

# CITYSERVICE

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**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE NINE MONTHS PERIOD  
ENDED 30 SEPTEMBER, 2023 (UNAUDITED)**

**City Service SE**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2023  
(UNAUDITED)**

Beginning of the reporting period	1 January 2023
End of the reporting period	30 September 2023
Business name	City Service SE
Registration number	12827710
Legal address	Narva mnt. 5, 10117 Tallinn, the Republic of Estonia
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E-mail	<a href="mailto:info@cityservice.eu">info@cityservice.eu</a>
Website	<a href="http://www.cityservice.eu">http://www.cityservice.eu</a>
Auditor	Ernst & Young Baltic AS

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## Declaration of the management

According to Management Board Regulations of City Service SE, Chairman of the Management Board hereby declares and confirms that according to his best knowledge, the financial statements, prepared according to the accounting standards in force, present a correct and fair view of the assets, liabilities, financial situation and loss or profit of the issuer and the undertakings involved in the consolidation as a whole, and the management report gives a correct and fair view of the development and results of the business activities and financial status of the issuer and the undertakings involved in the consolidation as a whole and contains a description of the main risks and doubts.

Chairman of the Management Board



Artūras Gudelis

30 November 2023

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	As of 30 September 2023	As of 31 December 2022
Assets			
<b>NON-CURRENT ASSETS</b>			
Goodwill	3	8,800	8,799
Other intangible assets	5	18,967	18,978
Property, plant and equipment	6	723	994
Right of use assets	8	2,011	3,902
Non-current receivables	9	4,816	4,941
Deferred income tax asset		2,003	1,501
<b>TOTAL NON-CURRENT ASSETS</b>		<b>37,320</b>	<b>39,115</b>
<b>CURRENT ASSETS</b>			
Inventories		1,127	1,047
Prepayments		1,640	1,579
Trade receivables	9	24,369	20,483
Receivables from related parties	16	1,945	217
Contract assets		1,085	1,485
Other receivables and current assets		3,481	4,311
Cash and cash equivalents		4,504	3,434
<b>TOTAL CURRENT ASSETS</b>		<b>38,151</b>	<b>32,556</b>
Assets held for sale		-	6,032
<b>Total assets</b>		<b>75,471</b>	<b>77,703</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)**

	Notes	As of 30 September 2023	As of 31 December 2022
Equity and liabilities			
<b>EQUITY</b>			
Share capital		9,483	9,483
Other reserves		948	948
Share premium		21,066	21,067
Retained earnings (deficit)		(9,009)	(13,525)
Reserves of a disposal group classified as held for sale		-	(92)
		<u>22,488</u>	<u>17,881</u>
Non-controlling interests		172	138
<b>TOTAL EQUITY</b>		<b>22,660</b>	<b>18,019</b>
Liabilities			
<b>NON-CURRENT LIABILITIES</b>			
Non-current borrowings	10	9,141	10,459
Lease liabilities	8	1,441	2,739
Deferred income tax liabilities		1,242	1,335
Non-current payables		4,520	4,553
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16,344</b>	<b>19,086</b>
<b>CURRENT LIABILITIES</b>			
Current portion of non-current borrowings	10	2,583	3,038
Current portion of lease liabilities	8	564	1,313
Current loans	10	4,782	1,829
Trade payables		7,102	8,611
Payables to related parties	16	4,586	3,475
Contract liabilities		6,496	7,891
Other current liabilities		10,354	10,427
<b>TOTAL CURRENT LIABILITIES</b>		<b>36,467</b>	<b>36,584</b>
Liabilities related to assets held for sale		-	4,014
Total liabilities		52,811	59,684
<b>Total equity and liabilities</b>		<b>75,471</b>	<b>77,703</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(for the period 1 January – 30 September)

	Notes	2023 Q3	2022 Q3 (Restated)
Revenue from contracts with customers	1.7	73,696	59,376
Cost of sales	11	(54,340)	(42,226)
<b>Gross profit (loss)</b>		<b>19,356</b>	<b>17,150</b>
General and administrative expenses	12	(14,446)	(14,306)
Credit loss expenses on financial assets		(150)	(344)
Other operating activity, net	13	27	484
<b>Profit (loss) from operations</b>		<b>4,787</b>	<b>2,984</b>
Interest and other finance income	14	5,935	2,110
Interest and other finance expenses	14	(4,877)	(2,839)
<b>Profit (loss) before tax</b>		<b>5,845</b>	<b>2,255</b>
Income tax		(1,235)	(616)
<b>Profit (loss) from continued operations</b>		<b>4,610</b>	<b>1,639</b>
<b>Discontinued operations</b>			
Net profit (loss) from discontinued operations	7	(60)	(3,163)
<b>Net profit (loss)</b>		<b>4,550</b>	<b>(1,524)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		-	1,915
<b>Total comprehensive income</b>		<b>4,550</b>	<b>391</b>
<b>Attributable to:</b>			
The shareholders of the Company		4,516	(1,031)
Non-controlling interests		34	(506)
		<b>4,550</b>	<b>(1,537)</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		4,516	884
Non-controlling interests		34	(506)
		<b>4,550</b>	<b>(378)</b>
<b>Basic and diluted earnings per share (EUR)</b>		<b>0.14</b>	<b>(0.03)</b>

