

Civinity, AB

Corporate presentation for the offering of Bonds

CiViNiTY

CiViNiTY
Namai

CiViNiTY
Mājas

CiViNiTY
Solutions

CiViNiTY
Engineering

Overview of the Terms of the Bonds Issue

Security

Issuer	Civinity, AB
Issue size	8 000 000 EUR
ISIN	LT0000405748
Term	2 year
Interest rate	5%, (Act/365)
Coupon payment frequency	Semi-annually
Nominal value	1 000 Eur
Issue date	2021.10.15
Maturity date	2023.10.15
Collateral	Unsecured
Covenants	Debt/EBITDA ratio <4.0 Equity/Total Assets ratio >0.1 Limitation on loans, guarantees and sureties Change of control

Legal and administrative

Lead Manager	Šiaulių bankas
Legal advisor	TGS Baltic
Trustee	Legisperitus
Issuing agent	Šiaulių bankas
Registrar	Nasdaq CSD
Listing	Nasdaq OMX Vilnius First North within 3 months after the Issue date
Governing law	Lithuanian
Documentation language	English
Use of proceed	Refinancing of short-term debt and financing working capital and investment projects of the Issuer

Executive summary

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Who we are

- We are the leading Facility Management (FM) and Engineering services company in Baltic States, operating in attractive FM market, which ensures high profitability and stable cash generation;
- Diversified services and clients allow us to maintain resilient business model and competitiveness, translating into consistent growth and attractive profitability;
- We maintain a strong position in Residential business both in Lithuania and Latvia and successfully grow Commercial business in Lithuania and Latvia, as well as Engineering business in Lithuania and Great Britain;
- We manage business through strong and independent organizations in countries, supported by expertise and centralized functions from group;
- A strong strategic plan, organizational culture and aligned leadership team allow us to reach an ambitious goals.



30 years in the market*	1 500 employees	50 M Eur revenue	4,5 M m ² residential area under maintenance
2 000+ completed engineering projects			5,5 M m ² commercial area under maintenance

Our Brands and Key Business Lines

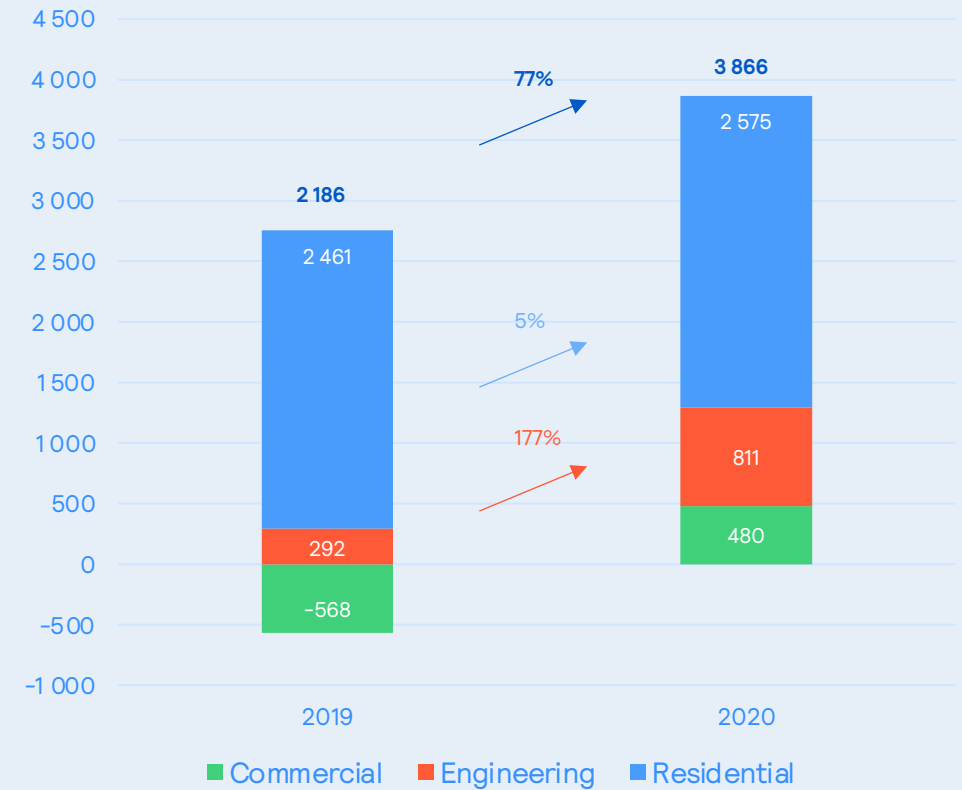


Our Key Financials

Revenue by business segment, K EUR



EBITDA by business segment, K EUR



Meet Civinity

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Meet Civinity

Meet Civinity – a proactive customer-oriented team of professionals pursuing the maximum benefit and effectiveness for our clients by providing services of maintenance of residential, commercial and public buildings and implementing engineering solutions.

