiaries Civinity Namai Vilnius UAB, Civinity Namai UAB, Pastatų meistrai UAB to the subsidiary SPV-31 UAB;
In March 2022 the Company increased authorised capital of the subsidiary SPV-31 UAB;
In March 2022 Company's subsidiary SPV-31 UAB bought company Servico UAB;
In May 2022 Company's subsidiary SPV-31 UAB bought companies Inservis UAB, Priemiestis UAB, Jurita UAB and Inservis SIA (Latvia);
In August 2022 Companies Kretingos būstas UAB, Debreecno valda UAB ir Būsto administravimas UAB after the reorganization process completed were merged to the company Civinity Namai Klaipėda UAB and terminated activity. Civinity Namai Klaipėda UAB became a direct investment of the Company;
In August 2022 Companies Labo Namu Agentura SIA and VBS Serviss SIA after the reorganization process completed were merged to the company Civinity Majas AS and terminated activity;
In August 2022 Company Home Master SIA after the reorganization was merged to the company Civinity Majas Jurmala SIA and terminated activity;
In December 2022 Company CS Apkope SIA changed its title and became Civinity Engineering SIA.

[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 via subsidiary UAB "Būsto administravimas" as at 31 December 2021;
[6] - control via indirect subsidiary UAB Civinity namai Klaipėda;
[7] - 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 2022;
[8] - control via subsidiary UAB SPV-31 from March 2022;
[9] - control via subsidiary UAB SPV-31 from May 2022;
[10] - Būsto administravimas UAB terminated activity after the reorganization and merge to the company Civinity Namai Klaipėda UAB;
[11] - Companies Labo Namu Agentura SIA and VBS Serviss SIA after the reorganization process completed were merged to the company Civinity Majas AS and terminated activity;
[12] - Company Home Master SIA after the reorganization was merged to the company Civinity Majas Jurmala SIA and terminated activity in August 2022;
[13] At 25 January 2022 started subsidiary in Latvia ALG cleaning SIA liquidation process and was completed at 21 September 2022.

On 16 December 2021 AB "Civinity" and Sail Invest UAB signed the SPV 31 UAB shareholders agreement which states increase of share capital in SPV 31 UAB. The authorized capital of the SPV31 UAB was increased to EUR 6.533 thousand on 18 March 2022, AB "Civinity" contribution to the authorised capital increase of SPV-31 UAB was EUR 3.330 thousand EUR. The consideration for SPV 31 UAB shares were paid by transfering of Civinity Namai UAB, Civinity Namai Vilnius UAB and Pastatų meistrai UAB (building maintenance and services, construction activities in Vilnius region) shares to SPV31 UAB. Sail Invest UAB, repectively brought in Servico UAB shares into SPV-31 UAB equity. In February 2022 AB "Civinity" capitalised the loan of Civinity Namai Vilnius UAB amounted to EUR 204 thousand into the increased authorised capital of Civinity Namai Vilnius UAB. As of 1 March 2022, SPV31 UAB becomes the sole shareholder of the Civinity Namai UAB, Civinity Namai Vilnius UAB, Servico UAB and Pastatų meistrai UAB (building maintenance and construction activities Vilnius) companies.

At 01 August 2022 Civinity Group companies in Klaipėda region completed reorganization and companies Kretingos būstas UAB and Debreceno valda UAB are joined to the subsidiary Civinity Namai Klaipėda UAB.
Continuing the process of reorganisation, at 02 August 2022 Civinity Group companies in Latvia SIA Home Master will operate under the name SIA Civinity Mājas Jūrmala, and SIA Labo Namu Agentura and SIA VBS Serviss will henceforth operate under the name AS Civinity Mājas.

1.2. War in Ukraine impact on the Company's activities

24 February 2022 started Russia federation started war In Ukraine did not have a significant impact on the Company's operations and results in reporting period. But the Company management assessing the potential impact of key war factors on the Company strategic goals, cash flows, financial results and continuously monitoring the quality of trade receivables, growth of energy resources prices and inflation growth.

2. BASIS OF PREPARATION AND SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Companies financial statements are set out below.

