



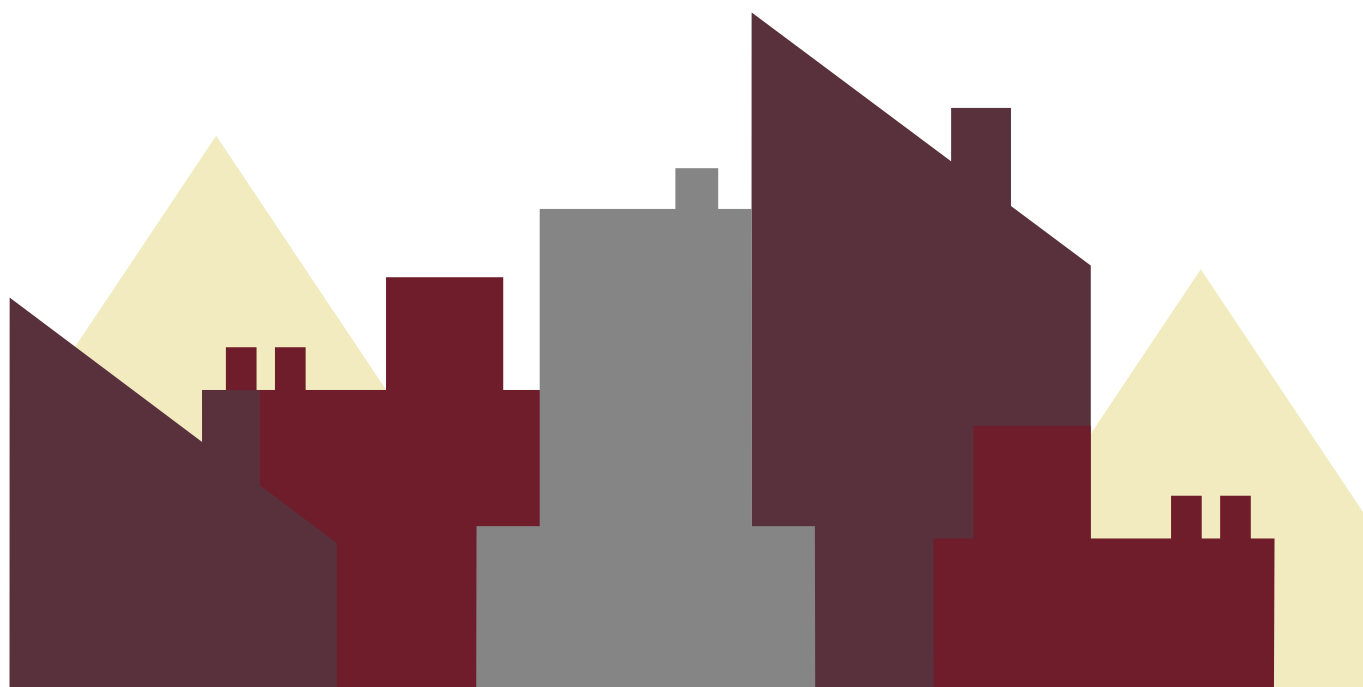
LP
2025

**INTERIM
CONSOLIDATED
REPORT**

for the six months of 2025

INTERIM CONSOLIDATED REPORT FOR THE SIX MONTHS OF 2025

Beginning of the reporting period	1 January 2025
End of the reporting period	30 June 2025
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Auditor	Ernst & Young Baltic AS