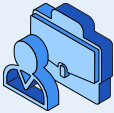
We work every day to meet the needs of each client and to find the best building maintenance and engineering solutions that would allow all the people using our maintained buildings to enjoy their normal life.



Key Business Highlights



Leading Service Provider in Baltics, starting its operations at UK;



Serving clients with a Diversified Service Offering;



Demonstrating Sustainable Performance with a Track Record of Growth and Profitability;



Having Compelling Business Strategy and Client – Centric approach;



Driven by Experienced and Dedicated Team.



Leading Service Provider in Baltics

Part of Civinity Engineering projects currently under development:



Sugar House Island
London, UK,
38 000 m²

Business Garden
Vilnius, Lithuania,
55 000 m²

ASG tech Valley
Vilnius, Lithuania,
10 000 m²

Paupys Business center
Vilnius, Lithuania,
30 000 m²

Main group statistics:

30 years
in the market*

1 500
employees

50 M Eur
revenue

4,5 M m²
residential area under
maintenance

2 000+ completed engineering projects

5,5 M m²
commercial area
under maintenance

Our Clients' trust:



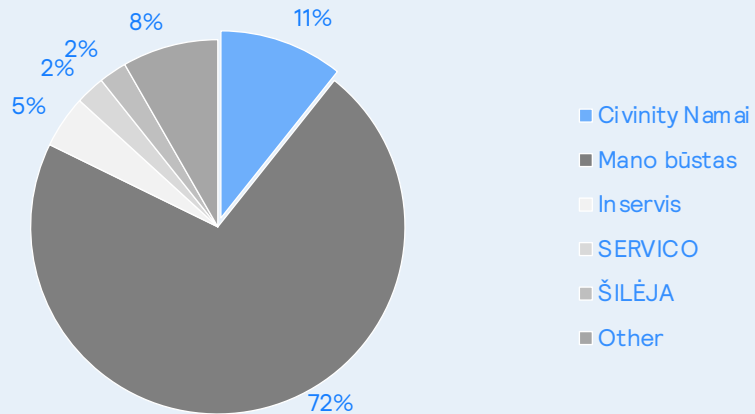
Our Proptech friends:



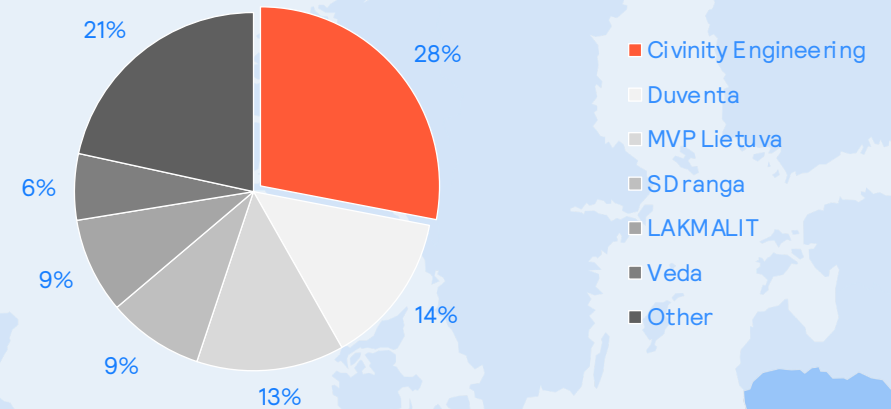


... with strong presence in Lithuania

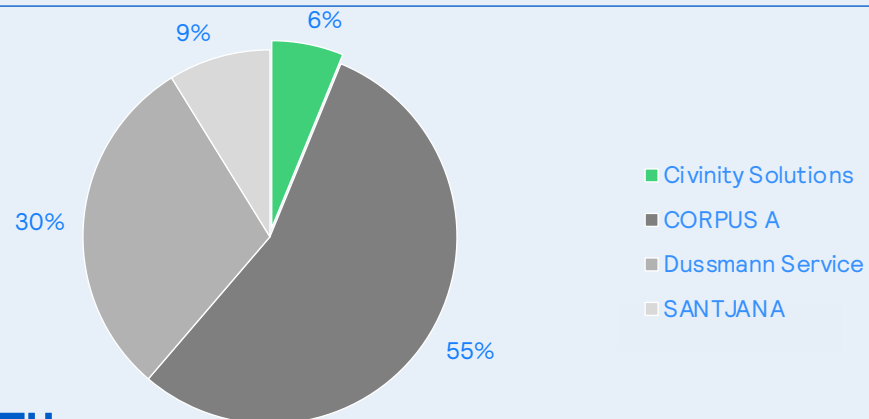
Top Residential Facilities Management market players in Lithuania, 2020