2.1.Basis of preparation

These financial statements include the Company's financial statements for the year ended 31 December 2022.

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 31 December 2022 are prepared separaatelly.

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

The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.21 as at 31 December 2022 (31 December 2021: 0.58). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Decrease of liquidity ratio in 2022 related with payable Bonds mature amount under repayment in 2023, however the Company valuating two possible options for refinancing major part of bonds by Luminor bank, which already holds investment in Civinity subsidiary SPV-31 group credit.

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.Investments in subsidiaries

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

2.3. New and amended standards and their interpretations adopted by the Group

Adoption of new and/or amended IFRSs and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

a) The following new and/or amended IFRSs and interpretations of the International Financial Reporting Interpretations Committee were adopted for the first time by the Group/Company in the year ended 31 December 2022:

Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the conceptual framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are now recognised in profit or loss. An entity will use IAS 2 to measure the cost of those items.
The amendment to IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract; and an allocation of other costs that relate directly to fulfilling. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.
IFRS 3 was amended to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception in IFRS 3 was added for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 or IFRIC 21, rather than the 2018 Conceptual Framework. It was also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test
Illustrative Example 13 that accompanies IFRS 16 was amended to remove the illustration of payments from the lessor relating to leasehold improvements.
IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent. The subsidiary can measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. IFRS 1 was amended to allow entities that have taken this IFRS 1 exemption to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. The amendment to IFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters.
The requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41 was removed.
The Group/Company believes the amendments had no significant impact on the Group's/Company's financial statements.

Covid-19-Related Rent Concessions – Amendments to IFRS 16

The amendments provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. The amendment extended the date of the practical expedient until 31 December 2022.
The Group/Company believes the amendments had no significant impact on the Group's/Company's financial statements.

b) The following standards, interpretations and amendments were not yet effective and were not early adopted by the Group/Company:

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies

IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group/Company believes these amendments will have no significant impact on its financial statements.

Amendments to IAS 8: Definition of Accounting Estimates

The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. The Group/Company believes these amendments will have no significant impact on its financial statements.
The Group/Company believes the amendments had no significant impact on the Group's/Company's financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The Group/Company believes these amendments will have no significant impact on its financial statements.

(All amounts are in the thousand of euros unless otherwise stated)

c) The following standards, interpretations and amendments were not yet endorsed by the EU and not early adopted by the Group/Company:

-IFRS 14, Regulatory Deferral Accounts;
-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28;
-Classification of liabilities as current or non-current – Amendments to IAS 1;

The Group/Company are currently assessing the impact of the amendments on the Group's/Company's financial statements.

There are no other new or amended standards and/or interpretations that are not yet effective and that might have significant impact on the Group/Company.

There are no other new or amended standards and interpretations that are not yet effective and that may have a material impact for the Group.

2.4.Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company financial statements are presented in Euro (EUR), which is the functional and presentation currency of the Company.

2.5.Transactions and balances

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

2.6.Intangible assets

Intangible assets, if they are acquired separately from the business (including computer software) are stated at cost, less subsequent accumulated amortisation and impairment losses. Cost includes the purchase price of intangible assets from a third party as well as costs for the development of intangible assets, if such assets are being developed. 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

Useful lives and amortisation methods of the intangible assets are reviewed, and adjusted if appropriate, at each reporting date. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are included within 'Other gain / (loss) – net' in the statement of profit or loss.
Subsequent expenditure is recognised in profit or loss when incurred. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

2.7.Property, plant, and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and impairment losses.

Cost includes all expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

When components of property, plant and equipment have different useful lives, they are accounted for as separate items (main components) of property, plant and equipment.
The depreciation of property, plant and equipment is started from the date on which they are ready for their intended use.
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.
Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.
Construction in progress is stated at cost. Construction in progress comprises the cost of buildings, structures and facilities and other directly attributable costs, capitalised interest. Construction in progress is not depreciated for as long as the construction works have not been completed and assets have not been brought into use.
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.8.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.
Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Company applies when managing its financial assets. The business model applied to the Company of financial assets is determined at a level that reflects how all Companys of financial assets are managed together to achieve a particular business objective of the Company. The intentions of the Company's management regarding individual items of instruments have no effect on the adopted business model. The Company may adopt more than one business model to manage its financial assets. The Company may adopt more than one business model to manage its financial assets.