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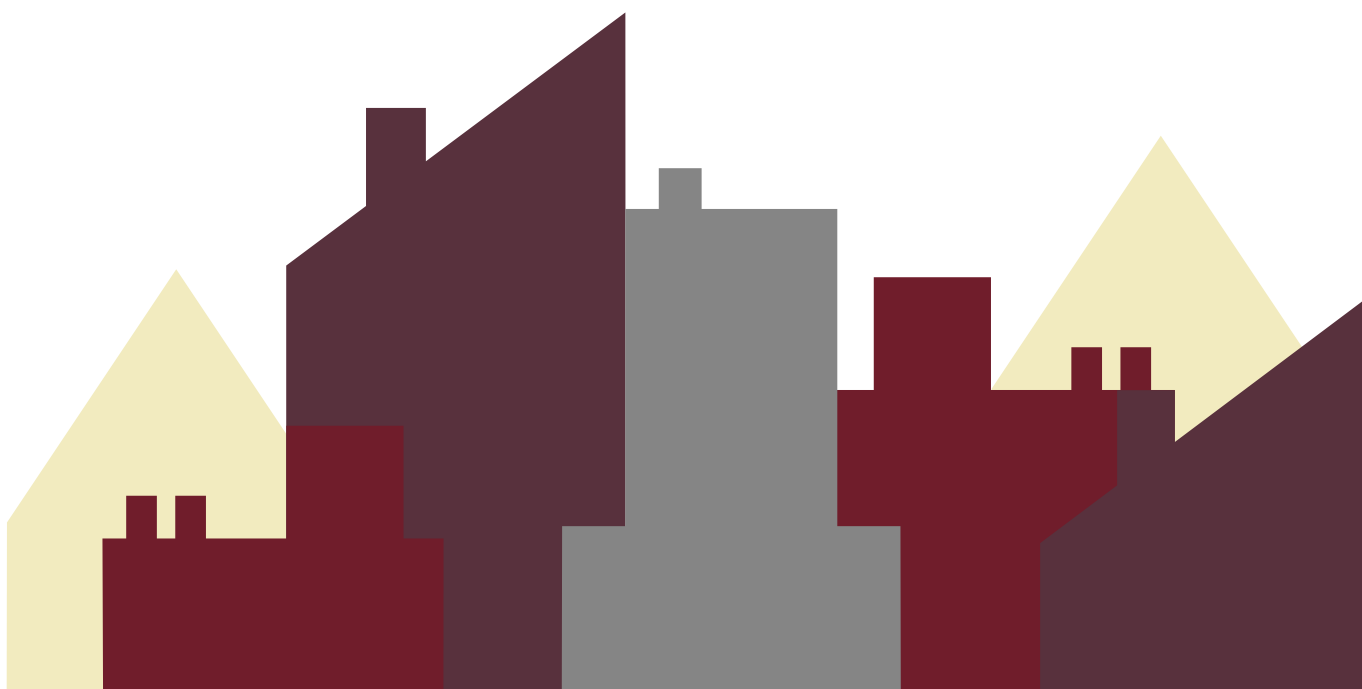
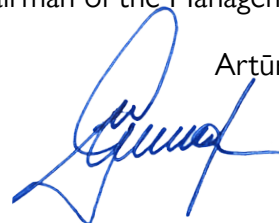
29 August 2025

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



CORPORATE PROFILE

1.1. CITY SERVICE GROUP

City Service SE is the holding company of a group of building maintenance and integrated services companies in Lithuania and Latvia.

The Group's companies are involved in the administration of the building management process, maintenance and repair of engineering systems, energy management based on artificial intelligence solutions, renovation, technical and energy audits of buildings, territory maintenance and cleaning of premises, IT services, petrol station maintenance, and debt management services.

The Group's companies operate in an environmentally sustainable manner.

The main activities of the group companies:



Administration of
apartment buildings



Commercial
facility
management



Territory
cleaning and
maintenance



Other
activities



Today, the Group's companies operate in Lithuania and Latvia.

The total area of buildings managed in these regions amounts to

15.5 millions m²



1.2. STRATEGY AND OBJECTIVES

By combining City Service expertise with a deep understanding of local specifics, we provide our customers with modern and convenient services.

Our long-term objective is very linked with our mission – growth of commercial, public and private property management, development of integrated utility services.

1.3. MISSION AND VISION



OUR VISION

is to be a leader in creating value for residential property.



OUR MISSION

is to represent the interests of customers by increasing the value of their property and improving their living environment.

