Civinity, AB

SEPARATE UNAUDITED FINANCIAL STATEMENTS PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION

For six month period ended 30 June 2025

CONTENTS

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 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. □

In June 2025 the Company has refinanced INVL private bonds, issuing EUR 8 168 thousands emission of zero coupon bonds for 2 years period. In July 2025 the Company has issued new public bonds emission of EUR 10 350 thousand for 4 year with 10% interest rate and in August refinance current public bonds.

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

The Company's income for half year ending 30 June 2025 was 2 524 thousand (2024 half year: EUR 4 860 thousand). Revenue has decreased due to lower dividend income. The Company has net profit of EUR 493 thousand for half year ending 30 June 2025 comparing to 2024 half year profit of EUR 3 290 thousand. The Company has distributed EUR 500 thousand of retained earning as dividends to it's sole shareholder. As at 30 June 2025 the Company fulfill legal requirement of having atleast 50% equity of share capital, at December 31 2024 the Company had also fulfilled this legal requirement.

3. The Group's key management personnel

As at 30 June 2025, the Group's key management personnel included the following persons:

Deividas Jacka, Chairman of the Board (since 22 January 2021) and chief business development officer (29 May 2023 - 29 December 2023). He holds a Master's degree in business administration and executive MBA diploma.

Virgeda Jackaitė, Member of the Board and chief executive officer (since 29 May 2023). She holds a degree in accounting and finance from University of Birmingham. She is a CEO of the group companies Civinity LT UAB and Civinity Engineering UK and board member of the companies SPV 31 UAB, Civinity engineering UAB. From September 2025 is on maternity leave.

Tomas Staškūnas, Chief financial offcer of the Group (since June 2024) and acting as the CEO (since September 2025). He holds MBA and master's degree of Finance (Vytauto Didžiojo universitetas).

Diana Dominienė, independent Member of the Board (since 14 December 2023). She holds a master‘s degree in Finance and Credit (Vilnius University).

Giedrė Vilkė, independent Member of the Board (since June 2025). She holds a master's degree in Business Administration (BMI Executive Institute).

Dovilė Grigienė, independent Member of the Board (since 2 January 2025). She holds a MBA and master's degree in Finance (Concordia University-Wisconsin).

Šarūnas Stanislovėnas, independent Member of the Board (since 8 February 2024). He holds a Executive MBA in Business/Managerial Economics/Marketing/Management accounting (ISM University of Management and Economics).

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

The share capital of the Company is EUR 100 thousand as at 30 June 2025. 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 30 June 2025 the Company neither acquired nor disposed any shares of the Company and on 31 December 2024 the Company held no shares of the Company.

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

As of 30 June 2025 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 neither branches nor representative offices.

6. Significant events subsequent to the end of the current financial year

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

7. The Group's operation plans and prospects

In 2025, the Company plans to further develop its business activities in its main business segments by utilising a mix of organic growth and acquisition strategies. The main focus will be on growth in facilities management services in residential, commercial property management, and engineering operations. Complementing the facility management and engineering businesses, the Civinity Group is pursuing new direction internally called “Smart Green City”. The “Smart Green City” strategic direction steers the Group’s focus and search for acquisition targets in new business areas centred around broader urban life services. The Group has already entered the payments segment for parking and mass transit by acquiring Mobilly in 2024 and is further pursuing new additions to its business areas. The Group’s main business was created providing services to urban clients by looking after buildings. By broadening its provided services, the Group searches for good fits for its current clients and for potential synergies between different business lines. Each service should be of significant importance and create value to urban clients. Additionally, different services should create opportunities within the Group to achieve better operational efficiencies.

8. Financial risks of the Company

The Company has refinance all current bonds and after these adjustments current liquidity rate is above 1. The Company plans to finance new acquisitions from issuing new bonds emission and dividends from subsidiaries.

Tomas Staškūnas
Chief Executive Officer
2025-09-30

Civinity, AB
Company code: 302247881

SEPARATE STATEMENT OF FINANCIAL POSITION
For six month period ended 30 June 2025
(All amounts are in the thousands of euros (EUR) unless otherwise stated)

	Notes	30 June 2025	31 December 2024
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	*7*	247	243
Property, plant and equipment	*8*	279	306
Right-of-use assets	*9*	399	218
Investments in subsidiaries	*10*	16 221	16 221
Other investments	*10*	527	333
Loans granted to related parties	*11*	3 077	2 526
Other receivables	*12*	450	628
TOTAL NON-CURRENT ASSETS		**21 200**	**20 475**
CURRENT ASSETS			
Trade and other receivables	*12*	1 947	1 539
Other current assets	*11*	42	315
Cash and cash equivalents	*13*	727	159
TOTAL CURRENT ASSETS		**2 716**	**2 013**
TOTAL ASSETS		**23 915**	**22 488**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*14*	100	100
Retained earnings		105	114
TOTAL EQUITY		**205**	**214**
NON-CURRENT LIABILITIES			
Borrowings	*15*	11 857	5 790
Lease liabilities	*9*	789	545
TOTAL NON-CURRENT LIABILITIES		**12 646**	**6 334**
CURRENT LIABILITIES			
Borrowings	*15*	8 186	13 500
Lease liabilities	*9*	402	293
Trade and other payables	*16*	2 476	2 148
TOTAL CURRENT LIABILITIES		**11 064**	**15 940**
TOTAL LIABILITIES		**23 710**	**22 275**
TOTAL EQUITY AND LIABILITIES		**23 915**	**22 488**

The notes on pages 9-31 are an integral part of these financial statements.
The financial statements were authorised for issue and signed on 29 September 2025.