The business model for managing of financial assets is based not merely on an assertion, but also on facts that are observable in the activities that the Company undertakes in order to achieve the objectives of the business model. In determining the business model applicable for managing financial assets, the Company makes its decision in view of not individual factors or activity, but in view of all evidence that is available in the course of the assessment.
The Company recognises a financial asset in its statement of financial position only when the Company becomes a party to the contractual provisions of the instrument. The purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.
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.

Financial assets at fair value through profit or loss

The Company measures financial assets, which are stated at fair value in subsequent periods, through profit or loss, using the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
The Company does not have any financial assets held for trading and acquired for the purpose of selling in the near term and attributes to this category only financial assets arising from the disposal of business or investments classified as non-equity contingent consideration.

Effective interest method

The effective interest method is used in the calculation of the amortised cost of a financial asset and in the allocation of the interest revenue in profit or loss over the relevant period.
The effective interest rate is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset that shows the amortised cost of the financial asset, before adjusting for any loss allowance. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is an assumption that the cash flows and the expected life of a Company of similar financial instruments can be estimated reliably. However, when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or Company of financial instruments), the Company uses the contractual cash flows over the full contractual term of the financial instrument (or Company of financial instruments).

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:

a) significant financial difficulty of the borrower;
b) a breach of contract, such as a default or event that is past due for more than 90 days;
c) 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;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties;
f) 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.

Derecognition of financial assets

The Company derecognises financial assets in case of the following:
- the rights to receive cash flows from the asset have expired;

•if the Company has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;
•if the Company has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control. In all other cases, the Company has retained control.

Financial liabilities

Liabilities are classified as financial liabilities at fair value through profit or loss, or other financial liabilities. The Company does not have any financial liabilities at fair value through profit or loss.

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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is settled, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the statement of comprehensive income.

2.9.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.

2.10.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.

2.11.Inventories

Inventories are initially recorded at acquisition cost. Costs of purchased inventory are determined after deducting rebates and discounts. Subsequently inventories are recognised at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion, marketing and distribution. The cost of inventories is determined using the first-in, first-out (FIFO) method. Inventories that are no longer expected to be realised are written off.

2.12.Provisions

Provisions are recognised when the Company has a legal obligation or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. At each date of the preparation of the statement of financial position the Company assesses the existing provisions and adjusts them in order to best reflect current estimates. If the effect of the time value of money is material, the amount of provision is discounted using the effective pre-tax discount rate set based on the interest rates for the period and taking into account specific risks associated with the provision as appropriate. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2.13.Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
The Company has issued only ordinary shares.
The Company is obliged to keep its shareholders' equity ratio not less than 50% of its authorised share capital, as imposed by the Law on Companies of Republic of Lithuania. No other external capital requirements have been imposed on the Company.

2.14.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 implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Company 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 Group 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 Group'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 31 December 2022), 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 31 December 2022).

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 2021 and as at 31 December 2022.

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 2021 and as at 31 December 2022.

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.

2.15.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.

2.16.Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.17.Income tax and deferred income tax

Income tax expenses comprise current income tax and deferred income tax.

Current income tax and deferred income tax are charged or credited to profit or loss, except when they relate to items included directly to other comprehensive income or equity, in which case the deferred income tax is also accounted for in other comprehensive income or equity.

Current year income tax is calculated in accordance with tax legislation that has been enacted or substantially enacted at the end of the reporting period in the countries in which the Company operate and earn taxable profit. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The standard income tax rate applied to companies in the Republic of Lithuania was 15% in 2021 and 2022. From 2010 in Lithuania tax losses may be transferred at no consideration or for an agreed consideration between the Company's subsidiaries, if the set terms are fulfilled.

Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax losses operating in Lithuania can be carried forward for indefinite period of time, except for losses arising from the disposal of securities and/or derivative financial instruments. In Lithuania such carrying forward of tax losses is discontinued if the Company ceases the activities that gave rise to these losses, except when the Company ceases the activities for reasons that are beyond its control. In Lithuania 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 the transactions of the same nature. With effect from 1 January 2014, in Lithuania tax losses of the previous years can be used to reduce taxable profit of the current tax year by maximum 70%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current year income tax assets against current year income tax liabilities, and when deferred income tax assets and liabilities relate to income taxes that are applied by the same fiscal authority on the same taxable entity or on different taxable entities, when there is intention to set off balances on a net basis.

2.18.Employee benefits

Social security contributions

The Company pays social security contributions to the social security fund ("the Fund") on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or other obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

Bonus plans

The Company recognises a liability and an expense for bonuses based on a formula that takes into consideration budgeted financial (EBITDA, Revenue rate, NPS) and individual targets, where contractually obliged or where there is a current or past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Company or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2.19.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 2022. Each subsidiary is treated as a separate cash-generating unit for the purpose of impairment testing. The recoverable amount is determined based on value-in-use calculation. The investment's value in use is calculated by discounting future cash flows to their present value using a pre-tax discount rate reflecting actual market assumptions regarding the time value of money and the risks specific to the asset concerned.
Based on the impairment tests it was concluded that there was impairment loss for the subsidiary Civinity Solutions SIA (note 10).

(All amounts are in the thousand of euros unless otherwise stated)

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 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 31 December 2022 and 31 December 2021 financial assets and liabilities exposing the Company to interest rate risk were as follow:

	At 31 December 2022	At 31 December 2021
Loans granted	2,892	3,570
Borrowings	14,505	13,366
Lease liabilities	718	454
Financial liabilities	**12,331**	**10,250**

As at 31 December 2022 and 31 December 2021, there were no interest-free borrowings.

At 15 October 2021 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 5%. In year 2022 the Group made two semi-annual interests payments each amounting EUR 200 thousand.
The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.21 as at 31 December 2022 (31 December 2021: 0.58). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Decrease of liquidity ratio in 2022 related with payable Bonds mature amount under repayment in 2023, however the Company valuating two possible options for refinancing major part of bonds by Luminor bank, which already holds investment in Civinity co-owned SPV-31 group credit.

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 2022	2021
in EUR	1%	(123)	(102)
in EUR	-1%	123	102

Foreign exchange risk
The Company's financial assets and liabilities as at 31 December 2022 and as at 31 December 2021 are denominated in the euros, therefore the Company is not exposed to foreign exchange risk.

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 0,21 as at 31 December 2022 (31 December 2021: 0,58).

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

At 31 December 2022

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
Lease liabilities	718	841	62	187	591	-
Bonds	7,958	8,509	33	8,476	-	-
Borrowings from related parties	6,548	7,156	589	2,257	4,310	-
Trade payables	565	565	458	106	-	-
Total	**15,788**	**17,070**	**1,143**	**11,026**	**4,901**	**-**

At 31 December 2021

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
Lease liabilities	454	470	39	121	310	-
Bonds	7,827	8,800	-	400	8,400	-
Borrowings from related parties	5,540	6,024	-	208	5,817	-
Trade payables	432	432	432	-	-	-
Total	**14,252**	**15,727**	**471**	**728**	**14,527**	**-**

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

(All amounts are in the thousand of euros unless otherwise stated)

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 31 December 2022	At 31 December 2021
Trade and other receivables	1,691	747
Loans granted to related parties	3,589	3,570
Cash and cash equivalents	66	38
Total	**5,346**	**4,355**

SPV-31, UAB received loan from Luminor bank for Inservis group companies asquisition is guaranteed by it shareholders AB "Civinity" and Sail Invest UAB. AB "Civinity" secured amount is EUR 2.499 thousand. Security is valid until

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	At 31 December 2022	At 31 December 2021
Aa3	64	36
Baa2	2	2
Total	**66**	**38**

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
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
Cash and cash equivalents include cash and cash balances in bank accounts, therefore credit risk arising from them is minimal.