Top Engineering market players in 2020



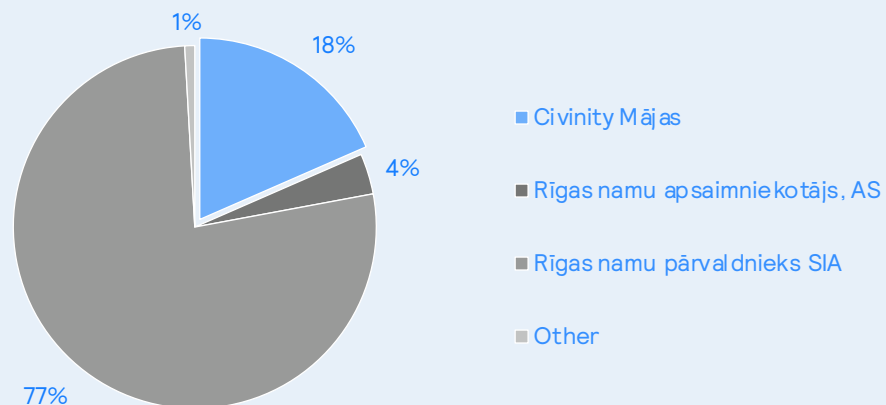
Top Commercial Facilities Management market players in Lithuania, 2020



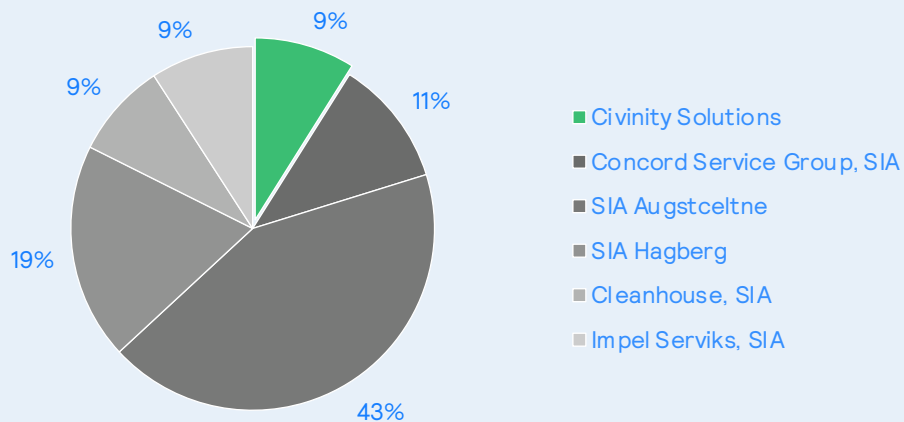


... and Latvia

Top Residential Facilities Management market players in Latvia, 2020



Top Commercial Facilities Management market players in Latvia, 2020





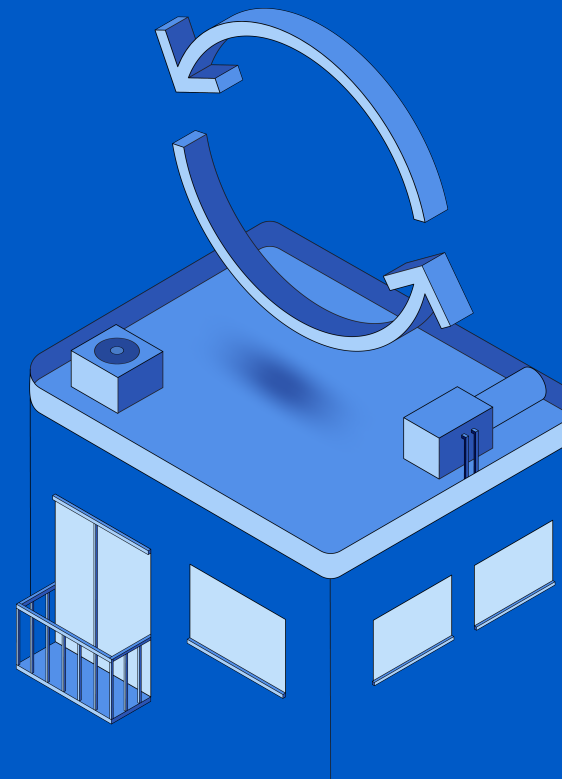
Serving clients with a Diversified Service Offering

CiViNiTY **CiViNiTY**

Namai

Mājas

- Apartment buildings administration services;
- Technical maintenance services;
- Heating systems maintenance services;
- Cleaning and territory maintenance services;
- 24/7 emergency services;
- Construction and repair works;
- Building modernization.