Tomas Staškūnas Chief Executive Officer	Vilma Marciukaitė Chief Accountant

Civinity, AB
Company code: 302247881

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
For six month period ended 30 June 2025
(All amounts are in the thousands of euros (EUR) unless otherwise stated)

	Notes	30 June 2025	30 June 2024
Management service revenue		830	775
Dividend income		1 603	4 000
Interest income		91	85
Employee related expenses	**5**	(226)	(268)
Depreciation and amortisation	**7, 8, 9, 16**	(192)	(189)
Business consultations expenses		(446)	(338)
Legal expenses		(75)	(40)
Transportation related expenses		(29)	(20)
Audit and accounting expenses		(77)	(77)
Other operating expenses		(68)	(71)
Gain / (Loss) on disposal of Property, Plant and Equipment		-	16
Other gains (losses)		37	84
Profit on disposal of subsidiaries	**10**	-	2
OPERATING PROFIT		**1 447**	**3 961**
Interest expenses		(955)	(671)
PROFIT BEFORE INCOME TAX		**493**	**3 290**
Income tax expense	**6**	-	-
PROFIT FOR THE PERIOD		**493**	**3 290**

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Tomas Staškūnas
Chief Executive Officer

Vilma Marciukaitė
Chief Accountant

Civinity, AB
Company code: 302247881

SEPARATE STATEMENT OF CHANGES IN EQUITY
For six month period ended 30 June 2025
(All amounts are in the thousands of euros (EUR) unless otherwise stated)

	Notes	Share capital	Legal reserves	Retained earnings	Total equity
Balance 1 January 2024		**100**	**-**	**(1 520)**	**(1 420)**
Profit for the period		-	-	1 633	1 633
Total comprehensive income		**-**	**-**	**1 633**	**1 633**
Balance at 31 December 2024		**100**	**-**	**113**	**213**
Profit for the period		-	-	493	493
Total comprehensive income		**-**	**-**	**493**	**493**
Dividends to owners of the Company		-	-	(500)	(500)
Balance at 30 June 2025	**15**	**100**	**-**	**105**	**205**

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Tomas Staškūnas
Chief Executive Officer

Vilma Marciukaitė
Chief Accountant

Civinity, AB
Company code: 302247881

SEPARATE STATEMENT OF CASH FLOWS
For six month period ended 30 June 2025
(All amounts are in the thousands of euros (EUR) unless otherwise stated)

	Notes	30 June 2025	30 June 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		493	3 290
Adjustments for:			
Depreciation and amortisation	**7, 8, 9, 16**	192	189
Interest income		(91)	(85)
Interest expenses		955	671
Gain on disposal of non-current assets		-	(16)
Profit on disposal of subsidiaries		-	2
Dividends		(1 603)	(4 000)
		(547)	**(3 239)**
Changes in working capital:			
(Increase)/decrease in receivables	**12**	732	264
Increase/(decrease) in payables	**16**	(68)	144
		664	**409**
Cash generated from operations		**610**	**459**
Interest received		-	-
Interest paid		(763)	(440)
Net cash flows generated from operating activities		**(153)**	**19**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**8**	(30)	-
Purchase of intangible assets	**7**	(56)	-
Prepayments for subsidiaries shares	**10**	(194)	-
Sale of property, plant and equipment	**8**	-	25
Loans granted	**11**	(460)	(172)
Loans repayment received	**11**	-	59
Dividends received		20	281
Net cash flow generated from (used in) investing activities		**(719)**	**193**
Cash flows from financing activities			
Proceeds from borrowings	**15**	2 215	368
Repayments of borrowings	**15**	(710)	-
Payment of principal portion of lease liabilities	**9**	(65)	(66)
Dividends paid		-	-
		1 440	**302**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**568**	**954**
CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE PERIOD		159	8
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		727	962

The notes on pages 9-31 are an integral part of these financial statements.
The financial statements were authorised for issue and signed on 29 September 2025.

Tomas Staškūnas
Chief Executive Officer

Vilma Marciukaitė
Chief Accountant

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

1. General information

Civinity, AB ("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 consulting services and is holding company.

The Company is part of the group of companies and is a controling company itself.

From 30 March 2020 the sole shareholder and ultimate parent of the Company is SIA "NORD FIN ASSET" (registration number 44103136863, address: Dubultu prospekts 3, Jūrmala, Latvia). The ultimate controlling party is Deividas Jacka.

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 authorised for issued and signed by the Management and are available at the Company's registered office address.

As at 30 June 2025, the Company had no branches and representative offices.

The Company's direct and indirect investments into subsidiaries:

Title of the subsidiary, type of ownership	Country	Reporting segment	30 June 2025	31 December 2024
UAB Civinity namai Kaunas, direct	Lithuania	Residential	100%	100%
UAB Civinity namai Vilnius, indirect, UAB SPV31	Lithuania	Residential	51%	51%
UAB Civinity namai Vakarai, direct	Lithuania	Residential	81.72%	81.72%
UAB Civinity namai, indirect, UAB SPV31	Lithuania	Residential	51%	51%
UAB Pastatų meistrai, indirect, UAB SPV31	Lithuania	Residential	51%	51%
UAB Civinity meistrai, direct	Lithuania	Residential	100%	100%
UAB Debreceno NT,direct	Lithuania	Residential	95.44%	95.44%
UAB Civinity renovacija, direct	Lithuania	Residential	100%	100%
UAB Civinity namai Palanga, direct	Lithuania	Residential	100.00%	100.00%
UAB Smart technologies, direct	Lithuania	Not classified (IT services)	100%	100%
UAB Civinity MD, direct	Lithuania	Not classified (project management)	100%	100%
UAB Civinity LT, direct	Lithuania	Not classified (Services center)	100%	100%
UAB City Billing Solutions, direct	Lithuania	Not classified (Accounting services)	100%	100%
UAB Servico, indirect, UAB SPV31	Lithuania	Residential	51%	51%
UAB Inservis, indirect, UAB SPV31	Lithuania	Commercial	51%	51%
UAB Jurita, indirect, UAB SPV31	Lithuania	Residential	51%	51%
UAB Priemiestis, indirect, UAB SPV31	Lithuania	Residential	51%	51%
SIA Inservis, indirect, UAB SPV31	Latvia	Commercial	51%	51%