Cyber security risks

The Company managing the data with customer data used for invoicing and internal financial information. Therefore the Company prepared control and security procedures, which are continuously reviewed internally and in

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
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

The Company is obliged to keep its shareholders' equity ratio not less than 50% of its authorised share capital, as imposed by the Law on Companies of Republic of Lithuania. At the end of period of 31 December 2022 the ratio was at 913% and met the requirements because of EUR 660 thousands received dividends from the subsidiaries and disposal of the shares of the subsidiaries to SPV-31 UAB in Vilnius region.

The company is obliged to keep financials and business related covenants in accordance the term of EUR 8.000 thousand bonds emission issued at 15 October 2021. The group consolidated DEBT/EBITDA ratio shall not be above 4 (31 December 2022: ratio 2.19 and 31 December 2021: ratio 1.74) and Equity to Assets ratio shall not be lower 0.1. (31 December 2022: ratio 0.17 and 31 December 2021: ratio 0.13). The requirement of the covenant was maintained at the date of reporting period.
According 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 31 December 2022 Civinity Group consolidated newly provided loans, guarantees and sureties to other entities, which are not direct or indirect Group companies not exceeded EUR 500 thousand per any subsidiary - the requirement of the covenant was maintained.
The Company shall not, and shall ensure that Group Companies shall, 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. The Company also has long term bonds (Note 4.1 Liquidity risk).

Trade and other amounts receivable, borrowings and trade and other amounts payable are attributed to Level 3 of the fair value hierarchy, and cash and cash equivalents are attributed to Level 1. There are no financial assets or financial liabilities that would be attributed to Level 2 of the fair value hierarchy.

5. EMPLOYEE RELATED EXPENSES

Employee related expenses	2022	2021
Salaries	770	851
Social insurance expenses	14	7
Total employee related expenses	**784**	**858**

6. INCOME TAX

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

Components of income tax (expenses) income	2022	2021
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 and estimates that deferred tax assets will not be utilised in the future.

The movement in deferred income tax assets and liabilities of the Company during 2022 is as follows:

	Balance at 31 December 2022	Balance at 31 December 2021
Deferred income tax assets		
Accruals	8	15
Taxable losses	278	193

(All amounts are in the thousand of euros unless otherwise stated)

Other various temporary differences		
Deferred income tax assets	286	208
Deferred income tax assets – net	286	208
Unrecognised deferred tax asset	(286)	(208)
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:

	2022	2021
Profit (loss) before income tax	1,266	868
Income tax expenses calculated using a tax rate of 15%	190	130
Non taxable income	(293)	(280)
Non deductable expenses	17	23
Transferred taxable losses to subsidiaries	-	-
Not recognized deferred tax assets	86	126
Income tax expenses recognised in the statement of comprehensive income	-	-

7. INTANGIBLE ASSETS

	Trademark	Computer software, licences	Other	Total
At 1 January 2020				
Cost of fair value	-	735	-	735
Accumulated depreciation	-	(183)	-	(183)
Net book amount	-	552	-	552
Year ended 31 December 2020				
Opening net book amount	-	552	-	552
Additions	360	140	-	500
Depreciation charge	-	(262)	-	(262)
Closing net book amount	360	431	-	791
At 1 January 2021				
Cost of fair value	360	875	-	1,235
Accumulated depreciation	-	(444)	-	(444)
Net book amount	360	431	-	791
Year ended 31 December 2021				
Opening net book amount	360	431	-	791
Additions	-	98	36	135
Depreciation charge	(36)	(295)	(5)	(335)
Closing net book amount	324	234	32	590
At 31 December 2021				
Cost of fair value	360	973	36	1,370
Accumulated depreciation	(36)	(739)	(5)	(780)
Net book amount	324	234	32	590
Period end 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