1.4. STRUCTURE OF THE GROUP

LITHUANIA				LATVIA		SPAIN
76% UAB Alytaus namų valda	100% UAB Mano Būstas Baltija	100% UAB Šiaulių NT valdymas	100% UAB Merlangas	100% SIA BILANCE	100% SIA Livonijas Nami	100% Concentra Servicios y Mantenimiento, S.A.*
100% UAB City Service Engineering	100% UAB Mano Būstas Ukmergė	100% UAB BonoDomo Pay	100% UAB City Service Cleaning	100% SIA Manas MĀJAS 1	100% SIA Namu serviss APSE	100% Vetell dos iberica, S.L.*
100% UAB Mano Būstas Alytus	100% UAB Rinkų vystymas	100% UAB Butų ūkio valdos	100% UAB Mano Būstas	100% SIA BonoDomo	100% SIA Manas MĀJAS Tūkums	
100% UAB Mano Būstas Sostinė	57.71% UAB Biržų butų ūkis	100% UAB Mano aplinka	100% UAB Mano Būstas Radviliškis	100% SIA Manas MĀJAS 2	100% Nebruk Jelgava	
100% UAB Pastatų priežiūra	100% UAB Kapitalo Sprendimai	100% UAB Mano Būstas Kaunas	100% UAB Nacionalinis renovacijos fondas	100% SIA Manas MĀJAS	100% Nia Nami	
100% UAB Baltijos NT valdymas	100% UAB Mano Būstas Dainava	100% UAB Mano Būsto priežiūra	100% UAB Monto EU	100% SIA Manas Majas Salnas 21		
100% UAB CSG IT	99.97% UAB Mano Būstas Vakarai	100% UAB Mano Būstas NPC		100% SIA City Service Engineering		
100% UAB Mano Būstas Aukštaitija	100% UAB Skolos LT	100% UAB Mano Būsto klientų patirčių centras		100% SIA Manas MĀJAS 3		
100% UAB Mano Būstas Šiauliai	100% UAB BonoDomo	100% UAB Unitechna		100% SIA Ēku pārvaldīšanas serviss		
100% UAB Pastatų valdymas	100% UAB EPC projektai	100% UAB Būsto aplinka		100% SIA Ventspils nami		
100% UAB Baltijos transporto valdymas	100% UAB Mano Būstas Neris	100% UAB Mano bendrabutis		100% SIA MultiHouse		
100% UAB Energijos taupymo paslaugos	100% UAB Mano Būstas Vilnius	100% UAB Mano Būstas Klaipėda		100% SIA Latvijas Namsaimnieks		

*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.

INTERIM MANAGEMENT REPORT

2.1. MAIN AREAS OF ACTIVITY

2.1.1. Administration of apartment buildings

The Group's companies provide apartment building administration services: take all actions necessary to preserve common-use objects and ensure their proper function as well as carry out ongoing technical maintenance. The Companies take care of maintaining the mechanical durability of the main structures of the buildings, repairing minor defects, ensuring safe operation of engineering equipment designed for general use, liquidation of accidents, handling and preparing heat and hot water supply systems.

The Group's companies provide administration, technical maintenance and repair services of apartment buildings in Lithuania and Latvia.





The Group's companies increased the area of supervised apartment buildings by signing new contracts with owners of apartment buildings in Lithuania.

The Group's companies increased the area of supervised apartment buildings by signing new contracts with owners of apartment buildings in Lithuania. During the first half of 2025, new comprehensive housing maintenance services were additionally provided to 82 apartment buildings, the total area of which is almost 116,000 square meters. The Company focused more on the quality of services provided, customer service, and sustainable business solutions. The Group's companies continued to measure the customer satisfaction index (NPS) on a daily basis and applied relevant operational processes based on its results in order to improve the quality of services and meet customers' expectations. Compared to the beginning of the year, customers' satisfaction with the Group's companies and the services provided increased by 29.5 percent. The Group has initiated the development of an Artificial Intelligence (AI) assistant. This tool instantly generates detailed and high-quality responses to customer inquiries and have a significant impact on the routine of customer service representatives. Currently, around 64% of replies to customer inquiries are generated with artificial intelligence.

Employees benefit from simplified information search in our knowledge base, and when needed, artificial intelligence assists in crafting accurate, personalized replies, including data such as account details and payment history. The Group has expanded its range of services. Our stairwell vacuuming service has grown significantly from just a few stairwells cleaned by vacuuming last year to 130 cleaned properties in 2025. Remote heating system con-



In Latvia, customer inquiries management, invoicing, call center operations and internal processes were upgraded in 2025.