**STATEMENTS OF COMPREHENSIVE INCOME**  
(for the period 1 July – 30 September)

	2023 Q3	2022 Q3 (Restated)
Sales	25,357	20,858
Cost of sales	(19,076)	(14,669)
<b>Gross profit (loss)</b>	<b>6,281</b>	<b>6,189</b>
General and administrative expenses	(4,279)	(4,503)
Credit loss expenses on financial assets	(294)	(150)
Other operating income, net	(124)	115
<b>Gain (loss) from operations</b>	<b>1,584</b>	<b>1,651</b>
Finance activity result, net	1,617	1,581
<b>Gain (loss) before tax</b>	<b>3,201</b>	<b>3,232</b>
Income tax	(406)	(332)
<b>Net gain (loss) from continued operations</b>	<b>2,795</b>	<b>2,900</b>
<b>Discontinued operations</b>		
Net profit (loss) from discontinued operations	-	(1,275)
<b>Net profit (loss)</b>	<b>2,795</b>	<b>1,625</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Assets held for sale	Total	Non-controlling interest	Total
<b>Balance as of 1 January 2022</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,249)</b>	<b>948</b>	<b>(8,865)</b>	-	<b>19,384</b>	<b>492</b>	<b>19,876</b>
Net profit (loss)		-	-	-	-	(1,031)	-	(1,031)	(506)	(1,537)
Other comprehensive Income		-	-	1,863	-	-	-	1,863	52	1,915
Total comprehensive Income		-	-	1,863	-	(1,031)	-	832	(454)	378
Disposal of subsidiaries		-	-	1,837	-	-	-	1,837	114	1,951
<b>Balance as of 30 September 2022</b>		<b>9,483</b>	<b>21,067</b>	<b>451</b>	<b>948</b>	<b>(9,896)</b>	-	<b>22,053</b>	<b>152</b>	<b>22,205</b>
<b>Balance as of 1 January 2023</b>		<b>9,483</b>	<b>21,067</b>	-	<b>948</b>	<b>(13,525)</b>	<b>(92)</b>	<b>17,881</b>	<b>138</b>	<b>18,019</b>
Net profit (loss)		-	-	-	-	4,516	-	4,516	34	4,550
Total comprehensive Income		-	-	-	-	4,516	-	4,516	34	4,550
Disposal of subsidiaries		-	-	-	-	-	92	92	-	92
<b>Balance as of 30 September 2023</b>		<b>9,483</b>	<b>21,067</b>	-	<b>948</b>	<b>(9,009)</b>	-	<b>22,489</b>	<b>172</b>	<b>22,661</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2023 Q3*	2022 Q3*
<b>Cash flows from (to) operating activities</b>			
Net profit (loss) from continued operations		4,610	1,639
Net profit (loss) from discontinued operations		(60)	(3,163)
<b>Adjustments for non-cash items:</b>			
Income tax expenses		1,265	627
Depreciation and amortisation	5,6,8	3,138	2,986
Impairment and discounting of accounts receivable		2,306	480
Gain (loss) on disposal of property, plant and equipment	13	160	(484)
Gain (loss) from sale of investments		(2,183)	(115)
Impairment of goodwill		581	-
Interest (income)		(80)	(100)
Interest (expenses)		1,767	773
Other financial activity, net		(422)	1,165
		<b>11,082</b>	<b>3,808</b>
<b>Changes in working capital:</b>			
(Increase) decrease in inventories		539	(1,415)
(Increase) decrease in receivables, contract assets and other current assets		(4,326)	3,817
(Increase) decrease in prepayments		92	(757)
Increase (decrease) in trade payables and payables to related parties		6,503	1,850
Income tax (paid)		(650)	(1,143)
Increase (decrease) in advances received, contract liabilities and other current liabilities		(8,589)	1,975
<b>Net cash flows from (to) operating activities</b>		<b>4,651</b>	<b>8,135</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	5,6	(4,008)	(2,988)
Proceeds from sale of non-current assets		3,482	1,066
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		52	(6,288)
Disposal of investments in subsidiaries		(695)	(854)
Interest received		144	100
Loans (granted)		-	(1)
Loans repaid		-	3
<b>Net cash flows (to) from investing activities</b>		<b>(1,025)</b>	<b>(8,962)</b>
<b>Cash flows from (to) financing activities</b>			
(Repayment) proceeds of loans		1,272	332
(Repayment) of financial lease liabilities		(2,341)	(1,372)
Interest (paid)		(1,767)	(773)
<b>Net cash (to) financial activities</b>		<b>(2,836)</b>	<b>(1,813)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>790</b>	<b>(2,640)</b>
Foreign exchange difference		48	191
<b>Cash and cash equivalents at the beginning of the period*</b>		<b>3,666</b>	<b>6,172</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>4,504</b>	<b>3,723</b>

\*Group cash flows for 2023 Q3 and 2022 Q3 comprise total consolidated Group, including discontinued operations.

1.

**GENERAL INFORMATION**

City Service SE (hereinafter – “the Company”) is a public limited liability company registered in the Republic of Estonia on 2 April 2015, which in the course of reorganization has taken over a public limited liability company City Service AS rights and liabilities.

The Company controls corporate group, engaged in provision of facility management and integrated utility services in Eastern Europe. The City Service group is the market leader in facility management and integrated utility services in the Baltic States. It provides services in whole Lithuania and Latvia.

1.1.

**ACTIVITY**

City Service group provides facility management; maintenance and repair of engineering systems; management and renovation of energy resources; technical and energy audit of buildings; maintenance and cleaning of territories and premises; maintenance and construction of gas stations.

The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 15.6 million sq. m. at present.

## 1.2.

**SHARE CAPITAL OF THE COMPANY**

The share capital of the Company is EUR 9,483 thousand as of 30 September 2023. It is divided into 31,610 thousand ordinary shares with the nominal value of EUR 0.30 each. All shares of the Company are paid up.

The Company does not have any other classes of shares than ordinary shares mentioned above, 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 shares of the Company are held by itself or its subsidiaries. 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 September 2023 all 31,610 thousand ordinary shares of the Company are included into the Parallel Market of Warsaw Stock Exchange and Baltic First North Foreign Shares trading list of NASDAQ Baltic Market (ISIN Code of the shares is EE3100126368). Trading Code of the shares on Warsaw Stock Exchange is CTS, on NASDAQ Baltic Market - CTS1L.

## 1.3.

**SHAREHOLDERS OF THE COMPANY**

As of 30 September 2023 the total number of shareholders of the Company was 658.

**COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 SEPTEMBER 2023 WAS THE FOLLOWING:**

	Number of shares held	Owned percentage of the share capital and votes, %
UAB Unit Invest, legal entity code 305873584, address: Ozo str. 12A-1, Vilnius, Lithuania	26,813,293	84.83%
Other private and institutional shareholders	4,796,707	15.17%
TOTAL	31,610,000	100 %

1.4.

**CITY SERVICE GROUP**

**AS OF 30 SEPTEMBER 2023 THE CITY SERVICE GROUP CONSISTS OF CITY SERVICE SE AND THE FOLLOWING SUBSIDIARIES (HEREINAFTER REFERRED TO AS „THE GROUP“):**

Company	Region	Share of the stock held by the Group as of 30 September 2023	Share of the stock held by the Group as of 31 December 2022	Main activities
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Baltijos būsto priežiūra	Lithuania	-	100%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos transporto valdymas	Lithuania	100%	100%	Asset management
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB BonoDomo	Lithuania	100%	100%	IT servisas
UAB BonoDomo Pay	Lithuania	100%	100%	Intermediary activities of an electronic money institution
UAB Butų ūkio valdos	Lithuania	100%	100%	Administration of dwelling-houses
UAB Būsto aplinka	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
UAB Mano būstas	Lithuania	100%	100%	Holding company
UAB City Service Cleaning	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB CSG IT	Lithuania	100%	100%	IT services
UAB Energijos taupymo paslaugos	Lithuania	100%	100%	Energy saving solution services
UAB Energetinių projektų valdymas	Lithuania	100%	100%	PPP project company
UAB EPC projektai	Lithuania	100%	100%	Dormant
UAB Exergio	Lithuania	100%	100%	IT energy saving solutions for buildings
UAB Getfiks	Lithuania	-	100%	Supply chain management
UAB Neries būstas	Lithuania	-	100%	Dormant
UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of public territories and premises
UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būsto klientų patirčių centras	Lithuania	100%	100%	Client service center services
UAB Mano Būstas Alytus	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Aukštaitija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Baltija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Dainava	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Neris	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas NPC	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Kaunas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Klaipėda	Lithuania	100%	100%	Administration of dwelling-houses