UAB Valandinis, direct	Lithuania	Commercial	51%	51%
SIA Civinity Engineering, direct	Latvia	Engineering	100%	100%
SIA Civinity solutions, direct	Latvia	Commercial	100%	100%
SIA Civinity LV,direct	Latvia	Not classified (Services center)	100%	100%
AS Civinity majas, direct	Latvia	Residential	100%	100%
Civinity Group Latvija PS, indirect, SIA Civinity Solutions, SIA Civinity Engineering	Latvia	Commercial	100%	100%
UAB SPV 32, direct	Lithuania	Not classified (Holding company)	51%	51%
UAB SPV 31, direct	Lithuania	Not classified (Holding company)	51%	51%
UAB Civinity namai Klaipėda, direct	Lithuania	Residential	100%	100%
SIA Civinity majas Jurmala, indirect, UAB Civinity namai Kaunas	Latvia	Residential	100%	100%
SIA CS Renovacija, indirect, SIA Civinity Majas Jūrmala	Latvia	Residential	100%	100%
UAB Civinity Solutions, indirect, UAB SPV31	Lithuania	Commercial	51%	51%
UAB Civinity Engineering, indirect, UAB SPV32	Lithuania	Engineering	51%	51%
LTD Civinity Engineering UK, indirect, UAB Civinity Engineering	United Kingdom	Engineering	51%	51%
SIA Ionica serviss,direct	Latvia	Engineering	80%	80%
Civinity future engineering UAB [2], indirect, UAB SPV32	Lithuania	Not classified (Holding company)	51%	51%
Civinity Engineering Investment KŪB [2], indirect, UAB Civinity future engineering	Lithuania	Not classified (Holding company)	51%	51%
SIA “Mobilly SPV [3], direct	Latvia	Not classified (Holding company)	10%	10%
Mobilly SIA [3], indirect, SIA Mobilly SPV	Latvia	Payment solutions	10%	10%

[1] sold SIA Rekini pro in 2024
[2] Established holding structure for UAB Civinity engineering
[3] Bought shares in SIA Mobilly in July 2024

As at 30 June 2025, the average annual number of employees was 7 (as at 30 June 2024: 8 employees).

2. Material accounting policy information

The material accounting policies adopted in the preparation of the Company’s financial statements for the year 2025 are set out below. These accounting policies have been applied to all the periods presented in the financial statements, unless otherwise stated.
The Company’s financial year starts on 1 January and ends on 31 December.
The Company’s financial statements are presented in euro (EUR), which is the Company’s presentation currency.

2.1. Basis of preparation

These financial statements of the Company for six month period ended 30 June 2025 have been prepared on the assumption that the Company will continue as a going concern.

The Company's short term liabilities exceeds short term assets as at 30 June 2025. The Company management has made an assessment of the Company’s ability to continue as a going concern and have considered all relevant information, including the Company's and Group’s financial position, cash flows, liquidity position, debt maturity profile, and future funding requirements (Note 4). As part of this assessment, the Company's management have also taken into account the current economic and market environment, and they have not identified any material uncertainties or events, including changes in legislation, regulation, or the broader market background, that would cast significant doubt on the Group’s ability to continue as a going concern. Based on this assessment, the Group's management is satisfied that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

The preparation of financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union requires management to make certain judgments, assumptions and estimates in connection with the application of the Company's accounting policies. The estimates and judgments depend on management's experience and other factors, including expectations of future events in the circumstances. Critical acounting estimates described in Critical accounting estimates (Note 3).

These financial statements were authorised for issue on 30 September 2025 and signed by Chief Executive Officer. The shareholders of the Company have a statutory right not to approve these financial statements and require that the management prepares a new set of financial statements.

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

No new or amended standards or their interpratations adopted by the Company during first half of 2025.

2.3. Investments in subsidiaries

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

2.4. Intangible assets

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

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

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.

2.5. 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.
Depreciation of other assets is calculated using the straight-line method over useful lives established as follows (in years):

Equipment	5 years

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

2.6. Financial assets and liabilities

Under IFRS 9, Financial Instruments, the Company has financial assets which are measured at amortised cost.

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 trade 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 accounts 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 trade 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.

Interest income:
Interest income is recognised using the effective interest rate method.

Expected credit loss:

Credit losses incurred by the Company are calculated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument, including cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses show the weighted average of credit losses with the respective risks (probability) of a default occurring as the weights.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the period from the date of initial recognition of a financial asset to the subsequent date of settlement of the financial asset or ultimate write-off of the financial asset.

The Company seeks for lifetime expected credit losses to be recognised before a financial instrument becomes past due. Typically, credit risk increases significantly before a financial instrument becomes past due or other lagging borrower-specific factors (for example, a modification or restructuring) are observed. Consequently when reasonable and supportable information that is more forward-looking than past due information is available without undue cost or effort, it must be used to assess changes in credit risk.

Expected credit losses are recognised by taking into consideration indiviudal assessed credit risk of loans granted and trade receivables. Credit risk is assessed based on all reasonable and verifiable information including future oriented information.

The lifetime expected credit losses of trade receivables are assessed based on the individual assessment basis.

The lifetime expected credit losses of trade receivables are recognised at the recognition of trade receivable.

When granting the loan the Company assesses and recognises 12-month expected credit losses. In subsequent reporting periods, in case there is no significant increase in credit risk related to the lender, the Company adjusts the balance of 12-month expected credit losses in view of the outstanding balance of the loan at the assessment date. Having determined that the financial position of the lender has deteriorated significantly compared to the financial position that existed upon the issue of the loan, the Company records all lifetime expected credit losses of the loan. The latest point at which the Company recognises all lifetime expected credit losses of the loan granted is identified when the borrower is late to pay a periodic amount or the total debt for more than 90 days. In case of other evidence available, the Company accounts for all lifetime expected credit losses of the loan granted regardless of the more than 90 days past due assumption. Loans for which lifetime expected credit losses were calculated are considered credit-impaired financial assets.