As a result, operations of the Company has become more efficient, and led to increased quality of services provided to customers. Customer satisfaction index (NPS) scores are holding steadily in the first half of the year, reflecting the trust by the clients. The Group's company operating in Latvia provides services in Riga, Liepaja, Ventspils, Tukums, Jelgava and Ogre Town. The Group will continue to increase the area of serviced buildings organically through new acquisitions and geographical expansion in other cities of the country.



Area of currently maintained buildings in Lithuania amounts to

9
million m²



The newly launched self-service platform BonoDomo has

172,000
active accounts.

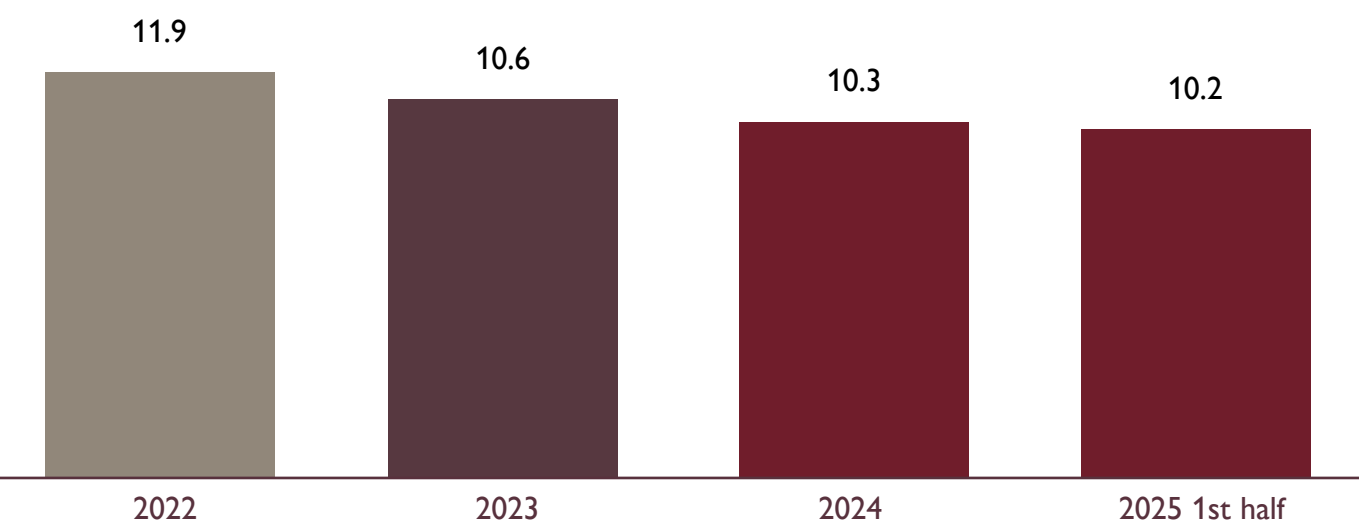
trol service also grew in the first half of the year. 359 heating units were connected to our remote control platform, which allows real-time monitoring and fast response to system failures. The Group's companies continued focusing on the development of digitized services. "BonoDomo", a self-service platform launched in March 2022, had 172,000 active accounts by June 2025. Customers handled almost 320 thousand invoices via this platform and the total number of user logins exceeded 1,8 million in half year period.



Area of currently maintained buildings in Latvia amounts to

1
million m²

Changes in the area of managed apartment buildings in the Group companies, million m²



Area of apartment buildings managed by the Group decreased mainly due to sale of business in Poland in 2023 (1.08 million m²).



2.1.2. Management of commercial building facilities

The Group’s companies provide commercial building management services that ensure reliable functioning of the building systems and lower maintenance costs. The Companies provide a wide range of services for building maintenance: from engineering systems management, saving of energy resources, to indoor facilities cleaning.

The Group’s companies provide facilities management services for commercial buildings in Lithuania and Latvia.