UAB Mano Būstas Radviliškis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Sostinė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Šiauliai	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Ukmergė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Vakarai	Lithuania	99.97%	99.97%	Administration of dwelling-houses
UAB Mano Būstas Vilnius	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būsto priežiūra	Lithuania	100%	100%	Building maintenance
UAB Medžiagų tiekimo centras	Lithuania	-	100%	Supply of materials
UAB Merlangas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	100%	Administration of dwelling-houses renovation projects
UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance
UAB Pastatų priežiūros tarnyba	Lithuania	-	100%	Technical maintenance of heating systems
UAB Pastatų valdymas	Lithuania	100%	100%	Administration of dwelling-houses
UAB PortalPRO	Lithuania	-	100%	Supply chain management
UAB Rinkų vystymas	Lithuania	100%	100%	Dormant
UAB Skolos LT	Lithuania	100%	100%	Debt collection services
UAB Šiaulių NT valdymas	Lithuania	100%	100%	Dormant
UAB Unitechna	Lithuania	100%	100%	Maintenance and construction of gas stations
PortalPRO s.r.o.	Czech	-	100%	IT services
Aresi administracion de fincas S. L.	Spain	-	100%	Administration of dwelling-houses
Concentra Servicios y Mantenimiento, S.A.*	Spain	100%	100%	Commercial real estate management and building maintenance
Eurobroker Advisors Sorreduria de Seguros, S.L.	Spain	-	100%	Insurance services
Euronamas Gestion de Fincas Centro, S.L.	Spain	-	100%	Administration of dwelling-houses
Grupo Aresi de Inversiones, S.L.	Spain	-	100%	Holding company
PORTALPRO, S.L.	Spain	-	100%	Supply chain management
Vetell dos iberica, S.L.*	Spain	100%	100%	Administration of dwelling-houses
SIA BILANCE	Latvia	100%	100%	Administration of dwelling-houses
SIA BonoDomo	Latvia	100%	100%	Dormant
SIA City Service	Latvia	100%	100%	Holding company
SIA City Service Engineering	Latvia	100%	100%	Commercial real estate management and building maintenance
SIA Ēku pārvaldīšanas serviss	Latvia	100%	100%	Building maintenance
SIA PortalPRO	Latvia	-	100%	Dormant
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Livonijas Nami	Latvia	100%	100%	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 2	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas Mājas Salnas 21	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 3	Latvia	100%	100%	Administration of dwelling-houses
SIA Multihouse	Latvia	100%	-	Administration of dwelling-houses
SIA Ventspils nami	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	-	100%	Administration of dwelling-houses

Deleterma sp. z o.o.	Poland	-	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	-	100%	Administration of dwelling-houses
Concierge - Zarządzanie Nieruchomościami sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
Dom Best sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
EnergiaOK sp. z o.o.	Poland	-	100%	Sale of electricity
Famix sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
Grupa Techniczna 24 sp. z o.o.	Poland	-	100%	Building maintenance
Parama Blue sp. z o.o.	Poland	-	100%	Dormant
Parama Group sp. z o.o.	Poland	-	100%	Holding company
Parama Yellow sp. z o.o.	Poland	-	100%	Dormant
Parama Red sp. z o.o.	Poland	-	100%	Dormant
Parama White sp. z o.o.	Poland	-	100%	Dormant
PORTALPRO sp. z o.o.	Poland	-	100%	Supply chain management
Progresline sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
Santer Zarządzanie Nieruchomościami sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
Skydas - Przeglądy Budowlane sp. z o.o.	Poland	-	100%	Dormant
TED sp. z o.o.	Poland	-	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	-	100%	Dormant
Wolska Aparthotel sp. z o. o.	Poland	-	100%**	Accommodation services
Zespół Zarządców Nieruchomości sp. z o.o.	Poland	-	100%	Administration of dwelling-houses
ZZN Inwestycje sp. z o.o.	Poland	-	100%	Dormant
PORTALPRO, UNIPESOAL LDA	Portugal	-	100%	Dormant

\* The Group ceased to consolidate Concentra Servicios y Mantenimiento, S.A. (including sub-consolidated subsidiary Vetell dos iberica, S.L.) in its Financial statements after bankruptcy administrator was appointed on 10 May 2017, as from that date the Group has lost its control.

\*\* The Group ceased to consolidate Wolska Aparthotel sp. z o. o. in its Financial statements after bankruptcy administrator was appointed on 3 June 2020, as from that date the Group has lost its control.

## 1.5.

**COMPANY'S SUPERVISORY BOARD**

**AS OF 30 SEPTEMBER 2023, THE SUPERVISORY BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:**

Name and surname	Position	Start of term	End of term
Andrius Janukonis	Chairman of the Supervisory Board	June 21, 2023	June 21, 2027
Gintautas Jaugielavičius	Member of the Supervisory Board	June 21, 2023	June 21, 2027

**The Supervisory Board members do not own any shares of the Company.**

**Andrius Janukonis**

Andrius Janukonis (born in 1971) is the Chairman of the Supervisory Board of City Service SE (since 2009 until 2015 the Chairman of the Board). He holds a Master's degree in Law. He is a member of the board of UAB Unit Invest (since 2021).

**Gintautas Jaugielavičius**

Gintautas Jaugielavičius (born in 1971) is a Member of the Supervisory Board of City Service SE (since 2005 until 2015 a Member of the Board). He holds a Bachelor's degree in Economics. At present, he works as a consultant for UAB Unit Invest and is a member of the board of UAB Unit Invest (since 2021).

1.6.

**COMPANY'S MANAGEMENT BOARD**

**AS OF 30 SEPTEMBER 2023 AND AS OF DATE OF SUBMISSION OF THIS REPORT, THE MANAGEMENT BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:**

Name and surname	Position within the Group	Start of term	End of term
Artūras Gudelis	Chairman of the Management Board	June 26, 2021	June 26, 2025
Vytautas Turonis	Member of the Management Board	June 26, 2021	June 26, 2025
Dalius Šimaitis	Member of the Management Board	June 26, 2021	June 26, 2025

**They do not own any shares of the Company.**

**Artūras Gudelis**



Artūras Gudelis (born in 1977) is a Chairman of the Management Board of City Service SE (since 2017). Artūras Gudelis was a Member of the Supervisory Board of City Service SE (2015 – 2017). He holds Bachelor's degree in Economics and Master's degree in Business Management.

Artūras Gudelis is responsible for carrying the formal functions of the chairman of the Management Board as well as for signing of the consolidated financial statements, representing the Company in the stock exchanges, securities depositories and in relations with the investors, as well as in all other general matters related to the Company.

**Vytautas Turonis**



Vytautas Turonis (born in 1972) is a Member of the Management Board of City Service SE (since 2017). Vytautas Turonis works as the General Manager at UAB City Service. He holds a Bachelor's degree in International Business. Previously he worked as the Marketing Manager of UAB Specialus Autotransportas (2003 – 2004). He started to work in the Company as the Market Development Department Manager (2004 – 2008).

Vytautas Turonis is responsible and accountable for the organization and supervision of Group activities (including the financial matters) in Lithuania, Latvia and Estonia.

