

# CITYSERVICE

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**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE NINE MONTHS PERIOD  
ENDED 30 SEPTEMBER, 2022 (UNAUDITED)**

**City Service SE**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2022  
(UNAUDITED)**

Beginning of the reporting period	1 January 2022
End of the reporting period	30 September 2022
Business name	City Service SE
Registration number	12827710
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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

## CONTENTS

DECLARATION OF THE MANAGEMENT .....	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	7
STATEMENTS OF COMPREHENSIVE INCOME .....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	9
CONSOLIDATED STATEMENT OF CASH FLOWS .....	10
GENERAL INFORMATION .....	11
1.1. ACTIVITY .....	11
1.2. SHARE CAPITAL OF THE COMPANY .....	12
1.3. SHAREHOLDERS OF THE COMPANY .....	12
1.4. CITY SERVICE GROUP .....	13
1.5. COMPANY'S SUPERVISORY BOARD .....	16
1.6. COMPANY'S MANAGEMENT BOARD .....	17
1.7. ACTIVITY AND SEGMENT INFORMATION .....	19
ACCOUNTING POLICIES.....	21
GOODWILL .....	21
SIGNIFICANT EVENTS .....	24
OTHER INTANGIBLE ASSETS.....	27
PROPERTY, PLANT AND EQUIPMENT .....	28
DISCONTINUED OPERATIONS .....	29
RIGHT OF USE ASSETS AND LEASE .....	30
TRADE RECEIVABLES .....	31
BORROWINGS.....	31
COST OF SALES.....	32
GENERAL AND ADMINISTRATIVE EXPENSES.....	32
OTHER OPERATING INCOME (EXPENSES).....	33
INTEREST AND OTHER FINANCE INCOME AND (EXPENSES) .....	33
DIVIDENDS PER SHARE .....	33
RELATED PARTY TRANSACTIONS .....	34
SUBSEQUENT EVENTS.....	35

## 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 2022

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	As of 30 September 2022	As of 31 December 2021
Assets			
<b>NON-CURRENT ASSETS</b>			
Goodwill	3	9,136	10,580
Other intangible assets	5	20,462	21,089
Property, plant and equipment	6	3,556	4,520
Right of use assets	8	3,805	5,825
Non-current receivables	9	8,139	6,056
Non-current receivables from related parties		26	-
Deferred income tax asset		2,253	2,464
<b>Total non-current assets</b>		<b>47,377</b>	<b>50,534</b>
<b>CURRENT ASSETS</b>			
Inventories		2,454	1,430
Prepayments		2,148	1,716
Trade receivables	9	21,499	28,722
Receivables from related parties	16	1,095	545
Contract assets		1,158	2,128
Other receivables and current assets		3,521	5,326
Cash and cash equivalents		3,696	6,172
<b>Total current assets</b>		<b>35,571</b>	<b>46,039</b>
<b>Total assets</b>		<b>82,948</b>	<b>96,573</b>

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

	Notes	As of 30 September 2022	As of 31 December 2021
Equity and liabilities			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		9,483	9,483
Other reserves		948	948
Share premium		21,067	21,067
Foreign currency translation reserve		451	(3,249)
Retained earnings (deficit)		(9,896)	(8,865)
		<hr/>	<hr/>
		22,053	19,384
Non-controlling interests		152	492
<b>TOTAL EQUITY</b>		<b>22,205</b>	<b>19,876</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current borrowings	10	11,843	2,715
Lease liabilities	8	2,645	4,242
Deferred income tax liabilities		1,355	1,748
Non-current payables		6,041	6,504
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>21,884</b>	<b>15,209</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	10	3,392	16,232
Current portion of lease liabilities	8	1,506	1,963
Current loans	10	8,455	5,901
Trade payables		6,940	12,049
Payables to related parties	16	1,590	979
Contract liabilities		5,660	5,540
Other current liabilities		11,316	18,824
<b>TOTAL CURRENT LIABILITIES</b>		<b>38,859</b>	<b>61,488</b>
Total liabilities		60,743	76,697
<b>Total equity and liabilities</b>		<b>82,948</b>	<b>96,573</b>

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

	Notes	2022 Q3	2021 Q3 (Restated, Note 7)
Revenue from contracts with customers	1.7	66,139	67,087
Cost of sales	11	(46,778)	(47,767)
<b>Gross profit</b>		<b>19,361</b>	<b>19,320</b>
General and administrative expenses	12	(16,571)	(19,957)
Credit loss expenses on financial assets		(438)	(847)
Other operating activity, net	13	(1,028)	14
<b>Profit (loss) from operations</b>		<b>1,324</b>	<b>(1,470)</b>
Interest and other finance income	14	2,133	741
Interest and other finance expenses	14	(3,585)	(784)
<b>Profit (loss) before tax</b>		<b>(128)</b>	<b>(1,513)</b>
Income tax		(701)	(859)
<b>(Loss) from continued operations</b>		<b>(829)</b>	<b>(2,372)</b>
<b>Discontinued operations</b>			
Net (loss) profit from discontinued operations	7	(708)	2,016
<b>Net (loss)</b>		<b>(1,537)</b>	<b>(356)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		1,915	302
<b>Total comprehensive income</b>		<b>378</b>	<b>(54)</b>
<b>Attributable to:</b>			
The shareholders of the Company		(1,031)	(359)
Non-controlling interests		(506)	3
		<b>(1,537)</b>	<b>(356)</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		884	(57)
Non-controlling interests		(506)	3
		<b>378</b>	<b>(54)</b>
<b>Basic and diluted earnings per share (EUR)</b>		<b>(0.03)</b>	<b>0.04</b>