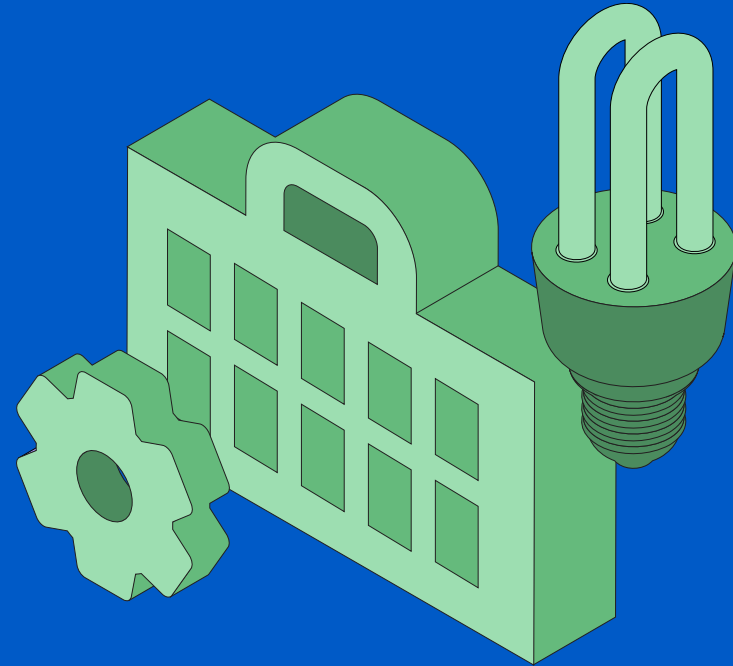


Serving clients with a Diversified Service Offering (Cont.)

CiViNiTY

Solutions

- Smart energy solutions for buildings;
- Engineering system maintenance;
- Facility management;
- Repair and installation of engineering systems;
- Smart building management;
- Audit of engineering systems & consulting.

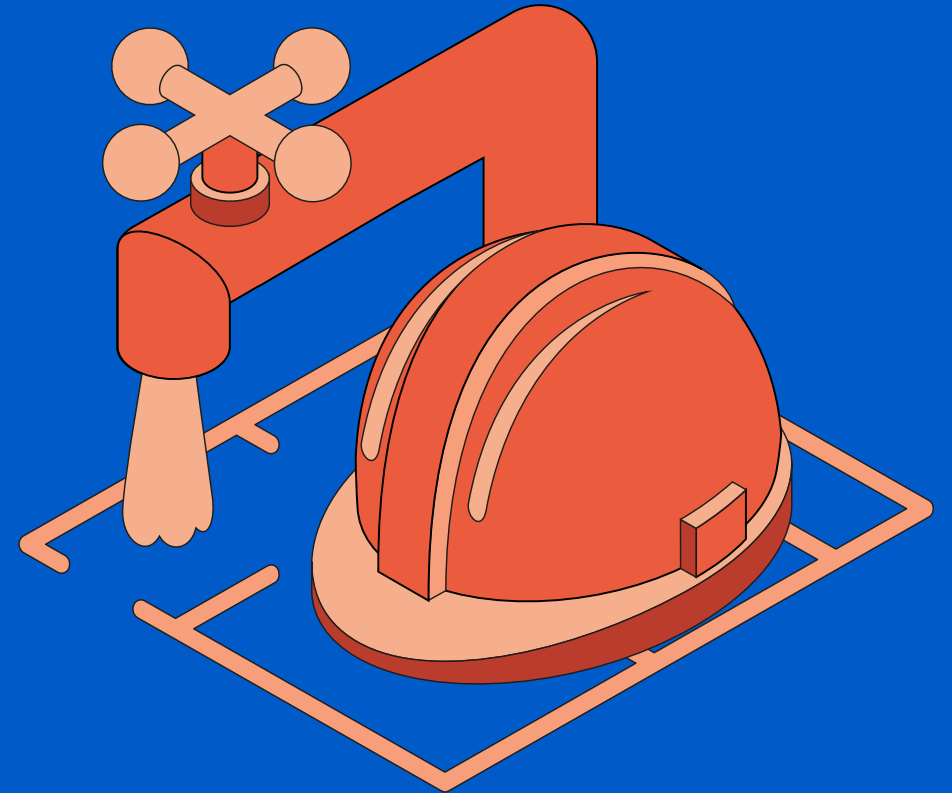




Serving clients with a Diversified Service Offering (Cont.)

CiViNiTY Engineering

- BIM (Building Information Modeling) design of building engineering systems (3D);
- Design and installation of heating, ventilation and cooling engineering systems;
- Design and installation of water supply and sewage systems;
- Design and installation of fire safety systems;
- Building management automation.



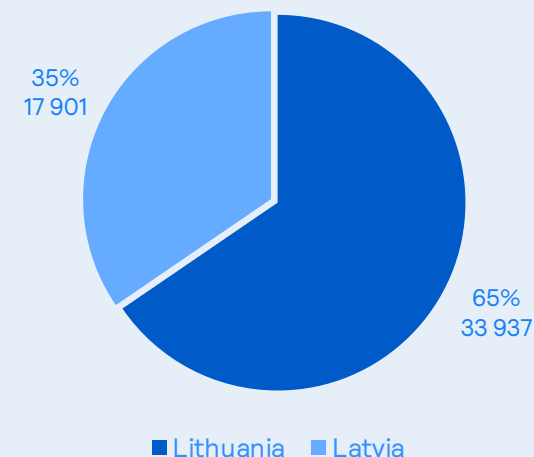


Serving clients with a Diversified Service Offering (Cont.)