**Dalius Šimaitis**



Dalius Šimaitis (born in 1977) is a Member of the Management Board of City Service SE (since 2019). Previously he worked as the maintenance department director at UAB Mano būstas (2016 - 2019). Mr. Šimaitis works in the Group since 2016. He holds a Bachelor's degree in Thermal Engineering and a Master's degree in Energy Engineering.

Dalius Šimaitis is responsible and accountable for technical operations and supply chain management, standardization policy within the Group in all jurisdictions.

1.7.

**ACTIVITY AND SEGMENT INFORMATION**

**INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS (CONTINUED OPERATIONS):**

2023 Q3	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	68,830	4,753	113	73,696
<b>Total revenue from contracts with customers</b>				<b>73,696</b>
Segment results	6,627	(24)	(312)	6,291
Unallocated expenses				(1,504)
<b>Profit (loss) from operations</b>				<b>4,787</b>
Net financial income (expenses)				1,058
Profit (loss) before income tax				5,845
Income tax expenses				(1,235)
<b>Net profit (loss) for the year</b>				<b>4,610</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	3,273	9	-	<b>3,282</b>
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2022 Q3	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	55,275	4,075	26	59,376
<b>Total revenue from contracts with customers</b>				<b>59,376</b>
Segment results	6,033	75	(620)	5,488
Unallocated expenses				(2,504)
<b>Profit (loss) from operations</b>				<b>2,984</b>
Net financial income (expenses)				(729)
Profit (loss) before income tax				2,255
Income tax expenses				(616)
<b>Net profit (loss) for the year</b>				<b>1,639</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	1,833	24	-	<b>1,857</b>
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**1.7.**
**ACTIVITY AND SEGMENT INFORMATION (cont'd)**
**INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS:**

	Lithuania	Latvia	All other segments	Total
Revenue from contracts from external customers				
2023 Q3	68,830	4,753	113	<b>73,696</b>
2022 Q3	55,275	4,075	26	<b>59,376</b>

	Lithuania	Latvia	All other segments	Total
Segment non-current assets				
As of 30 September 2023	32,217	5,103	-	<b>37,320</b>
As of 31 December 2022	33,703	5,313	99	<b>39,115</b>

**MAIN ACTIVITY INDICATORS FOR THE GROUP\*:**

	2023 Q3	2022 Q3	Change
Area of residential apartment buildings under administration (million square meters)****	10.7	12.0	(10.8%)
Area of public, commercial building and atypical properties under administration (million square meters)	5.0	4.7	6.4%
Number of employees	1,508	1,569	(3.9%)
Sales for the period	81,502	86,299	(5.6%)
Sales (main activity)**	81,502	73,553	10.8%
Gross margin**	24.5%	31.4%	(6.9) p.p.
EBITDA margin**	9.7%	5.1%	4.6 p.p.
EBIT margin**	5.9%	1.0%	4.9 p.p.
Net margin**	5.6%	(2.1)%	7.7 p.p.
Number of shares (thousand)	31,610	31,610	-
Return on equity	20.1%	(6.9)%	27.0 p.p.
Return on assets	6.0%	(1.9)%	7.9 p.p.
Financial Net Debt to equity***	53.0%	90.0%	(37.0) p.p.

\* Main activity indicators are presented including subsidiaries that were disposed in 2023 and 2022 (further disclosed in Note 7 discontinued operations)

\*\* Calculated by reducing sales for the resale of utility services.

\*\*\* Interest bearing debt (net of cash balance) to Shareholders' equity.

\*\*\*\* The decrease in areas was mainly due to the sale of business in Poland and Spain.

2.

**ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

In the Interim Financial Statements same accounting policies and methods of computation are followed as compared with the most recent annual financial statements.

Interim Financial Statements are prepared in compliance with International Accounting Standard (IAS) 34 Interim financial reporting.

These Interim Financial Statements were authorised for issue on 30 November 2023 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

**GOODWILL**

**COST:**

Balance as of 1 January 2022	<b>12,144</b>
Additions	6,142
Exchange differences	69
Discontinued operations	(7,880)
Balance as of 31 December 2022	<b>10,475</b>
Balance as of 30 September 2023	<b>10,475</b>

**IMPAIRMENT:**

Balance as of 1 January 2022	<b>1,564</b>
Exchange differences	(20)
Impairment recognized	130
Discontinued operations	2
Balance as of 31 December 2022	<b>1,676</b>
Balance as of 30 September 2023	<b>1,676</b>

<b>Net book value as of 30 September 2023</b>	<b>8,799</b>
<b>Net book value as of 31 December 2022</b>	<b>8,799</b>

3.

**GOODWILL (cont'd)**

During reporting period the Company through its subsidiary acquired SIA MultiHouse.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	SIA MultiHouse
<b>At the date of acquisition</b>	<b>30 May</b>
Property, plant and equipment	1
Other non-current assets	83
Trade receivables	37
Other current assets	84
<b>Total assets</b>	<b>205</b>
Long-term liabilities	12
Trade payables	23
Other current liabilities	123
<b>Total liabilities</b>	<b>158</b>
<b>Total identifiable net assets at fair value</b>	<b>47</b>
Fair value of acquired assets, liabilities and contingent liabilities	47
Goodwill	(15)
<b>Total purchase consideration</b>	<b>32</b>
Cash acquired	84
<b>Total purchase consideration, net of cash acquired</b>	<b>(52)</b>

## 4.

**SIGNIFICANT EVENTS****Investments and other changes during the nine months of the year 2023**

On 10 January 2023 SIA Nira Fonds apsaimniekošana Salnas 21 title was changed into SIA Manas Mājas Salnas 21. Other contact details did not change.

On 25 January 2023 UAB Apex Intelligence title was changed into UAB Exergio. Other contact details did not change.

On 06 February 2023 reorganization on the companies UAB Pastatų priežiūros tarnyba and UAB Mano būsto priežiūra was completed. After the process of reorganization UAB Pastatų priežiūros tarnyba was incorporated into UAB Mano būsto priežiūra with all the assets, rights and obligations. UAB Pastatų priežiūros tarnyba ceased operations and were deregistered. After reorganization UAB Mano būsto priežiūra management and other contact details did not change.

On 10 March 2023, an increase of the share capital of PortalPRO S. L. was registered. The share capital of PortalPRO S. L. increased to EUR 435,972. Share capital of the company is divided into 1,000 ordinary shares, the nominal value of which remained at EUR 3.

On 21 March 2023 the Group, through its Polish subsidiary, initiated voluntary liquidation of Parama Blue Sp. z o.o.

On 27 March 2023 the Group sold 100% stake in PortalPRO s.r.o., which provided supply chain management services. Value of the share sale-purchase agreement is CZK 50 thousand (EUR 2,1 thousand). Net assets of disposed subsidiary at the date of disposal amounted to EUR (20) thousand (CZK (475) thousand).

On 13 April 2023 the Group, through its Polish subsidiary, initiated voluntary liquidation of Parama White Sp. z o.o.