(All amounts are in the thousand of euros unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Prepayments	Total
At 1 January 2020			-
Cost or fair value	97	-	97
Accumulated depreciation	(61)	-	(61)
Net book amount	**35**	**-**	**35**
Year ended 31 December 2020			
Opening net book amount	35	-	35
Additions	55	-	55
Transfer	(79)	-	(79)
Depreciation charge	(24)	-	(24)
Depreciation transfer	54	-	54
Closing net book amount	42	-	42
At 31 December 2020			
Cost or fair value	72	-	72
Accumulated depreciation	(31)	-	(31)
Net book amount	**42**	**-**	**42**
Year ended 31 December 2021			
Opening net book amount	42	-	42
Additions	-	262	262
Depreciation charge	(1)	-	(1)
Closing net book amount	41	262	303
At 31 December 2021			-
Cost or fair value	72	262	335
Accumulated depreciation	(32)	-	(32)
Net book amount	**41**	**262**	**303**
Period 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**

Company's property, plant and equipment with the acquisition cost of EUR 0.9 thousand as at 31December 2022 (31 December 2021: EUR 22 thousands) 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 31 December 2022	At 31 December 2021
Buildings	46	24
Vehicles	140	113
	186	**137**

Lease receivables	At 31 December 2022	At 31 December 2021
Current	172	133
Non-current	360	184
	532	**317**

Lease liabilities	At 31 December 2022	At 31 December 2021
Current	209	143
Non-current	509	311
	718	**454**

Additions to the right-of-use assets till the 31 December 2022 financial year were EUR 614 thousand (in year 2021 it was 58 thousand).

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:	2022	2021
Depreciation charge of right-of-use assets		
Buildings	157	17
Vehicles	27	36
	184	**53**
Interest expense (included in finance cost)	40	4
	40	**4**

The total cash outflow for leases as of 31 December 2022 was EUR 31 thousands (in 2021 was EUR 28 thousands).

(All amounts are in the thousand of euros unless otherwise stated)

10. INVESTMENT IN SUBSIDIARIES

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

	At 31 December 2022	At 31 December 2021
At the beginning of the period	7,309	6,449
Purchase of interest in subsidiaries	-	855
Impairment of investments	(1,755)	-
Share capital increase of subsidiaries	3,535	-
Sale of subsidiaries shares	(291)	-
Subsidiaries established	3	5
	8,801	7,309

In February 2022 AB "Civinity" capitalised the loan of Civinity Namai Vilnius UAB amounted to EUR 204 thousand into the increased authorised capital of Civinity Namai Vilnius UAB.

As at 31 December 2022, the Company's management performed impairment test for the cost of investments in subsidiaries. During the test, the cost of investments in subsidiaries against the net assets value of those subsidiaries as at 31 December 2022. Where the net assets value was lower than the carrying amount of 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 2023. The calculations were based on the following assumptions: forecast period of 5 years, annual growth rate 2%, discount rate 5,56%. Based on the impairment test, impairment loss for investment in subsidiary Civinity Solutions SIA for the full amount of EUR 1.755 thousand were recognised in 2022.

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

Name of subsidiary	At 31 December 2022	At 31 December 2021
UAB Civinity namai Kaunas	249	190
UAB Civinity namai Vilnius [1]	-	82
UAB Civinity namai Vakarai	253	253
UAB Pastatų meistrai	-	4
UAB Kretingos būstas	-	14
UAB Debreceno valda	-	91
UAB Debreceno NT	46	46
UAB Civinity renovacija	3	3
UAB Civinity namai Palanga	810	810
UAB Smart technologies	3	3
UAB Civinity MD	3	3
UAB Civinity LT	3	3
UAB City Billing Solutions	3	3
UAB Būsto administravimas	-	682
SIA VBS serviss	-	1,175
SIA Pilsetas Lifti	61	61
SIA Labo namu agentura	-	801
SIA Home master	-	59
SIA Civinity Engineering (previously named SIA CS Apkope)	703	703
SIA Civinity solutions	1,755	1,755
SIA Civinity LV	3	3
SIA City billing solutions	1	1
AS Civinity majas	2,540	564
UAB SPV 32	1	1
UAB SPV 31	3,332	1
UAB Civinity namai Klaipėda	787	-
UAB Civinity meistrai	3	-
UAB Civinity namai	1	1
Impairment in subsidiaries	(1,755)	-
Total	8,801	7,309

[1] at 28 February 2022 Civinity capitalized loan, issued to the subsidiary UAB Civinity Namai Vilnius and increased the authorised capital of UAB Civinity Namai Vilnius to 204 thousand.