- 65% of Civity Revenue comes from Lithuanian market and 35% from Latvian market accordingly;
- Residential business comprises of 53% of total Civity Revenue while Commercial and Engineering business segments bring 14% and 33% of Revenue accordingly.

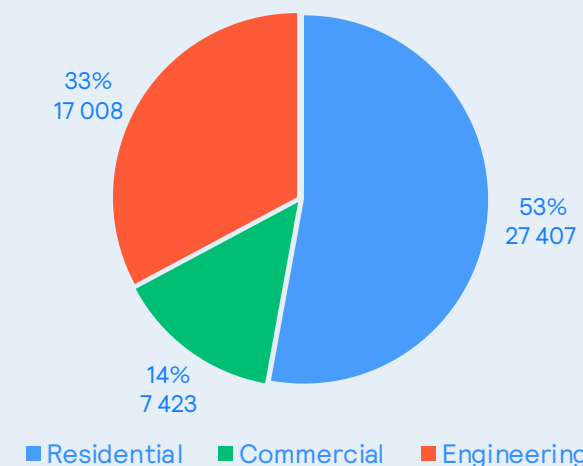
Revenue by country

Revenue by country, K EUR, 2020



Revenue by segment

Revenue by business segment, K EUR, 2020





Demonstrating Sustainable Performance

Company history:





...with a Track Record of Growth and Profitability

- In 2020 the company has recorded sales of 51 838 K EUR, compared with 2019 company's revenue increased by 16%.
- In 2020 the company has recorded EBITDA of 3 866 K EUR, reaching EBITDA margin 7,46% (2019: 2 186 K EUR, 4,9% margin).

<u>K EUR</u>	<u>2019</u>	<u>2020</u>	<u>2021 1HY*</u>
Sales revenue	44 618	51 838	21 297
<i>Growth, %</i>		16%	n.a.
Gross profit	9 967	11 557	5 064
<i>Margin, %</i>	22,34%	22,29%	23,78%
EBITDA	2 186	3 866	1 190
<i>Margin, %</i>	4,90%	7,46%	5,59%
EBT	-107	1 682	726
<i>Margin, %</i>	-0,24%	3,24%	3,41%
Net profit	-194	1 560	725
<i>Margin, %</i>	-0,43%	3,01%	3,40%
Assets	32 118	32 034	30 248
Long-term assets	15 901	15 322	14 191
Short-term assets	16 217	16 712	16 057
<i>From this amount cash</i>	3 343	4 374	4 657
Liabilities	30 063	28 419	25 855
Long-term liabilities	7 464	2 065	1 442
<i>From this amount financial debt</i>	7 143	822	158
Short-term liabilities	22 599	26 354	24 413
<i>From this amount financial debt</i>	3 101	7 506	7 088
Equity	2 055	3 615	4 393
<i>Financial debt / Equity</i>	4,98	2,30	1,65
<i>ROE</i>	106,37%	106,94%	n.a.
<i>ROA</i>	6,81%	12,07%	n.a.
<i>Financial debt / EBITDA</i>	4,69	2,15	n.a.