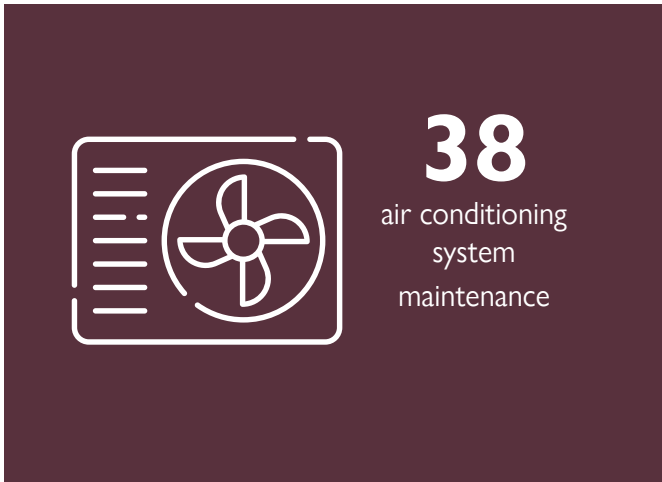
In Lithuania, “City Service Engineering” expanded its clientele in the first half of 2025 with 21 newly signed contracts. Among the most notable is the contract with four business centers by “Capitalica”. New maintenance projects include the supervision of “Homannit” manufacturing facility, new “Euroapotheca” logistics warehouse, and the “Tower” shopping center. Cooperation was also expanded with long-term client “Telia”, new maintenance agreement was signed of cooling installations.

The Group’s companies continue implementing advanced solutions focused on efficient building maintenance and long-term asset value protection. These newly signed contracts reflect growing customers’ trust and Group’s strong expertise in the field of property maintenance.

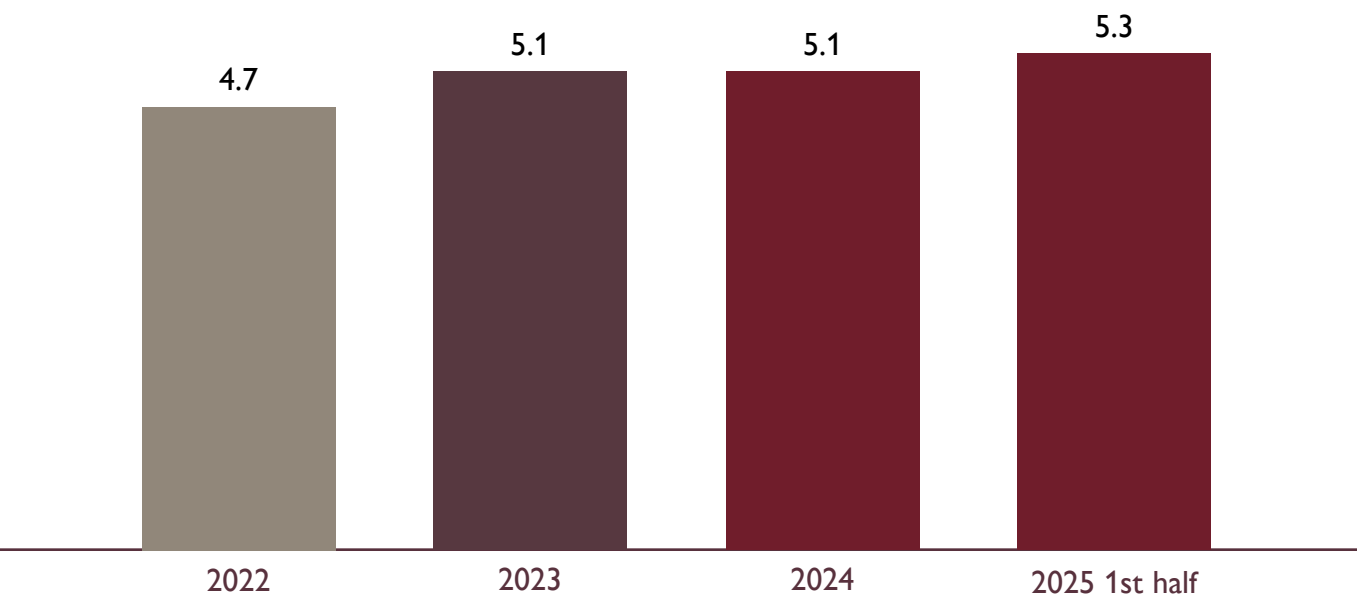


In Latvia, new comprehensive building management and maintenance contracts were signed with “Riga Communications” for ventilation and air conditioning system maintenance across 38 units, “Maxima Latvia” for full-service maintenance for 40 new units, “Latvian Prison Administration” for maintenance of ventilation and air conditioning systems. In addition, new maintenance contracts were signed with “State Real Estate” for maintenance of the systems and “Valmiera Drama Theatre” for full maintenance of engineering systems.