Profit on disposal of subsidiaries in year 2022:

At 1 March 2022 Civinity AB sold its investments in UAB Pastatų meistrai, UAB Civinity Namai Vilnius, UAB Civinity Namai to UAB SPV-31 for EUR 3.331 thousand and wrote of EUR 291 thousand investment value in these subsidiaries.

	At 1 March 2022
Sale proceeds EUR from the subsidiaries	3,331
Investment costs EUR of the subsidiaries	(291)
	3,040

11. LOANS GRANTED TO RELATED PARTIES

Debtor	Repayment date	Weighted average interests * 31 December 2022	Weighted average interests * 31 December 2021	At 31 December 2022	At 31 December 2021
Parent	2024.12.31	5%	5%	1,078	821
Subsidiaries	2023.12.31 /2025.12.31	5%	5%	2,458	2,729
Other related parties	2024.12.31	5%	5%	53	20
Total				3,589	3,570

(All amounts are in the thousand of euros unless otherwise stated)

Expected credit loss (note 4.1.)	-	-
Total loans granted	**3,589**	**3,570**
Non current	2,892	3,570
Current	697	-
Total loans granted	**3,589**	**3,570**

The fair value of loans receivable approximates their carrying amount. The interest rates of loans are reviewed at the end of each financial year and are adjusted in line with actual interest rate applicable for the company from financial institutions. Thus majority of the loans are with 5% interest rate and met rates for October 2021, AB "Civinity" bonds emission. The 68% from granted loans are issued to group companies (subsidiaries) to finance their core activities and development projects. Significant part of loans are issued to parent company NORD FIN ASSETS SIA and will be settled with dividends in the future.
Loans granted are issued with a fixed margin + 6 month EURIBOR.
Loans granted movement:

	At 31 December 2022	At 31 December 2021
Beginning of the year		
Proceeds from loans granted	3,570	1,364
Interest charged	197	92
Loan offset by subsidiary share capital increase	(195)	-
Loans repayment as non monetary transaction	-	-
Loans repayment as monetary transaction	(1,004)	(67)
Loans granted as monetary transaction	1,020	1,255
Loans granted as non-monetary transaction	-	925
End of the year	**3,589**	**3,570**

12. FINANCIAL INSTRUMENTS BY CATEGORY

	At 31 December 2022	At 31 December 2021
Financial assets at amortised cost		
Loans granted to related parties	3,589	3,571
Trade and other receivables	1,525	731
Cash and cash equivalents	66	38
Total	**5,180**	**4,340**

Financial liabilities at amortised cost	At 31 December 2022	At 31 December 2021
Borrowings	14,505	13,366
Lease liabilities	718	454
Trade and other payables	565	432
Total	**15,788**	**14,252**

13. TRADE AND OTHER RECEIVABLES

	At 31 December 2022	At 31 December 2021
Trade receivables from related parties	994	415
Trade receivables, net	**994**	**415**
Lease receivables from related parties, gross	532	317
Prepayments	37	72
Other receivables	128	15
Total	**1,690**	**819**
Non current	428	203
Current	**1,262**	**616**

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, Company estimates trade receivables from the related parties as minor risk receivables, because more then 90% of issued invoices for the services rendered are covered at the date these financial statements are signed.

Trade receivables from related parties

	Not past due and past due up to 30 days	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
31 December 2022	238	83	64	1	2	544	61	**994**
31 December 2021	136	44	9	8	6	136	76	**415**

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 effect ECL.

14. CASH AND CASH EQUIVALENTS

	At 31 December 2022	At 31 December 2021
Cash at bank	66	38
Cash and cash equivalents	**66**	**38**

The Company cash and cash equivalents, were pledged to secure the fulfilment of the Company's liabilities according to the bonds issued (note 16).

(All amounts are in the thousand of euros unless otherwise stated)

15. SHARE CAPITAL AND LEGAL RESERVE

Share capital

As at 31 December 2022 and 31 December 2021, 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 securities. As at 31 December 2022 and 31 December 2021, there were no unfulfilled acquisition rights or commitments to increase authorised share capital.