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.

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.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

2.8. Impairment of non-financial assets

At each reporting date, The Company reviews the net book amount of assets in order to determine whether any impairment indications exist for the assets. If any such indication exists, The Group makes an estimate of the asset's recoverable amount and compares it with the carrying amount to assess impairment, if any.

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.

2.9. Right-of-use assets and lease liabilities

At the inception of an arrangement The Company determines whether such an arrangement is or contains a lease. The Company recognises right-of-use assets and lease liabilities for all leases under which The Company is a lessee, excluding leases of intangible assets, short-term leases and leases of low-value assets with the value of such new assets not exceeding EUR 500, however in individual cases not only the value of such assets, but also the assessment of the entire contract is considered. The Company recognises lease payments made under lease contracts as operating expenses or cost of sales, depending on their nature, on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit from the underlying assets is obtained over time.

Right-of-use assets and lease liabilities are initially recognised at the present value discounted using the interest rate established in the lease contract, if that rate is readily determinable. If that rate is not readily determinable, the lessee uses the lessee's incremental borrowing rate.
Lease payments expected to be made based on reasonably certain lease extensions are also included in the calculation of the lease liability. The unwinding of the discount is recognised in the statement of comprehensive income as finance costs. Right-of-use assets are measured at cost consisting of an initial discounted lease liability and prepayments made. Right-of-use assets are depreciated on a straight-line basis over the lease term. Depreciation is accounted for as depreciation expenses in the statement of comprehensive income. Lease terms are adjusted if, based on the estimate of The Group's management, they will be extended. Right-of-use assets are accounted for as non-current assets. The Group's management determines the lease term by considering all facts and circumstances that can create economic incentives to extend the lease or decide not to exercise the option to terminate the lease. The option to extend the lease is included in the lease term if it is reasonably certain that the lease will be extended or will not be terminated. If the underlying asset is significantly improved and its net book amount is material to The Group, it is considered to be reasonably certain that the lease will be extended or will not be terminated. Otherwise, The Group assesses other circumstances, including plans to continue business operations.

2.10. Revenue recognition

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

2.11. Income tax and deferred income tax

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.
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.

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 in accordance with accounting policies presented in Note 2.3 . Due to possible impairment indicators of investments in certain subsidiaries, the Company has performed impairment tests as at 31 December 2024. 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 estimate is based on historical data, market conditions, change in property management fee on municipality level, growth of wages, revenue pipeline. 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. Where the carrying amount of an asset or cash-generating unit relating to such asset exceeds its recoverable amount, impairment loss is recognised (Note 10).

Significant judgement: control of entity with less than 50% ownership:
Management has concluded that the Company controls SIA SPV Mobilly, even though it holds less than half (1 share) of the shares of this subsidiary. This is because the Company contributed all funds (EUR 6 million) to the SPV needed to acquire 100% stake in SIA Mobilly, without matching contributions from other shareholders, and the Company has an irrevocable and unconditional call option to acquire all remaining shares (up to 100%) for a fixed consideration of EUR 2,5 thousand. As such, Management concluded that the Company has obtained risks and rewards of ownership of shares held by noncontrolling shareholders. Due to the chosen transaction structure the Company obtained disproportionately higher economic exposure to the investee as compared to its legal shareholding percentage which may be considered as 'special relationshiop' which is relevant when assessing control under IFRS 10.
In addition, an agreement signed between the shareholders of SIA SPV Mobilly grants Civinity AB additional rights and voting power at shareholders' meetings and Supervisory Board. Shareholders' agreements requires Civinity's approval for any dividends and indicates that Articles of Associations of SIA SPV Mobilly and its subsidiary SIA Mobilly shall be amended, providing Shareholders the rights to receive dividends in different proportion than registered percentual shareholding. One or more representatives nominated by the Company shall be elected to the Management Board or Supervisory Board (if established) of SIA SPV Mobilly and SIA Mobilly. Supervisory Board of SIA SPV Mobilly comprises 3 members, out of which 2 were appointed by the Group. Appointment, revocation and replacement of such members of Supervisory Board can only be made if the Company has voted "in favour" in shareholders' meeting of SIA SPV Mobilly.
The competence of SIA SPV Mobilly Supervisory Board includes decision-making via simple majority of votes, but only if Civinity AB representatives on the Supervisory Board have voted in favour on the following matters which are considered relevant activities for the purpose of assessing control: the commencement of new activities, the discontinuance or termination of existing activities, the approval of Mobilly business plan or annual budget, the appointment, revocation, revocation and replacement of the members of Management Board and auditor, determining the remuneration and/or remuneration expenses of the members of Management Board and on other matters.
SIA Mobilly, a wholly owned subsidiary of SIA SPV Mobilly, has a Management Board comprised of a single person who is the majority legal shareholder of SIA SPV Mobilly. SIA Mobilly does not have a Supervisory Board. All significant decisions made at SIA Mobilly must be approved by Supervisory Board of its sole shareholder SIA SPV Mobilly and require the Group to vote "in favour" as described above.

Based on the above facts the management has concluded that it has (i) the power over SIA SPV Mobilly through decision making mechanisms, (ii) exposure, or rights, to variable returns from its involvement with the investee (directing activities, approving budgets, determining remuneration, economic exposure to the majority of Mobilly's profits and losses), and (iii) the ability to use its power over the investee to affect the amount of the Companys’s returns (in the form of dividends, value appreciation and expansion of Mobilly's business in the Company's subsidiaries primary market in Lithuania). The Company obtained control over SIA SPV Mobilly since August 2024 (see Note 10).

(All amounts are in the thousands of euros (EUR) 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 directors of each 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 main risks arising from financial instruments are market risk (including foreign exchange risk, cash flow and fair value interest rate risk, price risk), liquidity risk and credit risk. The risks are identified and described below.