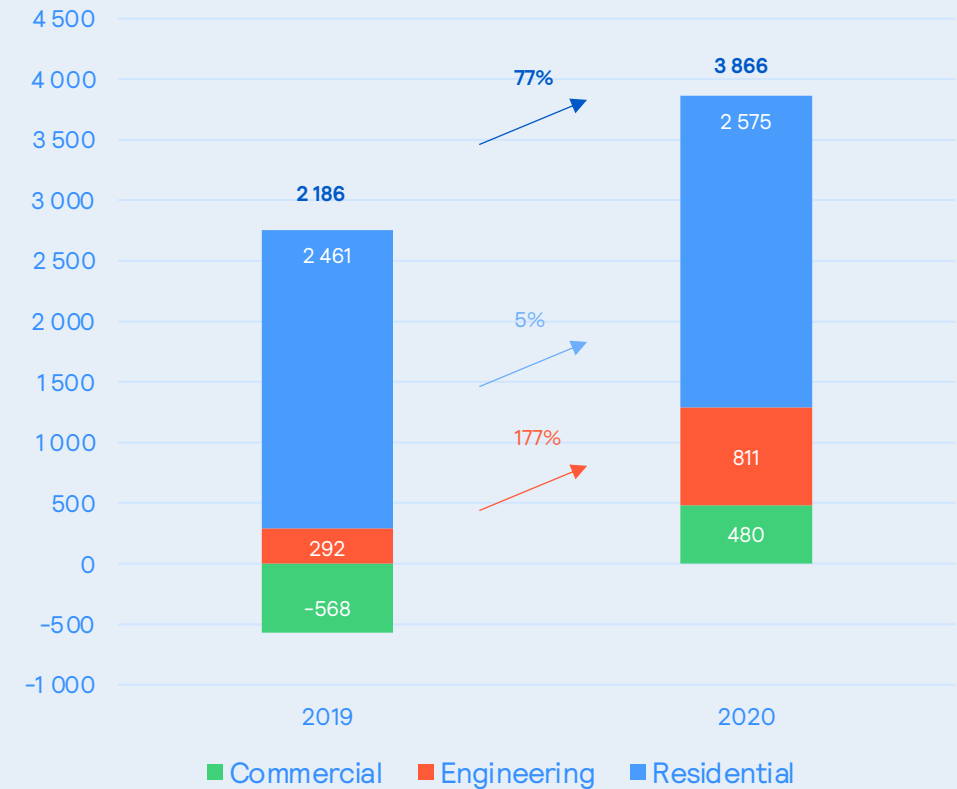


...with a Track Record of Growth and Profitability (Cont.)

Revenue by business segment, K EUR



EBITDA by business segment, K EUR





Having a Compelling Business Strategy

To transform
the way Facility Management
services are provided





... and Client – Centric approach

Our promise:

Value creating management

Professionalism, teamwork, proactivity, and the ability to look at the provided services “through the eyes of the client” allow to create added value for clients with high-quality services and even increase the value of the real estate they manage.

Our Brand essence:

Efficiency for the client

We are a proactive and customer-oriented team of professionals in the maintenance of residential and business buildings. In all services we strive for the maximum benefit and efficiency for the client, which not only helps to properly maintain buildings but also to increase their value.





... and Client – Centric approach (Cont.)





Driven by Experienced and Dedicated Team

Members of the Board:



Chairman of the Board

Deividas Jacka
Chief Executive Officer, Group
Sole shareholder

16 y

16 y

Education

Stockholm School of Economics in Riga, Executive MBA (2018 – present)
Klaipėda University, Bachelor of Business Administration (2001 – 2005)

Experience

Chairman of the Board and CEO at Civinity, AB (2020 – present)
Various positions, incl. Member of the Board, Member of Supervisory Board, Chief Development Officer at Civinity Group (2005 – 2020)



Member of the Board

Giedrius Jakubauskas
Chief Financial Officer, Group

7 y

25 y

Education

Kaunas University of Technology, Master's degree in Finance (1992 – 1999)
Baltic Institute of Corporate Governance, Executive Education Programme for Professional Board Members (2015)

Experience

Member of the Board, CFO at Civinity, AB (2020 – present)
Chief Financial officer, interim CEO at Achemos grupė, UAB (2019 – 2020)
CFO at Civinity, AB (2013 – 2019);
CFO at Italiana LT UAB (2011 – 2013);
Manager at Findigo (City Plaza Group) (2009 – 2011);
CFO at Midvest Baltija (2007 – 2009).



Member of the Board

Edvinas Paulauskas
Chief Operational Officer, Group

< 1

23 y

Education

Vilniaus Gedimino technikos University, Master of Environmental Engineering (1994 – 1998)

Experience

Member of the Board, COO at Civinity, AB (2021 – present)
CEO at City Service Poland, CEO at Aresi | Gestion de Fincas (2017 – 2020)
Member of the Board at City Service SE (2017 – 2020)
Various positions, incl. Executive manager, Commercial Director at City Service Group (2005 – 2017)



Member of the Board

Giedrius Eidimtas
Chief Executive Officer, Lithuania

5 y

21 y

Education

Vilnius Gediminas Technical University,
Bachelor's Degree, Business Management (Marketing) (1996 – 2000)
Vilnius Gediminas Technical University, Master of Business Administration (2002 – 2004)

Experience

CEO at Civinity LT, Member of the Board at Civinity AB (2020 – present)
Various positions, incl. CEO, Member of the board at Civinity Group Companies (2016 – 2020)
Various positions, incl. CEO, Purchase Director at Pristis Group (2004 – 2016)

Annexes



Profit (loss) statement

- In 2020 the company has recorded all time highest revenue of 51 838 K EUR and EBITDA of 3 866 K EUR.
- 53 % of revenue came from core and low risk segment of residential area, services for multi flat houses.
- The important factor for the revenue increase in 2020 was successful operations in engineering business segments, where Civinity Engineering managed to increase the revenues by 49% per year and amounted 17 008 K EUR (2019: 11 432 K EUR).
- A significant part equal to 49% of total OPEX expenses constitute of employee remuneration. (2019: 41%).
- The group carefully and continuing evaluating the quality of their trade receivables and additionally increase the allowance for trade debts for 179 K EUR (2019: 320 K EUR).
- Other activities include transportation and property rent, adverts on advertising stands, claims and penalties costs as well as result from other operations.
- Depreciation and amortization expenses constitute of tangible assets and intangible assets depreciation.
- Financing and investing activities include paid and received interest expenses. Main part from financial activity costs constitute from interest for current bondholders.
- The main factors for the Group consolidated net profit improvement in 2020 were as follow: increase in consolidated revenue, thus increase in gross profit (1 590 K EUR) and decrease in administrative expenses (536 K EUR) mainly driven by less professional services hired.