On 18 April 2023, an increase of the share capital of LDA PortalPRO was registered. The share capital of LDA PortalPRO increased to EUR 46,900. Share capital of the company is divided into 46,900 ordinary shares, the nominal value of which remained at EUR 1.

On 28 April 2023, an increase of the share capital of PortalPRO Sp. z. o. o. was registered. The share capital of UAB PortalPRO Sp. z. o. o. increased to PLN 960,600 (EUR 216,410). Share capital of the company is divided into 960,600 ordinary shares, the nominal value of which remained at PLN 1.

On 03 May 2023, an increase of the share capital of UAB PortalPRO was registered. The share capital of UAB PortalPRO increased to EUR 2,338,557. Share capital of the company is divided into 2,338,557 ordinary shares, the nominal value of which remained at EUR 1.

On 03 May 2023 the Group sold 100% stake in UAB PortalPRO and its subsidiary UAB Getfiks, which provided supply chain management services. Value of the share sale-purchase agreement is EUR 393 thousand. The carrying value of the net asset of the subsidiaries disposed at the date of issuing these financial statements amounted to EUR 606 thousand.

On 03 May 2023 the Group sold 100% stake in UAB Medžiagų tiekimo centras, which provided supply of materials services. Value of the share sale-purchase agreement is EUR 629 thousand. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR 290 thousand.

On 08 May 2023 the Group, through its Polish subsidiary, initiated voluntary liquidation of Parama Red Sp. z o.o.

On 09 May 2023 the Group, through its Polish subsidiary, initiated voluntary liquidation of Parama Yellow Sp. z o.o.

On 11 May 2023 UAB Mano Būstas title was changed into Mano Būsto klientų patirčių centras, UAB. Other contact details did not change.

On 12 May 2023 UAB City Service title was changed into Mano Būstas, UAB. Other contact details did not change.

## 4.

**SIGNIFICANT EVENTS (cont'd)**

On 12 May 2023 the Group sold 100% stake in SIA PortalPRO. Value of the share sale-purchase agreement is EUR 32 thousand. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR 32 thousand.

On 16 May 2023 the Company signed the share purchase-sale agreement for the sale of UAB Baltijos būsto priežiūra and all of its subsidiaries operating in Poland. Value of the share sale-purchase agreement is EUR 956 thousand. The carrying value of the net asset of the subsidiaries disposed at the date of issuing these financial statements amounted to EUR (6,624) thousand. UAB Baltijos būsto priežiūra and its subsidiaries were operating in the field of utilities and apartment building administration in Poland.

On 18 May 2023 the Company signed the share purchase-sale agreement for the sale of Deleterma Sp. z o.o. and all of its subsidiaries operating in Poland. Value of the share sale-purchase agreement is EUR 1. The carrying value of the net asset of the subsidiaries disposed at the date of issuing these financial statements amounted to EUR (1,094) thousand. Deleterma Sp. z o.o. and its subsidiaries were engaged in administration of dwelling-houses services provided in Poland.

On 22 May 2023 the Group sold 100% stake in PortalPRO LDA. Value of the share sale-purchase agreement is EUR 100. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR (28) thousand.

On 30 May 2023 the Group, through its Latvian subsidiary acquired 100% of the shares of SIA MultiHouse (acquisition price EUR 32 thousand) which is based in Latvia. SIA MultiHouse is engaged in administration of dwelling-houses.

On 21 June 2023 the Supervisory Board of the Company was re-elected. The supervisory board will continue to consist of Andrius Janukonis and Gintautas Jaugielavičius.

On 29 June 2023 the Group sold 100% stake in PortalPRO Sp. Z o.o., which provided supply chain management services. Value of the share sale-purchase agreement is PLN 49 thousand (EUR 11 thousand). Net assets of disposed subsidiary at the date of disposal amounted to EUR (85) thousand (PLN (377) thousand).

On 28 July 2023 the Group sold 100% stake in PortalPRO, S.L., which provided supply chain management services. Value of the share sale-purchase agreement is EUR 26 thousand. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR (13) thousand.

On 7 August 2023 reduced share capital of UAB Pastatu valdymas was registered. The share capital of UAB Pastatu valdymas after the reduction amounts to EUR 3 486. Share capital of the company is divided into 1 202 ordinary shares, the nominal value of which remained at EUR 2,9.

On 31 August 2023 reduced share capital of UAB Mano Būstas NPC was registered. The share capital of UAB Mano Būstas NPC after the reduction is EUR 1 674 902. Share capital of the company is divided into 57 835 ordinary shares, the nominal value of which remained at EUR 28,96.

On 1 September 2023 reduced share capital of UAB Mano Būstas Vilnius was registered. The share capital of UAB Mano Būstas Vilnius after the reduction is EUR 1 572 222. Share capital of the company is divided into 5 421 454 ordinary shares, the nominal value of which remained at EUR 0,29.

On 6 September 2023 the Group sold 100% stake in Eurobroker advisors correduria de seguros, S.L. which provided insurance brokerage services. Value of the share sale-purchase agreement was EUR 1000. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR (113) thousand.

On 20 September 2023 the Group sold 100% stake in Grupo Aresi de inversiones (Spain), S.L. which was the holding company of Company's activities in Spain. Value of the share sale-purchase agreement was EUR 1 (one euro). The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR (714) thousand.

5.

**OTHER INTANGIBLE ASSETS**

Movement of other intangible assets in 2023 Q3 and 2022 is presented below:

	<b>Total</b>
<b>COST:</b>	
Balance as of 1 January 2022	<b>37,712</b>
Additions arising from acquisitions of subsidiaries	180
Additions	2,886
Disposals of subsidiaries	(3,239)
Disposals and retirements	(210)
Reclassification to assets held for sale	(11,468)
Exchange differences	322
Balance as of 31 December 2022	<b>26,183</b>
Additions	2,795
Disposals and retirements	(2,934)
Balance as of 30 September 2023	<b>26,044</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT:</b>	
Balance as of 1 January 2022	<b>16,623</b>
Charge for the year	1,180
Disposals and retirements	(212)
Disposals of subsidiaries	(777)
Reclassification to assets held for sale	(9,598)
Exchange differences	(11)
Balance as of 31 December 2022	<b>7,205</b>
Charge for the period	843
Disposals and retirements	(971)
Balance as of 30 September 2023	<b>7,077</b>
<b>Net book value as of 30 September 2023</b>	<b>18,967</b>
<b>Net book value as of 31 December 2022</b>	<b>18,978</b>

6.