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

	2022 Q3	2021 Q3 (Restated)
Sales	22,340	20,768
Cost of sales	(15,330)	(15,124)
<b>Gross profit</b>	<b>7,010</b>	<b>5,644</b>
General and administrative expenses	(4,989)	(6,436)
Credit loss expenses on financial assets	(85)	(369)
Other operating income, net	(721)	(59)
<b>Profit (loss) from operations</b>	<b>1,215</b>	<b>(1,220)</b>
Finance activity result, net	967	(502)
<b>Profit (loss) before tax</b>	<b>2,182</b>	<b>(1,722)</b>
Income tax	(326)	(413)
<b>Net profit (loss) from continued operations</b>	<b>1,856</b>	<b>(2,135)</b>
<b>Discontinued operations</b>		
Net (loss) profit from discontinued operations	(244)	634
<b>Net profit (loss)</b>	<b>1,612</b>	<b>(1,501)</b>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total
<b>Balance as of 1 January 2021</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,501)</b>	<b>948</b>	<b>19,836</b>	<b>47,833</b>	<b>413</b>	<b>48,246</b>
Net profit		-	-	-	-	(359)	(359)	3	(356)
Other comprehensive Income		-	-	289	-	-	289	13	302
Total comprehensive Income		-	-	289	-	(359)	(70)	-	(54)
Dividends declared		-	-	-	-	(13,656)	(13,656)	-	(13,656)
<b>Balance as of 30 September 2021</b>		<b>9,483</b>	<b>21,067</b>	<b>(3,212)</b>	<b>948</b>	<b>5,821</b>	<b>34,107</b>	<b>429</b>	<b>34,536</b>
<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		-	-	-	-	(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
Discontinued operations		-	-	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>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022 Q3	2021 Q3
<b>Cash flows from (to) operating activities</b>			
Net (loss) from continued operations		(829)	(2,372)
Net (loss) profit from discontinued operations		(708)	2,016
<b>Adjustments for non-cash items:</b>			
Income tax expenses		627	1,365
Depreciation and amortisation	5,6,8	2,986	4,198
Impairment and discounting of accounts receivable		480	425
(Gain) on disposal of property, plant and equipment	13	(484)	(496)
(Gain) from sale of investments		(114)	(580)
Other financial activity, net		1,838	574
		<b>3,796</b>	<b>5,130</b>
<b>Changes in working capital:</b>			
(Increase) in inventories		(1,415)	(609)
Decrease in receivables, contract assets and other current assets		3,802	9,038
(Increase) in prepayments		(757)	(709)
Increase (decrease) in trade payables and payables to related parties		1,850	(1,320)
Income tax (paid)		(1,143)	(1,900)
Increase (decrease) in advances received, contract liabilities and other current liabilities		1,975	(2,266)
<b>Net cash flows from operating activities</b>		<b>8,108</b>	<b>7,364</b>
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of non-current assets (except investments)	5,6	(2,988)	(3,019)
Proceeds from sale of non-current assets		1,066	1,670
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)	3	(6,288)	(282)
Disposal of investments in subsidiaries		(854)	715
Interest received		100	179
Loans (granted)		(1)	-
Loans repaid		3	38
<b>Net cash flows (to) investing activities</b>		<b>(8,962)</b>	<b>(699)</b>
<b>Cash flows from (to) financing activities</b>			
Dividends (paid)		-	(13,656)
Proceeds of loans		332	677
(Repayment) of financial lease liabilities		(1,372)	(1,905)
Interest (paid)		(773)	(519)
<b>Net cash flows (to) financial activities</b>		<b>(1,813)</b>	<b>(15,403)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(2,667)</b>	<b>(8,738)</b>
<b>Foreign exchange difference</b>		<b>191</b>	<b>99</b>
<b>Cash and cash equivalents at the beginning of the period*</b>		<b>6,172</b>	<b>14,154</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,696</b>	<b>5,515</b>

\*Group cash flows for 2021 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 Western, Central and 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, Poland, Spain, Latvia, Czech Republic, Hungary, Romania and Portugal.

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, IT services.

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 16.6 million sq. m. at present.

During this year City Service group carried on implementing confirmed strategy and was further looking for growth opportunities in Central and Western Europe. Extensive negotiations with potential foreign companies regarding their acquisition, reorganization and implementation according to the Group’s business model and standards were carried out.

1.2.

**SHARE CAPITAL OF THE COMPANY**

The share capital of the Company is EUR 9,483 thousand as of 30 September 2022. 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 2022 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 2022 the total number of shareholders of the Company was 63\*.

\* Number of the shareholders reflects only shareholders who hold more than 0.5 per cent of the votes through a nominee accounts (according to amendments that entered into force in 10 September 2020 in the Securities Register Maintenance Act (§ 6 Nominee account (subsection 9.2)) and hold their shares directly (not through nominee accounts).

**COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 SEPTEMBER 2022 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, 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 2022 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 2022	Share of the stock held by the Group as of 30 September 2021	Main activities
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Apex intelligence	Lithuania	100%	100%	IT energy saving solutions for buildings
UAB Baltijos būsto priežiūra	Lithuania	100%	100%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos transporto valdymas	Lithuania	100%	100%	Asset management
UAB Baltijos turto valdymas	Lithuania	-	100%	Holding company
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB BonoDomo	Lithuania	100%	100%	IT services
UAB BonoDomo Pay	Lithuania	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 City Service	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 InHouse Digital	Lithuania	-	100%	Holding company
UAB Getfiks	Lithuania	100%	-	Supply chain management
UAB Neries būstas	Lithuania	100%	100%	Dormant
UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of public territories and premises
UAB Mano aplinka plus	Lithuania	-	100%	Cleaning of territories and premises
UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būstas	Lithuania	100%	100%	Administration of dwelling-houses
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	99.84%	99.84%	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%	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%	100%	Technical maintenance of heating systems
UAB Pastatų valdymas	Lithuania	100%	100%	Administration of dwelling-houses
UAB PortalPRO	Lithuania	100%	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
Aresi administracion de fincas S. L.	Spain	100%	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%	100%	Insurance services
Euronamas Gestion de Fincas Centro, S.L.	Spain	100%	100%	Administration of dwelling-houses
EUROHUB, S.L.	Spain	-	100%	Dormant
Grupo Aresi de Inversiones, S.L.	Spain	100%	100%	Holding company
Inmonamas, S.L.	Spain	-	100%	Dormant
PORTALPRO, S.L.	Spain	100%	100%	Supply chain management
URBAN HUB, S.L.	Spain	-	100%	Supply chain management
Vetell dos iberica, S.L.*	Spain	100%	100%	Administration of dwelling-houses
SIA BILANCE	Latvia	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%	100%	Dormant
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Livonijas Nami	Latvia	100%	-	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana	Latvia	100%	100%	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana 2	Latvia	100%	100%	Administration of dwelling-houses

SIA NIRA Fonds apsaimniekosana-Salnas 21	Latvia	100%	100%	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana 3	Latvia	100%	100%	Administration of dwelling-houses
SIA Ventspils nami	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Deleterma sp. z o.o.	Poland	100%	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	100%	100%	Administration of dwelling-houses
Concierge - Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Dom Best sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
EnergiaOK sp. z o.o.	Poland	100%	100%	Sale of electricity
Famix sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Grupa Techniczna 24 sp. z o.o.	Poland	100%	100%	Building maintenance
Home Rent sp. z o.o.	Poland	50%	50%	Administration of dwelling-houses
Parama Blue sp. z o.o.	Poland	100%	100%	Dormant
Parama Group sp. z o.o.	Poland	100%	100%	Holding company
Parama Yellow sp. z o.o.	Poland	100%	100%	Dormant
Parama Red sp. z o.o.	Poland	100%	100%	Dormant
Parama White sp. z o.o.	Poland	100%	100%	Dormant
PORTALPRO sp. z o.o.	Poland	100%	100%	Supply chain management
Progresline sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Santer Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Skydas - Przeglądy Budowlane sp. z o.o.	Poland	100%	100%	Dormant
TED sp. z o.o.	Poland	100%	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	100%	100%	Dormant
Wolska Aparthotel sp. z o. o.**	Poland	100%	100%	Accommodation services
Zespół Zarządców Nieruchomości sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
ZZN Inwestycje sp. z o.o.	Poland	100%	100%	Dormant
PORTALPRO, UNIPESOAL LDA	Portugal	100%	-	Dormant
ОАО Сити Сервис / OAO City service	St. Petersburg	-	100%	Administration of dwelling-houses
ЗАО Сити Сервис / ZAO City service	St. Petersburg	-	100%	Administration of dwelling-houses
ООО Специализи-рованное ремонтно-наладочное управление	St. Petersburg	-	100%	Construction and engineering
ООО МН Групп	St. Petersburg	-	100%	Country holding company
ООО Жилкомсервис № 3 Фрунзенского района	St. Petersburg	-	80%	Administration of dwelling-houses
ООО Чистый дом	St. Petersburg	-	100%	Maintenance and cleaning of territories
ООО Подъемные механизмы	St. Petersburg	-	100%	Elevator installing & tech. support
ООО ПорталПРО	St. Petersburg	-	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 2022, 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 19, 2019	June 19, 2023
Gintautas Jaugielavičius	Member of the Supervisory Board	June 19, 2019	June 19, 2023

**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 2022 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
Tomas Kleiva	Member of the Management Board	June 26, 2021	November 25, 2022
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.

**Tomas Kleiva**



Tomas Kleiva (born in 1979) is a Member of the Management Board of City Service SE (since 2017). Tomas Kleiva was acting CEO until new management structure of City Service SE was approved (23 February 2017 – 26 June 2017).

Prior to that, Tomas Kleiva was the Financial Manager of City Service SE (2016 - 2017). He started to work in the Group as a Project Manager (2006 – 2009). Tomas Kleiva has a Master's degree in Environmental Engineering.

Tomas Kleiva is responsible and accountable for any and all financial matters and operations within the Group in all the jurisdictions and carries functions of Group's CFO, except for Lithuania, Latvia and Estonia. He has resigned from this position on November 25th, 2022 (Note 17).

1.6.