<u>Profit & loss statement (K EUR)</u>	<u>2019</u>	<u>2020</u>	<u>2021 1HY*</u>
Total revenues	44 618	51 838	21 297
Residential area	24 263	27 407	13 491
Commercial area	8 924	7 423	3 230
Engineering area	11 432	17 008	4 576
Cost of goods sold	34 652	40 281	16 233
Residential area	16 425	18 593	9 276
Commercial area	7 589	5 879	2 678
Engineering area	10 637	15 809	4 280
GROSS PROFIT	9 967	11 557	5 064
Selling & Administrative expenses	-9 787	-9 251	-4 226
Employee benefits	-4 016	-4 545	-2 708
Depreciation and amortization	-1 545	-1 478	-292
Professional services	-1 726	-1 624	-739
Distribution expenses	-554	-493	-425
Allowance for bad debts	-320	-179	-5
Other costs	-1 626	-932	-56
OTHER ACTIVITIES	461	83	111
Other operating income	599	561	245
Other operating expenses	-137	-478	-134
FINANCING & INVESTING ACTIVITIES	-748	-706	-222
Financial activity revenue	18	27	37
Financial activity costs	-766	-733	-259
EBITDA	2 186	3 866	1 190
EBIT	641	2 388	898
EARNINGS BEFORE TAX (EBT)	-107	1 682	726
CIT	-87	-122	-1
NET PROFIT	-194	1 560	725
GP margin, %	22,34%	22,29%	23,78%
EBITDA margin, %	4,90%	7,46%	5,59%
NP margin, %	-0,43%	3,01%	3,40%

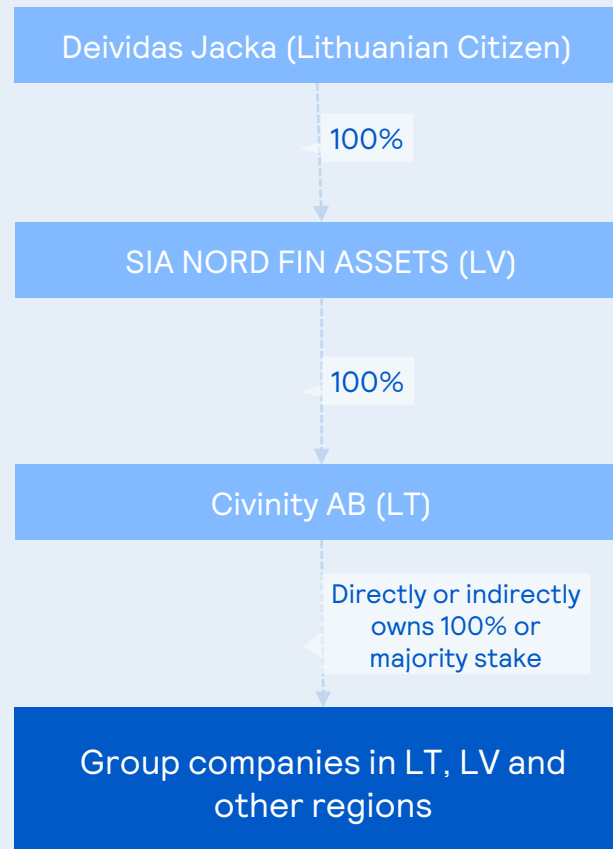
Balance sheet

- The main part in Non-current assets is related with goodwill from acquisitions in year 2015–2017, when group rapidly expand their operations in Latvia.
- The Trade receivables constitute 60% from all short term assets and remains in the same level as in 2019. Trade receivable turnover ability ratio for 2020 was 69 days (2019: 82 days)
- Equity increased from retained earning in 2020 and equity to assets ratio reached 11% (2019: 6%)
- During 2020 the Company and the Group companies neither acquired nor disposed any shares of the Company and on 31 December 2019 the Company and the Group companies held no shares of the Company.
- Short and long term financial loans remains at the same level and main part are 6 000 K EUR bonds (5 000 K EUR were repaid in 2019 and 2020), which will be redeemed using the funds from planned new bond emission.
- The Group is meeting its short-term debt obligations and can pay off its short-term liabilities and is in control of liquidity risk.
- The Group focuses strongly on improving internal credit management processes in order to minimize bad debt losses
- The Group advance amounts for long term or future construction and modernisation works slightly decrease in 2020, amounted 6 406 K EUR. (2019: 7 211 K EUR). The decrease is indicating that group executing planned modernisation and renovation works and part of such works are financed from accrued advance amounts.