**PROPERTY, PLANT AND EQUIPMENT**

Movement of fixed assets in 2023 Q3 and 2022 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress	Total
<b>COST:</b>					
Balance as of 1 January 2022	1,086	3,162	10,173	21	14,442
Additions arising from acquisitions of subsidiaries	97	21	11	-	129
Additions	-	45	352	442	839
Disposals and retirements	(560)	(859)	(709)	-	(2,128)
Disposals related to discontinued operations	(96)	(923)	(614)	-	(1,633)
Reclassification to asset held for sale	(45)	(315)	(7,991)	-	(8,351)
Exchange differences	-	206	1	-	207
Reclassification	-	-	463	(463)	-
<b>Balance as of 31 December 2022</b>	<b>482</b>	<b>1,337</b>	<b>1,686</b>	<b>-</b>	<b>3,505</b>
Additions arising from acquisitions of subsidiaries	-	-	4	-	4
Additions	-	6	481	-	487
Disposals and retirements	(387)	(383)	(103)	-	(873)
<b>Balance as of 30 September 2023</b>	<b>95</b>	<b>960</b>	<b>2,068</b>	<b>-</b>	<b>3,123</b>
<b>ACCUMULATED DEPRECIATION:</b>					
Balance as of 1 January 2022	452	2,985	6,485	-	9,922
Charge for the year	17	50	1,090	-	1,157
Disposals and retirements	(276)	(845)	(561)	-	(1,682)
Disposals related to discontinued operations	-	(760)	(422)	-	(1,182)
Reclassification to asset held for sale	(45)	(304)	(5,558)	-	(5,907)
Exchange differences	(1)	191	13	-	203
<b>Balance as of 31 December 2022</b>	<b>147</b>	<b>1,317</b>	<b>1,047</b>	<b>-</b>	<b>2,511</b>
Additions arising from acquisitions of subsidiaries	-	-	3	-	3
Charge for the year	6	2	285	-	293
Disposals and retirements	(58)	(374)	24	-	(408)
<b>Balance as of 30 September 2023</b>	<b>95</b>	<b>945</b>	<b>1,359</b>	<b>-</b>	<b>2,399</b>
<b>Net book value as of 30 September 2023</b>	<b>-</b>	<b>15</b>	<b>709</b>	<b>-</b>	<b>724</b>
<b>Net book value as of 31 December 2022</b>	<b>335</b>	<b>20</b>	<b>639</b>	<b>-</b>	<b>994</b>

## 7.

**DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE**

Group management evaluated IFRS 5 criteria for assets held for sale and in 30 September 2023 and there were no entities which met the criteria to be classified as held for sale and represented in Consolidated Statement of financial position.

As of 31 December 2022, the criteria to be classified as held for sale and presented as such in Consolidated Statement of financial position, was met by Deleterma sp. z o.o. and UAB Baltijos būsto priežiūra along with the subsidiaries of both entities: PROGRESLINE Sp.z o.o., ZZN Inwestycje Sp.z o.o., Tumieszkamy Sp.z o.o., Wolska Aparthotel Sp.z o.o., Parama Group Sp.z o.o., Atrium 21 Sp.z o.o., Skydas - Przeglądy Budowlane Sp.z o.o., Parama Red Sp.z o.o., Parama White Sp.z o.o., Concierge - Zarządzanie Nieruchomościami Sp.z o.o., Parama Blue Sp.z o.o., Parama Yellow Sp.z o.o., EnergiaOK sp. z o.o., Grupa Techniczna 24 Sp. z o.o, UAB Neries būstas, Zespół Zarządców Nieruchomości sp. z o.o. , Famix sp. z.o.o., TED Sp. z o.o., Dom - Best Sp. z o.o., Certus - Serwis Sp. z o.o, SANTER Zarządzanie Nieruchomościami. Deleterma sp. z o.o. and UAB Baltijos būsto priežiūra together with subsidiaries represent the business segment in Poland.

Group of companies that develops business related to the PortalPRO platform in various European countries were also classified as assets held for sale as of 31 December 2022. These group of companies includes SIA PortalPRO, PortalPRO S.L., PortalPRO Sp.z o.o, PortalPRO LDA, PortalPRO s.r.o., UAB PortalPRO, UAB Medžiagų tiekimo centras, UAB Getfiks.

In 2022, immediately after the classification of the above mentioned subsidiaries as assets held for sale, the Group management performed the re-measurement of the carrying amount of the assets in the disposal group to their fair value less costs to sell which is estimated to be EUR 2,018 thousand. Therefore EUR 5,374 thousand write-off was recognised on 31 December 2022 to reduce the carrying amount of the assets in the disposal group to their fair value less costs. This was recognised in discontinued operations in the consolidated statement of comprehensive income. No additional write-off was recognized in nine months of 2023.

7.

**DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (cont'd)**

The major classes of assets, equity and liabilities attributable to assets held for sale as of 30 September 2023 and 31 December 2022 are the following:

	As of 30 September 2023	As of 31 December 2022
<b>NON-CURRENT ASSETS</b>		
Goodwill	-	207
Other intangible assets	-	1,872
Property, plant and equipment	-	2,445
Right of use assets	-	578
Non-current receivables	-	94
Deferred income tax asset	-	688
<b>TOTAL NON-CURRENT ASSETS</b>	<b>-</b>	<b>5,884</b>
<b>CURRENT ASSETS</b>		
Inventories	-	1,150
Prepayments	-	380
Trade receivables	-	1,701
Other receivables and current assets	-	2,059
Cash and cash equivalents	-	232
<b>TOTAL CURRENT ASSETS</b>	<b>-</b>	<b>5,522</b>
<b>Fair value less costs to sell measurement</b>	<b>-</b>	<b>(5,374)</b>
<b>Total assets</b>	<b>-</b>	<b>6,032</b>
<b>EQUITY</b>		
Equity	-	2,110
Reserves of a disposal group classified as held for sale	-	(92)
<b>TOTAL EQUITY</b>	<b>-</b>	<b>2,018</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial lease obligations	-	381
Non-current payables	-	55
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>436</b>
<b>CURRENT LIABILITIES</b>		
Current portion of financial lease obligations	-	209
Trade payables	-	1,508
Contract liabilities	-	138
Other current liabilities	-	1,723
<b>TOTAL CURRENT LIABILITIES</b>	<b>-</b>	<b>3,578</b>
Total liabilities	-	4,014
<b>Total equity and liabilities</b>	<b>-</b>	<b>6,032</b>

7.

**DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (cont'd)**

On May 2022, the Group sold 100% stake in UAB Baltijos turto valdymas along with the subsidiaries, which was a 100% shareholder of companies based in St. Petersburg, Russian Federation.

On September 2022 the Company has signed the share purchase - sale agreement for the sale of UAB InHouse Digital and all of its subsidiaries, which were acquired in Portugal, the Czech Republic, Romania and Hungary from the end of 2021 until the transaction.

On May 2023 the Company signed the share purchase-sale agreement for the sale of UAB Baltijos būsto priežiūra and Deleterma Sp. z o.o. and all of these entities subsidiaries operating in Poland.