Credit risk:

Credit risk arises from a counterparty's failure to fulfil its contractual obligations, which affects The Company's financial performance. The Company's customer concentration is not high, and the customers usually make advance payments for the services rendered by The Company. Credit risk or the risk of a counterparty defaulting is controlled through crediting terms and monitoring procedures.

The Company's aging of trade receivables and expected credit loss calculation procedures are disclosed in Note 12.

The Company's maximum credit exposure arising from cash and cash equivalents is equal to the fair value of cash and cash equivalents classified as such in the statement of financial position. The Company's management believes the credit risk arising from cash at bank is insignificant, because The Company keeps its cash with the Lithuanian, Latvian and UK's commercial banks with hight credit ratings. The credit ratings of the main banks where The Company keeps its cash are as follows based on Moody's:

Maximum exposure to credit risk is as follows:

Moody's rating:	30 June 2025	31 December 2024
Aa3	724	157
Baa3	2	2
Total	**727**	**159**

The maximum credit risk exposure of The Group's assets is given below:

	30 June 2025	31 December 2024
Trade and other receivables	1 947	2 167
Loans granted to related parties	3 077	2 526
Cash and cash equivalents	727	159
Total	**5 751**	**4 852**

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

Although economic circumstances may impact the recoverability of trade and other receivables, in view of management, the Company is not exposed to significant risk of incurring losses that would exceed already recognised amount of impairment (note 13).

Company's loans granted are to related parties (mostly to the subsidiaries and the shareholder) and the risk for the repayment failure is considered to be low. Therefore the expected credit loss is immaterial and is not recognized (see note 11).

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

Cash flow and fair value interest rate risk.

The Company is exposed to risk of changes in market interest rates mainly from liabilities which are subject to variable interest rates.

The Group does not engage in speculative trading of financial instruments. Market risk is managed centrally by the Group's Treasury function, which operates under policies approved by the Board of Directors.

2. Policies and Processes for Managing Market Risk:

Interest rate risk:

To manage exposure to fluctuations in interest rates that could affect the Group's borrowing costs and investment income.

Policy and Process:

The Group maintains a mix of fixed and variable rate debt to reduce exposure to interest rate volatility.

Derivative instruments such as interest rate swaps may be used to hedge variable-rate borrowings.

Treasury monitors interest rate movements regularly and reports exposures to senior management.

Sensitivity Analysis:

A 100 basis point increase/decrease in interest rates, assuming all other variables remain constant, 30 June 2025 would result in a EUR 34 thousands increase/decrease in profit before tax (31 December 2024 EUR 41 thousands).

Foreign Currency Risk

The Company has no transaction made in foreign currency.

3. Risk Monitoring and Reporting

The Group uses scenario analysis and stress testing to assess potential market risk under adverse conditions.

Market risks are regularly reviewed by the the Group's management and reported to the Board.

Internal controls ensure compliance with risk management policies.

Interest rate risk

The Group is exposed to interest rate risk due to its borrowings with floating interest rates. The Group's policy is to limit exposure to interest rate fluctuations by maintaining a balance between fixed and floating-rate borrowings. Interest rate swaps are used to convert floating-rate debt into fixed-rate debt. The Group reviews its exposure to interest rate changes quarterly, and sensitivity analysis is performed to determine the impact of changes in interest rates on profitability.

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

	30 June 2025	31 December 2024
Loans granted (variable interest rate)	3 077	2 526
Borrowings (variable interest rate)	5 190	5 790
Lease liabilities (variable interest rate)	1 191	837
Total financial instruments with variable interest rate	**9 458**	**9 153**
Bonds (fixed interests rate)	14 853	13 500
Total financial instruments	**24 311**	**17 601**

As at 30 June 2025 and 31 December 2024, there were no interest-free borrowings.

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 in basis points	30 June 2025	31 December 2024
EUR*	1%	33	41
EUR*	-1%	(33)	(41)

There is no impact on the Group's equity, except for impact on the current year profit.

Fair value of financial instruments:

	30 June 2025		31 December 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Bond issues on the Nasdaq First North market	8 186	8 208	8 183	8 186
Bond issues UAB „Mundus“ (INVL Bridge Finance)	6 667	6 872	5 316	5 429
Total borrowings with fixed interest rate	**14 853**	**15 080**	**13 500**	**13 615**

The fair values of the borrowings with fixed interest rates are based on discounted cash flows using the borrowing rate of 10% as at 30 June 2025 (10% as at 31 December 2024).

The Company's trade and other receivables and trade and other payables, leease liabilities, borrowings with variable interest rates approximates their fair value.

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

Liquidity risk

The Group'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 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 short term liabilities exceeds short term assets as at 30 June 2025. The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.24 as at 30 June 2025 (31 December 2024: 0.06). The Company has a low liquidity ratio due to the upcoming maturity of EUR 8 million in public bonds on 16 October 2025. On 17 July 2025 the Company has issued new public bonds emission in regulated market of Nasdaq Vilnius AB and refinanced current bond emission on 4 August 2025. Also, in August the posponed payment for Mobilly shares EUR 1 399 thousand was paid by subsidiary Mobilly SPV, SIA. Thus, adjusting these two events the Company's liquidity ration would be slighly above 1.

The table below summarises the maturity profile of the's financial liabilities based on contractual undiscounted payments:

30 June 2025	**3 months or less**	**3-12 months**	**1-5 years**	**More than 5 years**	**Total contractual cash flows**	**Carrying amount**
Lease liabilities	103	301	856	-	1 260	1 191
Bonds		8 440	8 168	-	16 608	14 853
Borrowings from related parties	-	-	6 073	-	6 073	5 790
Trade payables	2 172	304	-	-	2 476	2 476
Financial liabilities	**2 275**	**9 045**	**15 096**	**-**	**26 417**	**24 310**
31 December 2024						
Lease liabilities	82	235	845	-	1 161	837
Bonds	-	14 580	-	-	14 580	13 500
Borrowings from related parties	-	-	6 948	-	6 948	5 790
Trade payables	508	1 640	-	-	2 148	2 148
Financial liabilities	**590**	**16 455**	**7 793**	**-**	**24 837**	**22 275**

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

4.2. Capital management

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

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

The Company is obliged to keep 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 31 December 2024 an at the 30 June 2025 the ratio was maintained.