<u>Balance sheet (K EUR)</u>	<u>2019.12.31</u>	<u>2020.12.31</u>	<u>2021 1HY*</u>
NON-CURRENT ASSETS	15 901	15 322	14 191
Intangibles	13 400	13 300	13 212
Fixed Assets	488	425	615
Financial Assets	16	16	16
Other non-current assets	1 997	1 581	348
CURRENT ASSETS	16 217	16 712	16 057
Inventories	326	118	263
Trade receivables	10 029	10 030	9 106
Other amounts receivable	2 038	1 665	1 280
Prepayments	481	525	751
Cash & equivalents	3 343	4 374	4 657
TOTAL ASSETS:	32 118	32 034	30 248
EQUITY	2 055	3 615	4 393
Share-capital	100	100	100
Retained earnings	1 766	2 932	3 757
Non-controlling interst	189	583	536
LIABILITIES	30 063	28 419	25 855
NON-CURRENT LIABILITIES	7 464	2 065	1 442
Leasing	1 168	763	120
Financial loans	5 975	59	38
Deffered tax	81	22	22
Trade payables	123	123	124
Other non-current liabilities	117	1 098	1 138
CURRENT LIABILITIES	22 599	26 354	24 413
Current portion of long-term loans	2 500	7 052	7 052
Current portion of lease liabilities	601	454	36
Advance amounts received	7 211	6 406	5 850
Trade payables	8 476	6 527	5 991
Income tax liability	123	382	3
Other current liabilities	3 688	5 533	5 481
TOTAL EQUITY & LIABILITIES:	32 118	32 034	30 248

Civinity Group Structure

Shareholders' Structure:



Civinity Group Structure (Cont.)

Structure of Operating Companies:



Civinity Group Structure (Cont.)

<u>Operating companies</u>	<u>Country</u>	<u>Amount of shares and votes, held by the Company (%)</u>
Civinity namai Kaunas, UAB	Lithuania	100
Civinity namai, UAB	Lithuania	100
Civinity namai Vilnius, UAB	Lithuania	100
Būsto administravimas, UAB	Lithuania	100
Civinity namai Klaipėda, UAB	Lithuania	100 ⁽¹⁾
Debreceno valda, UAB	Lithuania	100 ⁽²⁾
Civinity namai vakarai, UAB	Lithuania	81.73
Civinity namai Palanga, UAB	Lithuania	99.44 ⁽³⁾
Kretingos būstas, UAB	Lithuania	100
Civinity renovacija, UAB	Lithuania	100
Pastatų meistrai, UAB	Lithuania	100
Civinity LT, UAB	Lithuania	100
City billing solutions, UAB	Lithuania	100
Smart Technologies, UAB	Lithuania	100
Debreceno NT, UAB	Lithuania	95.41 ⁽⁴⁾
SPV 31, UAB	Lithuania	51 ⁽⁵⁾
SPV 32, UAB	Lithuania	51 ⁽⁵⁾
Civinity solutions, UAB	Lithuania	51 ⁽⁵⁾
Civinity engineering, UAB	Lithuania	51 ⁽⁵⁾
Civinity LV, SIA	Latvia	100
Civinity Mājas Jūrmala, SIA	Latvia	100 ⁽⁶⁾
Civinity Mājas, AS	Latvia	100
Home Master, SIA	Latvia	100
CS Apkope, SIA	Latvia	100
CS Renovacija, SIA	Latvia	100 ⁽⁷⁾
Labo namu agentura, SIA	Latvia	100
VBS Serviss, SIA	Latvia	100
Civinity solutions, SIA	Latvia	100
City billing solutions, SIA	Latvia	100
ALG Cleaning, SIA	Latvia	100
Pilsētas lifti, SIA	Latvia	100
Civinity engineering UK, LTD	United Kingdom	51 ⁽⁸⁾

¹ The indicated shares are held by Būsto administravimas, UAB, 100% Subsidiary of the Company.

² 34% of the indicated shares are held by the Company and 66% are held by Civinity namai Palanga, UAB.

³ The indicated shares are held by Civinity namai Klaipėda, UAB, 100% Subsidiary of Būsto administravimas, UAB.

⁴ 37,66% of the indicated shares are held by Civinity namai Kaunas, UAB, 34,87% are held by Civinity namai Klaipėda, UAB, 22,88% are held by the Company.

⁵ 49% of the remaining shares are held by another joint venture partner – Sail invest, UAB. As a result, Company indirectly holds 51% shares of Civinity solutions, UAB and Civinity engineering, UAB.

⁶ The indicated shares are held by Civinity namai Kaunas, UAB.

⁷ The indicated shares are held by Civinity Mājas Jūrmala, SIA.

⁸ Civinity engineering UK, LT 100% of shares are held by Civinity engineering, UAB. As a result, Company indirectly, through SPV32, UAB, controls 51% of the Civinity engineering UK, LTD.

Thank you!

www.civinity.com

CiViNITY