After evaluation of IFRS 5 Discontinued operations criteria in 2023 Q3 entities related to business segment in Poland (Deleterma Sp. z o.o., PROGRESLINE Sp.z o.o., ZZN Inwestycje Sp.z o.o., Tumieszkamy Sp.z o.o., Wolska Aparthotel Sp.z o.o., Parama Group Sp.z o.o., Atrium 21 Sp.z o.o., Skydas - Przeglądy Budowlane Sp.z o.o., Parama Red Sp.z o.o., Parama White Sp.z o.o., Concierge - Zarządzanie Nieruchomościami Sp.z o.o., Parama Blue Sp.z o.o., Parama Yellow Sp.z o.o., UAB Baltijos būsto priežiūra, EnergiaOK sp. z o.o., Grupa Techniczna 24 Sp. z o.o, UAB Neries būstas, Zespół Zarządców Nieruchomości sp. z o.o., Famix sp. z.o.o., TED Sp. z o.o., Dom - Best Sp. z o.o., SANTER Zarządzanie Nieruchomościami, Certus - Serwis Sp. z o.o) were classified as discontinued operations and presented as such in Consolidated Statement of Comprehensive Income. In addition to entities mentioned above, in 2022 Q2 these entities were also classified as discontinued operations: UAB Baltijos turto valdymas, ООО МН Групп, ООО Чистый дом, ООО Спеc RNU, ООО ПорталПРО, ООО Подъемные механизмы, ОАО City Service, ZAO City Service, ООО Жилкомсервис № 3 Фрунзенского района, UAB InHouse Digital, IMPROXY - TECHNOLOGIAS DE INFORMACAO LDA, INTEGRI, s.r.o., Homefile S.R.L., Homefile Suport Solutions S.R.L., InHouse Finance Kft., Starlit s.r.o. and Swan Liberec s.r.o.

The result of discontinued operations is as following:

	2023 Q3	2022 Q3
Revenue from contracts with customers	7,806	26,923
Cost of sales	(7,193)	(20,970)
<b>Gross profit (loss)</b>	<b>613</b>	<b>5,953</b>
General and administrative expenses	92	(6,366)
Credit loss expenses on financial assets	62	(245)
Other operating activity, net	(786)	(1,561)
<b>Gain (loss) from operations</b>	<b>(19)</b>	<b>(2,219)</b>
Interest and other finance income	28	101
Interest and other finance expenses	(39)	(1,034)
<b>Gain (loss) before tax</b>	<b>(30)</b>	<b>(3,152)</b>
Income tax	(30)	(11)
<b>Net profit (loss)</b>	<b>(60)</b>	<b>(3,163)</b>

All income tax expenses presented in the disclosure are attributable to discontinued operations. Gain (loss) on sale of discontinued operation is non-taxable item.

The net cash flows incurred from discontinued operations are as follows:

	2023 Q3	2022 Q3
Net cash flows (to) from operating activities	1,393	6,340
Net cash flows (to) from investing activities	(483)	(2,351)
Net cash flows from (to) from financing activities	(4)	959
<b>Net increase (decrease) in cash flows</b>	<b>906</b>	<b>4,948</b>

8.

**RIGHT OF USE ASSETS AND LEASE**

Effect to the consolidated statement of financial position as at 30 September 2023 and 2022:

	Buildings	Vehicles	Total
<b>ASSETS</b>			
Cost			
Balance as of 1 January 2022	<b>7,185</b>	<b>3,942</b>	<b>11,127</b>
Additions	1,357	-	1,357
Disposals	(1,464)	(1,461)	(2,925)
Exchange differences	307	-	307
Disposals related to discontinued operations	(2,485)	-	(2,485)
Balance as of 31 December 2022	<b>4,900</b>	<b>2,481</b>	<b>7,381</b>
Additions	706	-	706
Disposals and retirements	(3,364)	(24)	(3,388)
Balance as of 30 September 2023	<b>2,242</b>	<b>2,457</b>	<b>4,699</b>
Accumulated depreciation			
Balance as of 1 January 2022	<b>2,433</b>	<b>2,869</b>	<b>5,302</b>
Charge for the year	1,083	421	1,504
Disposals and retirements	(1,307)	(1,351)	(2,658)
Exchange differences	57	-	57
Disposals related to discontinued operations	(726)	-	(726)
Balance as of 31 December 2022	<b>1,540</b>	<b>1,939</b>	<b>3,479</b>
Charge for the year	586	281	867
Disposals and retirements	(1,634)	(24)	(1,658)
Balance as of 30 September 2023	<b>492</b>	<b>2,196</b>	<b>2,688</b>
<b>Right of use assets as of 30 September 2023</b>	<b>1,750</b>	<b>261</b>	<b>2,011</b>
<b>Right of use assets as of 31 December 2022</b>	<b>3,360</b>	<b>542</b>	<b>3,902</b>

Set out below are IFRS 16 impact to profit (loss) statement:

	2023 Q3	2022 Q3
Depreciation expense of right-of-use assets	867	1,424
Interest expense on lease liabilities	860	1,188
Expense relating to leases of low-value assets (included in administrative expenses)	241	259
<b>Profit (loss) from operations</b>	<b>1,968</b>	<b>2,871</b>

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 3,201 thousand as at 30 September 2023 (1,431 thousand as at 30 September 2022). The Group had EUR 706 thousand non-cash additions to right-of-use assets and lease liabilities as at 30 September 2023 (EUR 273 thousand as at 30 September 2022).

9.

**TRADE RECEIVABLES**

**TRADE RECEIVABLES OF THE GROUP AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022 WERE AS FOLLOWS:**

	Balance as of 30 September 2023	Balance as of 31 December 2022
Trade receivables, gross	33,074	27,814
Less: allowance for doubtful trade receivables	(8,705)	(7,331)
<b>Trade receivables, net</b>	<b>24,369</b>	<b>20,483</b>

Trade receivables and other receivables generally have 30 - 90 days payment terms.

Non-current receivables mainly comprise of long-term part of receivables for residential buildings' repair works performed.

10.

**BORROWINGS**

**BORROWINGS OF THE GROUP AND THE COMPANY AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022 WERE AS FOLLOWS:**

Creditor	Currency	Balance as of 30 September 2023	Balance as of 31 December 2022
<u>SHORT-TERM LOANS</u>			
Bank loans	EUR	4,782	1,829
<b>SHORT-TERM LOANS BALANCE</b>		<b>4,782</b>	<b>1,829</b>
<u>LONG-TERM LOANS</u>			
Bank loans	EUR	11,724	13,497
Minus: long term loans of the current year		(2,583)	(3,038)
<b>LONG-TERM LOANS BALANCE</b>		<b>9,141</b>	<b>10,459</b>

For the loans and overdraft the Company and its subsidiaries have pledged to the bank bank accounts of the Company and its subsidiaries in Lithuania. Shares of UAB City Service are pledged to AB SEB bankas as well.

UAB City Service, UAB Mano Būstas Baltija, UAB Mano Būstas Neris, UAB Mano Būstas NPC, UAB Mano Būstas Sostinė, UAB Mano Būstas Vilnius, UAB Mano Būstas Aukštaitija, UAB Mano Būstas Dainava, UAB Mano Būstas Radviliškis, UAB Mano Būstas Šiauliai, UAB Mano Būstas Vakarai, UAB Mano Būstas Kaunas and UAB Mano Būstas Klaipėda jointly have pledged up to EUR 9.5 million claim rights to receivables under concluded agreements.