These new and renewed contracts mark a meaningful expansion in commercial property management operations and ensure the top standards of service and operational efficiency for the property of the customers.



Changes in the areas of commercial, public and industrial buildings in managed by the Group companies, m²



2.1.3. Maintenance and cleaning of territories

The Group's companies provide a full range of territory maintenance and cleaning services: indoor and outdoor cleaning, maintenance of private grounds and residential surroundings, snow, sand and leaf removal, lawn mowing, customized cleaning and supply of hygiene materials. Cleaning and territory maintenance services are available in Lithuania and Latvia.

In Lithuania, Group's companies provide stairwell, territory and premises cleaning and maintenance services in Vilnius, Kaunas, Klaipėda, Šiauliai, Alytus, Šilutė, Šilalė, Telšiai, Radviliškis, Panevėžys, Palanga and Tauragė. "City Service Cleaning" provides cleaning services in commercial facilities: shopping centers, sports clubs, exhibition halls, industrial sites and energy facilities in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys and Alytus. "City Service Cleaning" stopped using conventional chemical cleaning products and chooses only environmentally friendly cleaning products without any harmful effect

on the environment and human health. The Company was motivated to take such step to contribute to the preservation of the environment, ensure the cleanliness of the premises and to take more responsible care of the health of customers and employees of the Company. The Companies are constantly expanding the range of services and investing in the purchase of new equipment.

In Latvia, the Group's companies take care of the cleanliness of apartment buildings, delivering high-quality services tailored to the needs of the residents.

2.1.4. Other activities

The Group's companies in Lithuania and Latvia provide other services in addition to their main activities.

In Lithuania, the Group's companies carried out building renovation projects in 353 buildings, provided maintenance services to 198 petrol stations, and recovered debts of approximately 1.42 million euros in court and through pre-trial proceedings on behalf of customers.

The Company operating **in Latvia** continued the renovation of apartment buildings under a new governance initiative. In the first half of 2025, renovation was carried out in 3 buildings.



MANAGEMENT AND CORPORATE GOVERNANCE REPORT

2.2 PERFORMANCE IMPROVEMENT

The Group continued using business process management methods, strategic planning tools, LEAN-based methodology and adapted best practices for managing project activities.