Financial and business related covenants:

Financial debt with covenants	**30 June 2025**	**31 December 2024**
Bonds	14 853	13 500
Total financial debt with covenants	**4 248**	**13 500**
Financial debt without covenants	5 190	5 790
Total borrowings	**24 291**	**19 290**

The company is obliged to keep financials and business related consolidated covenants in accordance the terms of issued bonds:

Civinity Group covenants	**30 June 2025**	**31 December 2024**	**Public bonds requirements**	**INVL Bridge Finance bonds requirements from 2024**
Equity ratio	19%	21%	>10%	>15%
Debt to EBITDA	2.77	2.74	<4	-
Net Debt to EBITDA	2.23	2.39	-	<3.5
New loans provided	248	461	<500	-
Liquidity ratio	0.81	0.67	-	-

All covenants are met at 30 June 2025 and 31 December 2024. Covenants are reported quarterly, next reporting is 30 September 2025, at the date of sign there is no indications that the Company and the Group may not met financial covenants.

Net debt reconcillaition:

	30 June 2025	**31 December 2024**
Cash and cash equivalents	727	159
Borrowings	(24 291)	(19 290)
Lease liabilities	(1 191)	(837)
Net Debt	**(24 755)**	**(19 968)**

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

5. Employee related expenses

	30 June 2025	31 December 2024
Salaries	163	205
Social insurance expenses	3	5
Annual bonuses accruals	32	30
Other personel costs	28	28
Total employee related expenses	**226**	**268**

6. Income tax

The Company has no income tax expenses or deferred tax change, because majority of the Company's revenue consist of dividends, which are not taxable and all taxable losses are transferred to the subsidiaries.

7. Intangible assets

	Trademark	Computer software, licences	Other	Total
At 1 January 2024				
Cost of fair value	360	1 085	36	**1 481**
Accumulated depreciation	(108)	(998)	(29)	**(1 134)**
Net book amount	**252**	**87**	**8**	**347**
Year ended 31 December 2024				
Additions	-	-	-	**-**
Depreciation charge	(36)	(63)	(5)	**(104)**
At 31 December 2024				
Cost of fair value	360	1 085	36	**1 481**
Accumulated depreciation	(144)	(1 061)	(34)	**(1 239)**
Net book amount	**216**	**24**	**2**	**243**
Period end 30 June 2025				
Additions	-	56	-	**56**
Depreciation charge	(18)	(32)	(2)	**(52)**
At 30 June 2025				
Cost of fair value	360	1 141	36	**1 537**
Accumulated depreciation	(162)	(1 092)	(36)	**(1 290)**
Net book amount	**198**	**49**	**0**	**247**

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

8. Property, plant and equipment

	Equipment	Total
At 1 January 2024		
Cost or fair value	576	**576**
Accumulated depreciation	(210)	**(210)**
Net book amount	**366**	**366**
Year ended 31 December 2024		
Additions	76	**76**
Depreciation charge	(136)	**(136)**
At 31 December 2024		
Cost or fair value	652	**652**
Accumulated depreciation	(347)	**(347)**
Net book amount	**306**	**306**
Period end 30 June 2025		
Additions	30	**30**
Depreciation charge	(57)	**(57)**
Closing net book amount	**279**	**279**
At 30 June 2025		
Cost of fair value	682	**682**
Accumulated depreciation	(403)	**(403)**
Net book amount	**279**	**279**

Company's property, plant and equipment with the acquisition cost of EUR 114 thousand as at 30 June 2025 (31 December 2024: EUR 12 thousand) were fully depreciated but still in use.

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

9. Right-of-use assets and lease liabilities

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	**Balance at 30 June 2025**	**Balance at 31 December 2024**
Buildings	7	10
Vehicles	392	208
	399	**218**

Lease receivables	**Balance at 30 June 2025**	**Balance at 31 December 2024**
Current	300	227
Non-current	498	626
	797	**853**

Lease liabilities	**Balance at 30 June 2025**	**Balance at 31 December 2024**
Current	402	293
Non-current	789	545
	1 191	**837**

There were no additions of right use assets during the first six months of 2025 (the same for 2024).

Amounts recognised in the statement of profit or loss	**2025 1HY**	**2024 1HY**
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of buildings	**3**	**4**
Depreciation charge of vechiles	**61**	**27**
	64	**31**
Interest expense (included in finance cost)	**12**	**15**
	12	**15**

The total cash outflow for leases as of 30 June 2025 was EUR 65 thousands (in 2024 1HY was EUR 66 thousands).

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

10. Investments in subsidiaries and other investments

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

	Balance at 30 June 2025	Balance at 31 December 2024
At the beginning of the period	**16 221**	**9 583**
Acqusition of investment in subsidiaries	-	7 342
Impairment of investments	-	(703)
Sale of subsidiaries shares	-	(1)
	16 221	**16 221**

Acquisitions in 2024

In August 2024, the Company has acquired Mobilly SIA.

SIA Mobilly SPV (hereinafter referred to as SPV) is a NewCo established on 27 December 2023. Upon its establishment the Company's subsidiary acquired 9,99% of shares, total capital of SPV was EUR 2.8 thousand. In July 2024, the Company acquired one additional newly issued share of SPV, by contributing EUR 6 million into the capital of SPV. Ownership proportion had not changed as a result and the Company and its subsidiary owned 9,99% of share capital. The sole purpose of these funds was to finance the acquisition of SIA Mobilly (hereinafter referred to as Mobilly), which is existing operating business.

In August 2024 SPV acquired Mobilly for a consideration of EUR 7 million including contingent part.