**COMPANY'S MANAGEMENT BOARD (cont'd)**



**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 Group activities in Poland and Spain, also 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:**

2022 Q3	Baltic states	Poland	Spain	All other segments	Total
Revenue from contracts with customers:	59,211	1,696	152	5,080	66,139
<b>Total revenue from contracts with customers</b>					<b>66,139</b>
Segment results	2,424	(1,908)	(502)	1,772	1,786
Unallocated expenses					(462)
<b>Profit from operations</b>					<b>1,324</b>
Net financial income					(1,452)
Profit before income tax					(128)
Income tax expenses					(701)
<b>Net profit for the year</b>					<b>(829)</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	2,228	439	1	246	<b>2,914</b>
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2021 Q3	Baltic states	Poland	Spain	All other segments	Total
Revenue from contracts with customers:	57,190	3,502	2,041	4,354	67,087
<b>Total revenue from contracts with customers</b>					<b>67,087</b>
Segment results	4,472	(2,959)	(2,207)	(315)	(1,009)
Unallocated expenses					(461)
<b>Profit from operations</b>					<b>(1,470)</b>
Net financial income					(43)
Profit before income tax					(1,513)
Income tax expenses					(859)
<b>Net profit for the year</b>					<b>(2,372)</b>

**OTHER SEGMENT INFORMATION**

Capital expenditure	2,961	6	42	-	<b>3,009</b>
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1.7.

**ACTIVITY AND SEGMENT INFORMATION (cont'd)**

**INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS:**

	Baltic states	Poland	Spain	All other segments	Total
Revenue from contracts from external customers					
2022 Q3	59,211	1,696	152	5,080	<b>66,139</b>
2021 Q3	57,190	3,502	2,041	4,354	<b>67,087</b>

	Baltic states	St. Petersburg	Poland	Spain	All other segments	Total
Segment non-current assets						
As of 30 September 2022	43,640	-	279	51	3,407	<b>47,377</b>
As of 31 December 2021	40,958	3,195	1,532	69	4,780	<b>50,534</b>

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

	2022 Q3	2021 Q3	Change
Area of residential apartment buildings under administration (million square meters)****	12.0	18.9	(36.5%)
Area of public, commercial building and atypical properties under administration (million square meters)	4.7	4.2	11.9%
Number of employees	1,569	2,715	(42.2%)
Sales for the period	86,299	97,250	(11.3%)
Sales (main activity)**	73,553	81,450	(9.7%)
Gross margin**	31.4%	30.2%	1.2 p.p.
EBITDA margin**	5.1%	6.4%	(1.3) p.p.
EBIT margin**	1.0%	1.2%	(0.2) p.p.
Net margin**	(2.1%)	(0.4%)	(1.7) p.p.
Number of shares (thousand)	31,610	31,610	-
Return on equity	(6.9%)	(1.0%)	(5.9)
Return on assets	(1.9%)	(0.4%)	(1.5)
Financial Net Debt to equity***	90.0%	44.9%	45.1

\* Main activity indicators are presented including subsidiaries that were disposed in 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 St. Petersburg.

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 2022 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

**GOODWILL**

**COST:**

Balance as of 1 January 2021	<b>10,575</b>
Additions	1,542
Exchange differences	27
Balance as of 31 December 2021	<b>12,144</b>
Additions	6,132
Exchange differences	38
Discontinued operations	(7,673)
Balance as of 30 September 2022	<b>10,641</b>

**IMPAIRMENT:**

Balance as of 1 January 2021	<b>1,322</b>
Exchange differences	(8)
Impairment recognized	250
Balance as of 31 December 2021	<b>1,564</b>
Exchange differences	(59)
Balance as of 30 September 2022	<b>1,505</b>

<b>Net book value as of 30 September 2022</b>	<b>9,136</b>
<b>Net book value as of 31 December 2021</b>	<b>10,580</b>

3.

**GOODWILL (cont'd)**

During reporting period the Company through its subsidiary acquired Improxy - Technologias de informacao LDA, Homefile S.R.L, Homefile Support S.R.L, UAB Getfiks. INTEGRI, s.r.o., Invert KFT, SWAN Liberec s.r.o. and O.K.-Soft Sokolov s.r.o.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	Improxy -	Homefile S.R.L	Homefile	UAB Getfiks
	Technologias de informacao LDA		Support S.R.L	
At the date of acquisition	01 March	02 March	02 March	04 March
Intangible assets	180	-	-	-
Property, plant and equipment	104	-	-	1
Trade receivables	7	15	8	5
Other current assets	77	19	-	1
<b>Total assets</b>	<b>368</b>	<b>34</b>	<b>8</b>	<b>7</b>
Long-term liabilities	50	-	-	-
Trade payables	10	-	-	1
Other current liabilities	119	18	1	-
<b>Total liabilities</b>	<b>179</b>	<b>18</b>	<b>1</b>	<b>1</b>
<b>Total identifiable net assets at fair value</b>	<b>189</b>	<b>16</b>	<b>7</b>	<b>6</b>
Fair value of acquired assets, liabilities and contingent liabilities	189	16	7	6
Goodwill	2,811	604	279	207
<b>Total purchase consideration</b>	<b>3,000</b>	<b>620</b>	<b>286</b>	<b>213</b>
Cash acquired	61	19	-	1
<b>Total purchase consideration, net of cash acquired</b>	<b>2,939</b>	<b>601</b>	<b>286</b>	<b>212</b>



Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	INTEGRI s.r.o.	Invert KFT	SWAN Liberec s.r.o.	O.K.-Soft Sokolov s.r.o.
At the date of acquisition	18 March	05 April	13 May	18 May
Property, plant and equipment	-	3	2	33
Trade receivables	3	15	5	4
Other current assets	1,129	48	23	31
<b>Total assets</b>	<b>1,132</b>	<b>66</b>	<b>30</b>	<b>68</b>
Long-term liabilities	24	-	-	-
Trade payables	4	-	-	1
Other current liabilities	853	8	3	2
<b>Total liabilities</b>	<b>881</b>	<b>8</b>	<b>3</b>	<b>3</b>
<b>Total identifiable net assets at fair value</b>	<b>251</b>	<b>58</b>	<b>27</b>	<b>65</b>
Fair value of acquired assets, liabilities and contingent liabilities	251	58	27	65
Goodwill	1,143	359	151	578
<b>Total purchase consideration</b>	<b>1,394</b>	<b>417</b>	<b>178</b>	<b>643</b>
Cash acquired	295	48	23	17
<b>Total purchase consideration, net of cash acquired</b>	<b>1,099</b>	<b>369</b>	<b>155</b>	<b>626</b>

## 4.

**SIGNIFICANT EVENTS****Investments and other changes during the nine months of the year 2022**

On 24 January 2022 UAB City Service Digital title was changed into UAB InHouse Digital. Other contact details did not change.

On 17 February 2022 Court of Appeal of Lithuania announced its decision in a case where Vilnius City municipality administration and General Prosecutors office initially claimed the Company regarding recovery of EUR 20,6 million losses. The Court of Appeal of Lithuania adjudged EUR 4,6 million from the Company to Vilnius City municipality. The Court also stated that Vilnius City municipality is also liable for the part of the losses. On 22 March 2022, the Company and Vilnius City Municipality Administration signed an agreement regarding the payment of the amount of EUR 4,6 million according to the instalment plan up to 31 December 2023.

On 24 February 2022 the Company received notifications, prepared pursuant to the Article 69 of the Act of July 29th, 2005 on public offering and the conditions for introducing financial instruments to the organized trading system and on public companies Journal of Laws 2005 No. 184 item 1539, regarding changes in the total number of votes at the Company's General Meeting due to reorganization of UAB Lag&d from UAB Lag&d to UAB Unit Invest of 26,813,293 shares in the Company, giving the right to exercise 26,813,293 of votes constituting 84,83% of the total number of votes at the City Service SE's General Meeting since 09 February 2022 when the reorganization of the UAB Lag&d was completed.

On 24 February 2022, the Russian Federation has launched an invasion of the Republic of Ukraine. Shortly after the invasion, the EU and rest of the world, including global bodies, imposed wide-ranging set of restrictive measures against Russia, which is updated and expanded on a regular basis. Until the disposal of subsidiaries operating in Russia, the restrictive measures imposed had no significant impact on the Group's performance in the Russian Federation, no operations had been suspended and no significant direct losses related to the restrictive measures had been incurred at the date of the financial statements.

On 01 March, 2022, the Group, through its Lithuanian subsidiary acquired 99.99% of the shares of IMPROXY - TECNOLOGIAS DE INFORMAÇÃO LDA (acquisition price EUR 3 million) which is based in Portugal. IMPROXY - TECNOLOGIAS DE INFORMAÇÃO LDA is engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 02 March 2022, the Group, through its Lithuanian subsidiary acquired 90% of the shares of Homefile S.R.L. and Homefile Suport Solutions S.R.L. (acquisition price EUR 620 thousand and EUR 286 thousand respectively) which are based in Romania. Homefile S.R.L. and Homefile Suport Solutions S.R.L. are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 03 March 2022, the Group, through its Lithuanian subsidiary established a new company InHouse Finance KFT (share capital HUF 3 million (EUR 8 thousand)).

On 04 March 2022, the Group, through its Lithuanian subsidiary acquired 100% of the shares of UAB Getfiks (acquisition price EUR 213 thousand) which is based in Lithuania. UAB Getfiks is engaged in supply chain management services.

On 11 March 2022 the Group, through its Spanish subsidiary, initiated voluntary liquidation of three dormant subsidiaries Inmonamas S.L, Urban Hub S.L.U, Eurohub S.LU.

4.

**SIGNIFICANT EVENTS (cont'd)**

On 18 March 2022 the Group, through its Lithuanian subsidiary, acquired 100% stake in INTEGRI s.r.o (acquisition price CZK 34.7 million (EUR 1.399 thousand)) which is based on Czech Republic. INTEGRI s.r.o are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 18 March 2022 SIA Connecto Pay title was changed into SIA BonoDomo. Other contact details did not change.

On 05 April 2022 the Group, through its Lithuanian subsidiary, acquired 100% stake in Invert KFT (acquisition price EUR 417 thousand) which is based on Hungary. Invert KFT are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 03 May 2022 the Group, through its Lithuanian subsidiary, established a new company BonoDomo Pay, UAB (share capital EUR 2,5 thousand).

On 05 May 2022 the Group established a new company Bono Domo Pay, UAB (share capital of company is EUR 2.5 thousand).

On 11 May 2022 City Service Polska sp. z o.o. title was changed into Deleterma sp. z o.o. Other contact details did not change.