11.

**COST OF SALES**

	2023 Q3	2022 Q3 (Restated)
Services of subcontractors and materials used	28,974	22,303
Wages and salaries and social security	18,515	15,580
Cost of goods sold	641	1,186
Depreciation	9	8
Other	6,201	3,149
<b>Total cost of sales</b>	<b>54,340</b>	<b>42,226</b>

12.

**GENERAL AND ADMINISTRATIVE EXPENSES**

	2023 Q3	2022 Q3 (Restated)
Wages and salaries and social security	7,540	7,462
Depreciation and amortisation	2,056	2,131
Consulting and similar expenses	1,269	1,056
Computer software maintenance	417	332
Advertising	357	400
Transportation and fuel expenses	278	359
Rent of premises and other assets	241	259
Commissions for collection of payments	234	264
Insurance	214	172
Taxes other than income tax	200	75
Representational costs	180	162
Communication expenses	122	145
Business trips and training	113	77
Bank payments	82	74
Utilities	39	52
Charity and support	12	32
Other	1,092	1,254
<b>Total general and administrative expenses</b>	<b>14,446</b>	<b>14,306</b>

13.

**OTHER OPERATING INCOME (EXPENSES)**

	2023 Q3	2022 Q3 (Restated)
Gain (loss) on disposal of property, plant and equipment	(218)	220
Other income (expenses), net	245	264
<b>Total other operating activity</b>	<b>27</b>	<b>484</b>

14.

**INTEREST AND OTHER FINANCE INCOME AND (EXPENSES)**

	2023 Q3	2022 Q3 (Restated)
Gain (loss) on sale of investments	5,333	2,025
Foreign currency exchange gain (loss)	352	-
Interest income	122	84
Other financial income	128	1
<b>Total finance income</b>	<b>5,935</b>	<b>2,110</b>
Gain (loss) on sale of investments	(3,150)	(1,911)
Interest (expenses)	(1,728)	(623)
Foreign currency exchange (loss)	-	(303)
Other financial (expense)	-	(2)
<b>Total finance (expenses)</b>	<b>(4,878)</b>	<b>(2,839)</b>
<b>Financial activity, net</b>	<b>1,057</b>	<b>(729)</b>

15.

**DIVIDENDS PER SHARE**

	2023 Q3	2022 Q3
Number of shares (in thousand)	31,610	31,610
Approved dividends	-	-
<b>Approved dividends per share</b>	<b>-</b>	<b>-</b>

16.

**RELATED PARTY TRANSACTIONS**

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group and the Company are considered the following:

- UAB Unit Invest – the ultimate parent of the Company;
- Subsidiaries and associates of UAB Unit Invest (same ultimate controlling shareholder);
- Associates of City Service SE subsidiaries (for the list of the associates, see also Note 1.4);
- A. Gudelis, V. Turonis, D. Šimaitis (Company’s management board);

Transactions with related parties include sales and purchases of goods and services in the ordinary course of business and acquisitions and disposals of property, plant and equipment.

UAB City Service, SIA City Service and Deleterma sp. z o.o. have provided surety for City Service SE to AB SEB bankas under credit agreement. Companies are liable to the extent of all its assets to the Bank with respect to the same amount as the City Service SE. Shares of UAB City Service are pledged to AB SEB bankas as well. Also UAB City Service, UAB Mano Būstas Baltija, UAB Mano Būstas Neris, UAB Mano Būstas NPC, UAB Mano Būstas Sostinė, UAB Mano Būstas Vilnius, UAB Mano Būstas Radviliškis, UAB Mano Būstas Aukštaitija, UAB Mano Būstas Dainava, UAB Mano Būstas Kaunas, UAB UAB Mano Būstas Šiauliai, UAB Mano Būstas Vakarai and UAB Mano Būstas Klaipėda have pledged to AB SEB bankas current and future claim rights to receivables arising from all agreements concluded by the companies with other natural and legal persons jointly up to EUR 9.5 million (with all existing and future amendments and additions thereto).

Payables and receivables between related parties are non-interest bearing. Receivables and payables payment terms between the related parties are up to 15-30 days, except for the dividends and loans, which are repaid in accordance to the legal and contractual requirements, respectively.

2023 Q3	Purchases	Sales	Receivables and prepayments	Loans granted	Borrowings	Payables and advances received
UAB Veikmės statyba	-	47	45	-	-	-
UAB Verslo finansavimo sprendimai	3	393	260	-	-	4,211
UAB Axioma Servisas	193	32	12	-	-	9
UAB InHouse Digital	-	89	-	-	-	29
UAB InHouse Finance	-	-	-	-	90	-
UAB Medžiagų tiekimo centras	-	-	36	78	-	294
UAB ICOR	335	305	135	-	-	31
Associates and other related parties	1,929	1,718	827	552	-	12
<b>Total</b>	<b>2,460</b>	<b>2,584</b>	<b>1,315</b>	<b>630</b>	<b>90</b>	<b>4,586</b>

## 17.

**SUBSEQUENT EVENTS**

On 23 October 2023 reduced share capital of UAB Būsto aplinka was registered. The share capital of UAB Būsto aplinka after the reduction is EUR 358 125. Share capital of the company is divided into 1 234 914 ordinary shares, the nominal value of which remained at EUR 0,29.

On 25 October 2023 reduced share capital of UAB Mano Būstas Kaunas was registered. The share capital of UAB Mano Būstas Kaunas after the reduction is EUR 323 889. Share capital of the company is divided into 11 184 ordinary shares, the nominal value of which remained at EUR 28,96.

On 25 October 2023 reduced share capital of UAB Mano Būstas Šiauliai was registered. The share capital of UAB Mano Būstas Šiauliai after the reduction is EUR 939 463. Share capital of the company is divided into 3 239 528 ordinary shares, the nominal value of which remained at EUR 0,29.

On 26 October 2023 reduced share capital of UAB City Service Cleaning was registered. The share capital of UAB City Service Cleaning after the reduction is EUR 203 891. Share capital of the company is divided into 703 072 ordinary shares, the nominal value of which remained at EUR 0,29.

On 26 October 2023 reduced share capital of UAB Mano Būstas Sostinė was registered. The share capital of UAB Mano Būstas Sostinė after the reduction is EUR 74 369. Share capital of the company is divided into 2 568 ordinary shares, the nominal value of which remained at EUR 28,96.

On 6 November 2023 reduced share capital of UAB Mano Būstas Baltija was registered. The share capital of UAB Mano Būstas Baltija after the reduction is EUR 99 548. Share capital of the company is divided into 103 293 ordinary shares, the nominal value of which remained at EUR 2,90.

On November 30, 2023, City Service SE (hereinafter - the Company) signed a financing agreement with „Swedbank“, AB (enterprise code 112029651), which allows the Company to borrow up to EUR 18,9 million. The loan shall be used to finance working capital and to refinance existing loans.



**City Service SE**

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