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 31 December 2022	At 31 December 2021
Non-current		
Bonds	-	7,827
Borrowings from the related parties	5,961	5,540
	5,961	13,366
Current		
Bonds	7,958	-
Borrowings from the related parties	587	-
	8,544	-
Total	14,505	13,366

Borrowings movement:

	At 31 December 2022	At 31 December 2021
Bonds at the beginning of the year	7,827	6,000
Proceeds from issue of bonds	-	8,000
Capitalization of the bonds	131	(240)
Bonds repaid	-	(6,000)
Interest charged	400	417
Interest repaid	(400)	(350)
Bonds at the end of the year	7,958	7,827
Borrowings from the related parties at the beginning of the year	5,540	5,668
Proceeds from borrowings as non monetary transaction	-	2,300
Proceeds from borrowings as monetary transaction	3,762	-
Borrowings repaid as monetary transaction	(2,978)	(815)
Borrowings repaid as non-monetary transaction	-	(1,796)
Interest charged	320	183
Interests repaid as monetary transaction	(96)	
Borrowings from the related parties at the end of the year	6,548	5,540
Total borrowing at the end of the year	14,505	13,366

The contractual maturity of borrowings:

	At 31 December		At 31 December 2021	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Within one year	-	-	-	-
One to five years	7,958	6,548	7,827	5,540
	7,958	6,548	7,827	5,540

17. TRADE AND OTHER PAYABLES

	At 31 December 2022	At 31 December 2021
Trade payables to related parties	9	209
Trade payables to 3rd parties	556	222
Prepayments received	-	98
Employees related benefits	101	117
Payable VAT	-	-
Accrued expenses	157	136
Other taxes related payables	68	206
Total	890	990
Non-current liabilities	42	74
Current other liabilities	849	916

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 2022 and 2021, 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 and the Board (note 1);

Remuneration of the key Company's management

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

	2022	2021

Wages and salaries, bonuses	331	409
Expenses of social security contributions	8	7
Car rent expenses	-	11
Total remuneration of key management personnel	339	428

No loans, guarantees or any other amounts were paid or calculated to the Company's management and no assets were transferred. Company leases vehicles to the Chief Executives Officer for the total yearly amount of EUR 35

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

	2022	2021
Sale of services		
Subsidiaries	1,684	2,024
	1,684	2,024

	2022	2021
Other income		
Dividends from Subsidiaries	660	1,860
Revenues from the subsidiaries sale	3,331	-
Intersts income	118	36
	4,108	1,896

	2022	2021
Purchases of goods and services		
Subsidiaries	118	138
	118	138

Trade and other receivable

	At 31 December 2022	At 31 December 2021
Board members	12	4
Parent company	42	4
Subsidiaries	940	230
	994	239

Trade and other payables

	At 31 December 2022	At 31 December 2021
Subsidiaries	9	209
	9	209

Loans granted and interest receivable from related parties

	At 31 December 2022	At 31 December 2021
Parent company	1,078	822
Subsidiaries	2,458	2,759
	3,536	3,580

Borrowings and interest payables to related parties

	At 31 December 2022	At 31 December 2021
Parent company	-	-
Subsidiaries	6,548	5,540
	6,548	5,540

Guarranty's given in relation with the related parties	At 31 December 2022	At 31 December 2021
Subsidiaries (SPV-31, UAB, loan from Luminor bank)	2,499	-
	2,499	-

19. EVENTS AFTER THE REPORTING PERIOD

Danielius Uznys left member of the board of AB "Civinity" position at 28 April 2023 and Chief opetrational officer position in January 2023.
At January 2023 AB "Civinity" finalized the procedures of the acquisition of Valandinis UAB majority stake of shares from UAB "Partly". The transaction details were initially stated in Information Document for the offering of
At 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 bussines model and bussines segments.
At 8 December 2022 AB "Civinity" owned group company SIA "CS Apkope" change the name to SIA "Civinity engineering LV" to keep the unified logic in group structure.