On 13 May 2022 the Group, through its Czech subsidiary, acquired 100% stake in SWAN Liberec, s.r.o. (acquisition price CZK 4,394 thousand (EUR 178 thousand)) which is based on Czech Republic. SWAN Liberec, s.r.o are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 18 May 2022 the Group, through its Czech subsidiary, acquired 100% stake in O.K.-Soft Sokolov s.r.o. (acquisition price CZK 16,100 thousand (EUR 563 thousand)) which is based on Czech Republic. O.K.-Soft Sokolov s.r.o. are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

On 20 May 2022, liquidation process of Inmonamas SL, Urban HUB SL and EURO HUB SL was completed.

On 18 May 2022, the Group sold 100% stake in UAB Baltijos turto valdymas, which was a 100% shareholder of companies based in St. Petersburg, Russian Federation. Value of the share sale – purchase agreement is EUR 1,472 thousand. The carrying value of the net asset of the subsidiary disposed at the date of disposal amounted to EUR 1,537 thousand. The transaction was concluded in pursuance of the Company's decision to terminate business activities in the Russian Federation. Following this sale, City Service SE no longer has any business in the Russian Federation.

On 28 June 2022 UAB Enter Tech title was changed into UAB Energetinių projektų valdymas. Other contact details did not change.

## 4.

**SIGNIFICANT EVENTS (cont'd)**

On 28 June 2022 City Service SE signed the amendment to the bank agreement to change existing financing contract conditions regarding the breach of keeping minimum capital requirements. Maximum borrowing facility decreased from EUR 34 million to EUR 28 million. Moreover, payments of EUR 5,100 thousand are obliged to be made during financial year 2022 and additional payments of EUR 5,400 thousand will be made during the financial period 2023 - 2025. Remaining obligation to settle at the end of the contract at 1 September, 2025 will be EUR 17,500 thousand. Moreover, subsidiaries of the Group will be obliged to dispose companies operating in digital business area to City Service SE direct shareholder UAB Unit Invest which were acquired during the period including December 2021 – April 2022. Group management evaluated the possible outcome of the matters described above to Group's consolidated working capital and concluded that there is no material uncertainty in regard to Group's ability to continue as a going concern due respective explained measures taken, and therefore, Group management believes that these consolidated financial statements are presented fairly in accordance with going concern accounting principle.

On 29 June 2022 the Annual General Meeting of Shareholders of the Company has been held. The shareholders approved the set of consolidated annual financial statements of the Company for 2021 and distributed the Company's profit for the year 2021.

On 31 August 2022 the Group, through its Lithuanian subsidiary, sold 100% stake in UAB Mano aplinka plius, which provided cleaning of territories and premises services. Value of the share sale-purchase agreement is EUR 810 thousand. Net assets of disposed subsidiary at the date of issuing these financial statements amounted to EUR 141 thousand.

On 09 September 2022 the Company established a new subsidiary in Portugal PORTALPRO, UNIPESSOAL LDA (share capital of company is EUR 0.1 thousand).

On 19 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. Value of the share sale – purchase agreement is EUR 7,928 thousand (of which EUR 2.5 thousand are shares controlled by the seller and EUR 7,925 thousand are the seller's claim rights to receivables from UAB InHouse Digital). The carrying value of the net asset of the subsidiaries disposed at the date of disposal amounted to EUR (1,351) thousand. UAB InHouse Digital and its subsidiaries were engaged in the production and development of IT products for apartment building managers, administrators, communities, etc.

5.

**OTHER INTANGIBLE ASSETS**

Movement of other intangible assets in 2022 Q3 and 2021 is presented below:

	<b>Total</b>
<b>COST:</b>	
Balance as of 1 January 2021	<b>41,010</b>
Additions arising from acquisitions of subsidiaries	1,571
Additions	3,872
Exchange differences	38
Disposals and retirements	(4,768)
Discontinued operations	(4,011)
Balance as of 31 December 2021	<b>37,712</b>
Additions arising from acquisitions of subsidiaries	180
Additions	2,305
Disposals related to discontinued operations	(3,237)
Disposals and retirements	(189)
Exchange differences	(4)
Balance as of 30 September 2022	<b>36,767</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT:.</b>	
Balance as of 1 January 2021	<b>16,261</b>
Charge for the year	2,381
Exchange differences	(40)
Disposals and retirements	(4,735)
Impairment recognised	5,062
Discontinued operations	(2,306)
Balance as of 31 December 2021	<b>16,623</b>
Charge for the period	947
Disposals and retirements	(190)
Impairment	20
Disposals related to discontinued operations	(758)
Exchange differences	(337)
Balance as of 30 September 2022	<b>16,305</b>
<b>Net book value as of 30 September 2022</b>	<b>20,462</b>
<b>Net book value as of 31 December 2021</b>	<b>21,089</b>

6.