On August 9, 2024, the Group signed a deep in the money call option agreement with other SPV shareholders, according to which the Group has the right to acquire the remaining 90% of SPV shares for 2.5 thousand EUR at any time. Management assessed this call option under IFRS 10 and concluded that the risks and rewards of ownership of remaining 90,1% of SPV's shares have transferred to the parent. In addition, the Company signed shareholders' agreement giving it the power, ability to use its power and the majority of the economic exposure (variable returns) from this investment. Based on the facts discussed in detail in Note 3 the management has concluded that the Company has control over SPV and its subsidiary Mobilly under IFRS10.

The consideration for Mobilly is EUR 7 342 thousand:
- EUR 6 million paid in cash
- EUR 940 thousand, the discounted amount of the EUR 1 million deferred payment, obligation to pay until 18 July 2025
- EUR 399 thousand, Mobilly's cash balance after deducting liabilities to customers and suppliers payable, obligation to pay until 18 July 2025
- EUR 2.5 thousand payment for the remaining Mobilly shares under the option agreement must be paid when option agreement executed

SIA Mobilly is a leading payment solutions company in Latvia. Mobilly provides car parking, various public transport tickets, electric vehicle charging stations, local toll payment solutions and cash collection services. Mobilly has high potential for acquiring larger market share and entering new markets such as Lithuania.
In 2024, the outflow of the cash to acquire subsidiary amounts to EUR 6.000 thousand, which consist of Purchase consideration of EUR 7.342 thousand less deferred payments amounting to EUR 1.342.

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

Impairment

As at 31 December 2024 the Company's management performed impairment test for the investment in subsidiaries. During the test, the value of investment in subsidiaries against the net assets value of those subsidiaries as at 31 December 2024. Where the net assets value was lower than the investment, the management concluded that there existed impairment indications for the investment in that subsidiary and estimated the recoverable amount of the specific subsidiary using the discounted cash flow method. The forecast annual cash flows were determined with reference to the budget for year 2025. The calculations were based on the following assumptions: forecast period of 5 years, annual growth rate 1-3%, discount rate 8,6%. Sensitivity to change in key assumptions used in the impairment test: increase or decrease in annual growth rate by 3% or increase or decrease in WACC by 1% would have no impact on goodwill impairment loss.

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

Name of subsidiary	Balance at 30 June 2025	Balance at 31 December 2024
SIA Mobilly SPV	7 342	7 342
UAB SPV 31	3 332	3 332
AS Civinity majas	2 540	2 540
SIA Civinity solutions	1 755	1 755
UAB Civinity namai Palanga	810	810
UAB Civinity namai Klaipėda	787	787
SIA Civinity Engineering	703	703
UAB Valandinis	543	543
SIA Ionica serviss	300	300
UAB Civinity namai Kaunas	249	249
UAB Civinity namai Vakarai	253	253
UAB Debreceno NT	46	46
UAB Civinity renovacija	3	3
UAB Smart technologies	3	3
UAB Civinity MD	3	3
UAB Civinity LT	3	3
UAB City Billing Solutions	3	3
SIA Civinity LV	3	3
UAB Civinity meistrai	3	3
SIA City billing solutions	-	-
UAB SPV 32	1	1
UAB Civinity namai	-	-
Impairment in subsidiaries	(2 458)	(2 458)
Total investments in subsidiaries	**16 221**	**16 221**

As at 30 June 2025, the impairment for the full amount were recognised for subsidiaries SIA Civinity Engineering and SIA Civinity solutions (31 December 2024: SIA Civinity Engineering and SIA Civinity solutions).

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

Profit on disposal of subsidiaries for the period ended 30 June 2025 and in year 2024:

In May 2024 AB "Civinity" s sold its investments in Rekini pro SIA (City billing solutions SIA) .Sales consideration amounts to EUR 2.8 thousand and profit from the sale of the subsidiary amounts to EUR 0.7 thousand.

	Balance at 30 June 2025	Rekini Pro SIA 2024
Sale proceeds EUR from the subsidiaries	-	3
Investment costs EUR of the subsidiaries	-	(1)
Profit from sale of subsidiary	**-**	**2**

Other Investments:

	Balance at 30 June 2025	Balance at 31 December 2024
Prepayments for subsidiary shares	527	333
Total other investments	**527**	**333**

Advance payments for acquisition of non-controlling interest

There is no impairment indication for the financial asset, because EUR 527 thousands are paid for non-contolling interest of subsidiary UAB Valandinis. Total amount of UAB Valandis non-controlling interest is EUR 720 thousand and this amount according to the agreement between shareholders will be paid till the end of 2025. 31 December 2025 the control of 49% will be transfered to the Group. The Group's management has performed impariment test for this subsidiary and the future cashflows fully suports this amount.

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

11. Loans granted to related parties

Debtor	Repayment date	Weighted average interests * 30 June 2025	Weighted average interests * 31 December 2024	At 30 June 2025	At 31 December 2024
Parent	2027.12.31	7.5%	8.0%	726	624
Subsidiaries	2027.12.31	7.5%	8.0%	2 012	1 727
Other related parties	2027.12.31	7.5%	8.0%	536	371
Total				**3 273**	**2 723**
Impairment of financial assets				(196)	(196)
Total loans granted				**3 077**	**2 526**
Non-current				3 077	2 526
Current				-	-
Total loans granted				**3 077**	**2 526**

Loans granted movement:	Balance at 30 June 2025	Balance at 31 December 2024
Beginning of the year	**2 526**	**2 145**
Interest charged	91	175
Loans repayment as monetary transaction	-	(59)
Loans granted as monetary transaction	460	461
Impairment of financial assets	-	(196)
End of the year	**3 077**	**2 526**

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

12. Trade receivables and other receivables

	30 June 2025	31 December 2024
Trade receivables from related parties	764	1 071
Trade receivables, net	**722**	**1 071**
Lease receivables from related parties, gross	746	853
Dividends receivable	663	21
Receivables from subsidiary sale	137	140
Other receivables	128	81
Total	**1 674**	**2 166**
Non current	**450**	**628**
Current	**1 947**	**1 538**

Expected credit loss

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

Company estimates trade receivables from the related parties as minor risk receivables, because more then 90% of issued invoices for the services rendered are covered at the date these financial statements are signed. Company's management considers that loss allowance provision is immaterial and therefore is not recognized.
Lease receivables are also from related parties therefore the risk is considered to be low and possible credit loss is treated as immaterial.
Other receivables are immaterial, therefor the loss allowances are immaterial.