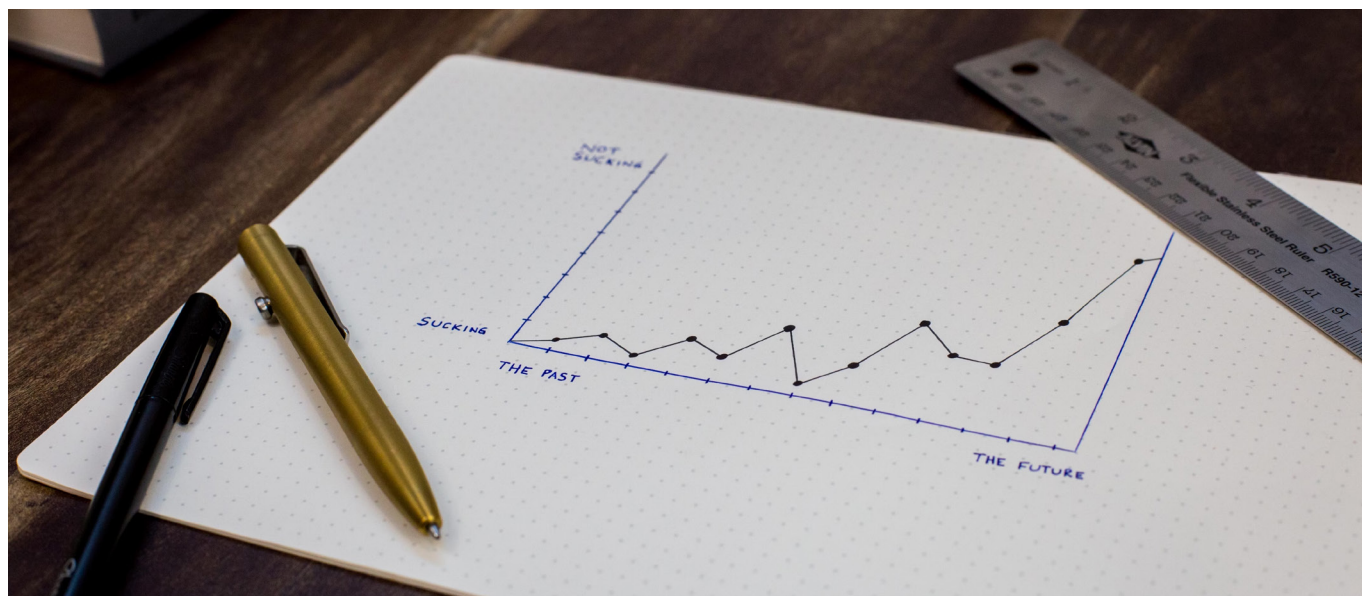
In Lithuania, the Group's companies focused on customer satisfaction, employee engagement, and increasing the Company's value by providing and implementing high-quality innovative solutions. Several key Artificial Intelligence (AI) projects were developed in 2025. In customer service Company applied AI solutions to inquiries management and automation of responses. In addition, voice-based technologies are now being introduced. In the maintenance department AI solutions were applied to improve the efficiency of the work completion process. As well, AI solutions were implemented in internal process automation by automating administrative processes and reducing manual workload. For example, applying AI solutions to document analysis and evaluation helped to reduce time of document analysis and improved the accuracy of the process, reduced the amount of errors.

To ensure sustainable development of AI-powered tools, the Group continues to invest in digital literacy and trainings of the employees. Practical training sessions and internal initiatives help employees to integrate AI into their daily operations through the use of in-house tools or publicly available AI solutions.

These steps help to foster a workplace where innovation becomes an integral part of daily life and employees play an active role in the company's digital transformation process.



In Latvia, operational processes are constantly reviewed and improved. The service model is improved to ensure rapid and high-quality results for customers. The Group's companies focused on increasing employee engagement, developing managerial and professional competencies.



2.3. Significant and latest events

On 02 April 2025 the title of SIA Manas MĀJAS was changed into SIA Manas MĀJAS 1. Other contact details did not change.

On 02 April 2025 the title of SIA City Service was changed into SIA Manas MĀJAS. Other contact details did not change.



2.4. Key risk activity types and uncertainties

In the first half of 2025 the market was stable, prices and purchasing power did not decline in comparison with 2024. Due to heavy competition in facility management market the Group had to concentrate on further efficiency of activities. Building administration tariff has not changed significantly in a year. Improved customers experience and active sales led to rapid increase in additional services sales volume.

The risks remain similar to last year's: inflation, customers' ability to pay, competition-influenced stricter demands from commercial and residential clients, supply of qualified personnel in the market. Regarding inflation and customers' ability to pay Group doesn't see significant risk as the prices are stabilized and salary growth is stable.

The scope of residential apartment building administration and maintenance services, the essential requirements for service providers, and the tariff calculation procedure are set and regulated in detail by the national and local authorities. Local authorities are empowered to set maximum tariffs for such services, together with the relevant inspectorates control the proper implementation by service providers of the administration and maintenance requirements set out in legislation. In case of incompliance with set requirements, local authorities may impose sanctions.

Any claims concerning the services provided may be presented to the authorities or service providers by individual owners as well. Taking into account the aforementioned, additional risk factors in the field of apartment building administration and maintenance include any possible amendments to the enforced legislation, the frequency of adoption of such amendments, resolutions passed by central or local authorities which provide additional obligations for service providers and the results of controls carried out by various inspectorates and local authorities. Timely and correct indexation of the set maximum tariffs is also a risk factor which has an impact on the Group's activities in the field of residential apartment building administration and maintenance.