**PROPERTY, PLANT AND EQUIPMENT**

Movement of fixed assets in 2022 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 2021	1,616	4,340	11,953	25	17,934
Additions arising from acquisitions of subsidiaries	107	8	39	-	154
Additions	-	32	346	-	378
Disposals of subsidiaries	-	(22)	(34)	-	(56)
Disposals and retirements	(645)	(1,241)	(2,097)	-	(3,983)
Exchange differences	8	45	(34)	(4)	15
<b>Balance as of 31 December 2021</b>	<b>1,086</b>	<b>3,162</b>	<b>10,173</b>	<b>21</b>	<b>14,442</b>
Additions arising from acquisitions of subsidiaries	103	94	45	9	251
Additions	-	39	260	409	708
Disposals and retirements	(559)	(717)	(795)	-	(2,071)
Disposals related to discontinued operations	(103)	(923)	(612)	(9)	(1,647)
Exchange differences	(1)	122	(296)	(16)	(191)
<b>Balance as of 30 September 2022</b>	<b>526</b>	<b>1,777</b>	<b>8,775</b>	<b>414</b>	<b>11,492</b>
<b>ACCUMULATED DEPRECIATION:</b>					
Balance as of 1 January 2021	852	3,908	6,590	-	11,350
Charge for the year	230	151	1,418	-	1,799
Disposals and retirements	(641)	(1,119)	(1,633)	-	(3,393)
Impairment	11	26	112	-	149
Disposals of subsidiaries	-	-	(4)	-	(4)
Exchange differences	-	19	2	-	21
<b>Balance as of 31 December 2021</b>	<b>452</b>	<b>2,985</b>	<b>6,485</b>	<b>-</b>	<b>9,922</b>
Charge for the year	14	47	779	-	840
Additions arising from acquisitions of subsidiaries	1	73	34	-	108
Disposals and retirements	(277)	(706)	(670)	-	(1,653)
Disposals related to discontinued operations	-	(763)	(421)	-	(1,184)
Exchange differences	(2)	112	(207)	-	(97)
<b>Balance as of 30 September 2022</b>	<b>188</b>	<b>1,748</b>	<b>6,000</b>	<b>-</b>	<b>7,936</b>
<b>Net book value as of 31 September 2022</b>	<b>338</b>	<b>29</b>	<b>2,775</b>	<b>414</b>	<b>3,556</b>
<b>Net book value as of 31 December 2021</b>	<b>634</b>	<b>177</b>	<b>3,688</b>	<b>21</b>	<b>4,520</b>

7.

**DISCONTINUED OPERATIONS**

On 18 May 2022, the Group sold 100% stake in UAB Baltijos turto valdymas, which was a 100% shareholder of companies based in St. Petersburg, Russian Federation.

On 19 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.

After evaluation of IFRS 5 Discontinued operations criteria UAB Baltijos turto valdymas, ООО МН Групп, ООО Чистый дом, ООО Спец RNU, ООО ПорталПРО, ООО Подъемные механизмы, ОАО City Service, ЗАО 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. were concluded to represent discontinued operations and presented as such in Consolidated Statement of Comprehensive Income.

The result of discontinued operations is as following:

	2022 Q3	2021 Q3
Revenue from contracts with customers	20,160	30,163
Cost of sales	(16,432)	(24,912)
<b>Gross profit</b>	<b>3,728</b>	<b>5,251</b>
General and administrative expenses	(4,100)	(2,741)
Credit loss expenses on financial assets	(151)	(182)
Other operating activity, net	(49)	145
<b>Profit (loss) from operations</b>	<b>(572)</b>	<b>2,473</b>
Interest and other finance income	78	22
Interest and other finance expenses	(288)	27
<b>Profit (loss) before tax</b>	<b>(782)</b>	<b>2,522</b>
Income tax	74	(506)
<b>Net profit (loss)</b>	<b>(708)</b>	<b>2,016</b>

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

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

	2022 Q3	2021 Q3
Net cash flows from operating activities	69	395
Net cash flows (to) investing activities	(6,198)	(64)
Net cash flows (to) from financing activities	1,300	(125)
<b>Net increase in cash flows</b>	<b>(4,829)</b>	<b>206</b>



8.

**RIGHT OF USE ASSETS AND LEASE**

Effect to the consolidated statement of financial position as at 30 September 2022 and 2021:

	Buildings	Vehicles	Total
<b>ASSETS</b>			
Cost			
Balance as of 1 January 2021	<b>8,505</b>	<b>4,649</b>	<b>13,154</b>
Disposals and retirements	(1,383)	(707)	(2,090)
Exchange differences	63	-	63
Balance as of 31 December 2021	<b>7,185</b>	<b>3,942</b>	<b>11,127</b>
Additions	273	-	273
Disposals and retirements	(438)	(1,389)	(1,827)
Exchange differences	268	-	268
Disposals related to discontinued operations	(1,463)	-	(1,463)
Balance as of 30 September 2022	<b>5,825</b>	<b>2,553</b>	<b>8,378</b>
Accumulated depreciation			
Balance as of 1 January 2021	<b>1,590</b>	<b>2,883</b>	<b>4,473</b>
Charge for the year	1,379	537	1,916
Disposals and retirements	(536)	(551)	(1,087)
Balance as of 31 December 2021	<b>2,433</b>	<b>2,869</b>	<b>5,302</b>
Charge for the year	848	331	1,179
Disposals and retirements	(374)	(1,291)	(1,665)
Exchange differences	41	-	41
Disposals related to discontinued operations	(284)	-	(284)
Balance as of 30 September 2022	<b>2,664</b>	<b>1,909</b>	<b>4,573</b>
<b>Right of use assets as of 30 September 2022</b>	<b>3,161</b>	<b>644</b>	<b>3,805</b>
<b>Right of use assets as of 31 December 2021</b>	<b>4,752</b>	<b>1,073</b>	<b>5,825</b>

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

	2022 Q3	2021 Q3
Depreciation expense of right-of-use assets	1,179	1,461
Interest expense on lease liabilities	59	103
Expense relating to leases of low-value assets (included in administrative expenses)	197	535
<b>Profit from operations</b>	<b>1,435</b>	<b>2,099</b>

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 1,431 thousand as at 30 September 2022 (1,905 thousand as at 30 September 2021). The Group had EUR 273 thousand non-cash additions to right-of-use assets and lease liabilities as at 30 September 2022 (none as at 30 September 2021).