Trade receivables from related parties

	Not past due	Up to 30 days	31-90 days past due	91-360 days past due	More than 361 days	Total
30 June 2025	306	64	30	172	150	722
31 December 2024	298	87	181	406	100	1 071

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

13. Cash and cash equivalents

	30 June 2025	31 December 2024
Cash at bank	727	159
Total	**727**	**159**

The Company cash and cash equivalents, are not pledged. Due to immaterial impact, no ECL were recognised for the balances of cash and cash equivalents as at 30 June 2025 and 31 December 2025.

14. Share capital and legal reserve

Share capital

As at 30 June 2025 and 31 December 2024, 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.

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.

15. Borrowings

	30 June 2025	31 December 2024
Non-current		
Bonds	6 667	-
Borrowings from the related parties	5 190	5 790
	11 857	**5 790**
Current		
Bonds	8 186	13 500
Borrowings from the related parties	-	-
	8 186	**13 500**
Total	**20 043**	**19 289**

Borrowings movement:

	Bonds	Borrowings from related parties	Total
Net balance of borrowings 1 January 2024	**8 037**	**6 825**	**14 861**
Proceeds from borrowings	5 000	350	5 350
Borrowings repaid as monetary transaction	-	(270)	(270)
Borrowings repaid as non-monetary transaction (netted with dividends receivable)	-	(1 265)	(1 265)
Depreciation of the capitalization of the costs, related with the bonds issue	140	-	140
Interest charged	1 203	420	1 623
Interest repaid	(880)	(270)	(1 150)
Net balance of borrowings at 31 December 2024	**13 500**	**5 790**	**19 290**
Proceeds from borrowings	1 000	1 215	2 215
Repayments of borrowings	-	(710)	(710)
Borrowings repaid as non-monetary transaction (netted with dividends receivable)	-	(940)	(940)
Reclassifications and capitalized costs	8	-	8
Accrued interest	786	158	943
Interest paid	(440)	(323)	(763)
Net balance of borrowings at 30 June 2025	**14 853**	**5 190**	**20 043**

16. Trade and other payables

	30 June 2025	31 December 2024
Trade payables to 3rd parties	291	658
Prepayments received	118	13
Employment-related liabilities	33	45
Payable VAT	7	-
Accrued expenses	129	33
Dividends payable	500	-
Payable for Mobilly shares	1 399	1 399
Total	**2 476**	**2 148**
Non-current liabilities	**4 662**	**-**
Current other liabilities	**9 206**	**2 148**

As at 30 June 2025, payables for Mobilly shares consist of the discounted posponed amount of EUR 1 399 thousand (Note 10).

17. Related-party 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 the first six months of 2025 and during the 2024 year, the Company's related parties are as follows:
- Ultimate Parent and Parent entity - Nord Fin Assets, SIA (registration number 44103136863, Latvia);
- Company's subsidiaries

Other related parties:
- Ultimate shareholder's company Pentaframe Capital, UAB
- Management and companies related to the Management;

Remuneration of the key Company's management
Payments made to the Company's Directors and Board members and executive personnel:

	2025 1HY	2025 1HY
Wages and salaries, bonuses	98	31
Expenses of social security contributions	2	1
Professional services	57	34
Car rent expenses	4	4
Total remuneration of key management personnel	**161**	**84**
Average number of management (including Board) personnel	**7**	**8**

No loans, guarantees or any other amounts were paid or calculated to the Company's management and no assets were transferred.

Other transactions with related parties

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

Sale of services	**2025 1HY**	**2025 1HY**
Subsidiaries	830	775
	830	**775**

Other income	**2025 1HY**	**2025 1HY**
Dividends from Subsidiaries	1 603	4 000
Revenues from the subsidiaries sale	-	3
Interests income	91	85
	1 694	**4 085**

Purchases of goods and services	**2025 1HY**	**2025 1HY**
Subsidiaries services	50	51
Interest expenses	158	243
	207	**294**

Trade and other receivable	**30 June 2025**	**31 December 2024**
Board members	72	72
Parent company	36	27
Subsidiaries	722	1 071
	830	**1 171**

Trade and other payables	**30 June 2025**	**31 December 2024**
Subsidiaries	-	-
	-	**-**

Loans granted and interest receivable from related parties	**30 June 2025**	**31 December 2024**
Parent company	726	624
Subsidiaries	2 012	1 727
Other related parties	536	371
	3 273	**2 723**

28. Events after the reporting period

On 17 July 2025 Civinity AB has issued new emission of EUR 10 350 thousand public bonds in regulated market of Nasdaq Vilnius AB. The new bonds will be redeemed upon 5 years with semi-annual interest payments schedule and fixed rate of 10%. The purpose of new bond emission was to refinance public bond emission of EUR 8 000 thousand issued in 2023. These bonds and accumulated interest were fully repaid on 4th August 2025

On 13 August 2025 the subsidiary company SIA SPV Mobilly has received loan of EUR 4 000 thousands from Signet bank. The loan has maturity of 5 years, variable interest rate of 2.75% + 6 months EURIBOR with monthly payment of interest and pricipal portion of the loan. Purpose of the loan was to refinance part of INVL private bonds and finance postponed payment of EUR 1 399 thousand for Mobilly shares. On 25 August 2025 the Company has refinanced EUR 3 000 thousand of INVL private bonds by receiving loan of EUR 3 000 thousand from SIA SPV Mobilly for 5 years with fixed interest rate of 4.5%.