9.

**TRADE RECEIVABLES**

**TRADE RECEIVABLES OF THE GROUP AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021 WERE AS FOLLOWS:**

	Balance as of 30 September 2022	Balance as of 31 December 2021
Trade receivables, gross	30,778	43,571
Less: allowance for doubtful trade receivables	(9,279)	(14,849)
<b>Trade receivables, net</b>	<b>21,499</b>	<b>28,722</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 2022 AND 31 DECEMBER 2021 WERE AS FOLLOWS:**

Creditor	Currency	Balance as of 30 September 2022	Balance as of 31 December 2021
<u>SHORT-TERM LOANS</u>			
Bank loans	EUR	8,455	5,901
<b>SHORT-TERM LOANS BALANCE</b>		<b>8,455</b>	<b>5,901</b>
<u>LONG-TERM LOANS</u>			
Bank loans	EUR	15,235	18,947
Minus: long term loans of the current year		(3,392)*	(16,232)*
<b>LONG-TERM LOANS BALANCE</b>		<b>11,843</b>	<b>2,715</b>

\*An amendment to the contract was signed with the bank. Long-term and short-term parts of the loan are reclassified according to the new agreement.

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 have pledged claim rights to receivables under concluded agreements, except for receivables under factoring agreement.

11.

**COST OF SALES**

	2022 Q3	2021 Q3 (Restated)
Services of subcontractors and materials used	24,716	24,612
Wages and salaries and social security	17,508	19,199
Cost of goods sold	1,186	1,619
Depreciation	218	279
Other	3,150	2,058
<b>Total cost of sales</b>	<b>46,778</b>	<b>47,767</b>

12.

**GENERAL AND ADMINISTRATIVE EXPENSES**

	2022 Q3	2021 Q3 (Restated)
Wages and salaries and social security	8,032	10,231
Depreciation and amortisation	2,545	3,696
Consulting and similar expenses	1,084	850
Taxes other than income tax	763	700
Computer software maintenance	488	702
Commissions for collection of payments	480	270
Advertising	406	471
Transportation and fuel expenses	369	259
Rent of premises and other assets	197	470
Insurance	191	172
Communication expenses	185	242
Representational costs	166	140
Business trips and training	83	112
Bank payments	77	97
Utilities	55	66
Charity and support	32	98
Other	1,418	1,381
<b>Total general and administrative expenses</b>	<b>16,571</b>	<b>19,957</b>

13.

**OTHER OPERATING INCOME (EXPENSES)**

	2022 Q3	2021 Q3 (Restated)
Gain on disposal of property, plant and equipment	429	490
Income from rent	29	32
Other (expenses), net	(1,486)	(508)
<b>Total other operating activity</b>	<b>(1,028)</b>	<b>14</b>

14.

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

	2022 Q3	2021 Q3 (Restated)
Gain on sale of investments	2,025	580
Interest income	98	161
Foreign currency exchange gain	9	-
Other financial income	1	-
<b>Total finance income</b>	<b>2,133</b>	<b>741</b>
Interest (expenses)	(652)	(502)
Foreign currency exchange (loss)	(1,020)	(237)
Loss on sale of investments	(1,911)	-
Other financial (expense)	(2)	(45)
<b>Total finance (expenses)</b>	<b>(3,585)</b>	<b>(784)</b>
<b>Financial activity, net</b>	<b>(1,452)</b>	<b>(43)</b>

15.

**DIVIDENDS PER SHARE**

	2022 Q3	2021 Q3
Approved dividends	-	13,656
Number of shares (in thousand)	31,610	31,610
<b>Approved dividends per share</b>	<b>-</b>	<b>0.43</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, T. Kleiva, 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 (with all existing and future amendments and additions thereto), except for receivables under concluded factoring agreements.

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.

2022 Q3	Purchases	Sales	Receivables and prepayments	Loans granted	Payables and advances received
UAB ICOR	299	83	13	-	124
AB Axis Industries	-	4	2	-	-
Other subsidiaries of UAB Lag&d	210	452	1,080	26	1,466
<b>Total</b>	<b>509</b>	<b>539</b>	<b>1,095</b>	<b>26</b>	<b>1,590</b>

17.

## SUBSEQUENT EVENTS

On 10 November 2022 the Group, through its Polish subsidiary, sold all of the shares in Home Rent Sp. z o. o., which provided administration services. Value of the share sale-purchase agreement is EUR 8 thousand. Net assets of disposed subsidiary at the date of issuing these financial statements amounted to EUR 2 thousand.

As from 25 November 2022, City Service SE (hereinafter – the Company) Management Board shall consist of 3 (three) out of 7 (seven) members (Artūras Gudelis, Vytautas Turonis and Dalius Šimaitis). Each member shall act and represent the Company individually within the competence prescribed to him under the regulations of the management board.





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