There were no other material changes in the legal regulation of the area of administration and maintenance of apartment buildings in 2025, and neither were there any decisions providing significant additional obligations for service providers. Supervising institutions did not identify any deficiencies in the provision of the services or inconsistencies with the legislative requirements.

CREDIT RISK

The Group's procedures are in force to ensure on a permanent basis that sales are made to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. There are no individual customers exceeding 10% of segment sales.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. Therefore, the management considers that its maximum exposure is reflected by the amount of trade and other receivables, net of allowance for doubtful accounts recognized at the date of the statement of financial position.

INTEREST RATE RISK

The major part of the Group's borrowings (loans and financial lease obligations) are subject to EURIBOR which create an interest rate risk (Notes 8 and 10). There are no financial instruments designated in the financial statements to manage the exposure to the interest rate risk outstanding as of 30 June 2025 and 2024. The Group doesn't see significant interest rates risk as the Company increased borrowing capacity with the same terms in 2024.

SEASONALITY

The Group doesn't have observable seasonality as usually revenues from facility management and residential building administration are based on contractual flat terms and services and works are provided continuously. However, the most profitable is Q3 as the major part of additional works are completed during this season due to favorable weather conditions.

2.5. The main financial ratios concerning the reporting period

The main financial ratios concerning the reporting period are provided in the Consolidated interim financial statements for the six months period ended 30 June 2025, note 1.7 page 32.

2.6. Significant related party transactions

Significant related party transactions are provided in the Consolidated interim financial statements for the six months period ended 30 June 2025, note 16 page 41.



2025

INTERIM CONSOLIDATED REPORT

for the six months of 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 June 2025	As of 31 December 2024
Assets			
NON-CURRENT ASSETS			
Goodwill	3	9 166	9 129
Other intangible assets	5	21 933	20 156
Property, plant and equipment	6	975	860
Right of use assets	8	1 995	2 252
Non-current receivables	9	5 192	5 278
Deferred income tax asset		2 571	2 395
TOTAL NON-CURRENT ASSETS		41 832	40 070
CURRENT ASSETS			
Inventories		624	581
Prepayments		1 880	1 923
Trade receivables	9	25 192	25 353
Receivables from related parties	16	12 252	14 443
Other receivables		4 690	3 224
Prepaid income tax		241	174
Accrued income and other current assets		1 128	1 523
Cash and cash equivalents		4 363	4 826
TOTAL CURRENT ASSETS		50 370	52 047
Total assets		92 202	92 117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30 June 2025	As of 31 December 2024
Equity and liabilities			
EQUITY			
Share capital		9 483	9 483
Share premium		8 490	8 490
Reserves		948	420
Retained earnings (deficit)		8 545	10 285
		27 466	28 678
Non-controlling interests		236	220
TOTAL EQUITY		27 702	28 898
Liabilities			
NON-CURRENT LIABILITIES			
Non-current borrowings	10	18 320	19 353
Lease liabilities	8	1 678	1 694
Non-current provisions for employee benefits		112	112
Deferred income tax liabilities		1 974	1 759
Contract liabilities, non- current		2 265	2 265
Non-current payables		874	999
TOTAL NON-CURRENT LIABILITIES		25 223	26 182
CURRENT LIABILITIES			
Current portion of non-current borrowings	10	2 115	1 967
Current portion of lease liabilities	8	406	678
Current loans	10	5 606	5 469
Trade payables and payables to related parties	16	20 724	19 753
Current provisions for employee benefits		209	209
Income tax payable		827	1 185
Contract liabilities, current		9 390	7 776
TOTAL CURRENT LIABILITIES		39 277	37 037
Total liabilities		64 500	63 219
Total equity and liabilities		92 202	92 117

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

	Notes	2025 Q2	2024 Q2
Revenue from contracts with customers	1.7	56 125	52 301
Cost of sales	11	(40 836)	(38 447)
Gross profit (loss)		15 289	13 854
General and administrative expenses	12	(10 824)	(10 192)
Credit loss expenses on financial assets		4	(242)
Other operating income	13	85	239
Other operating expenses	13	(187)	(28)
Profit (loss) from operations		4 367	3 631
Interest income	14	414	134
Other finance income	14	53	-
Interest expenses	14	(722)	(552)
Other finance expenses	14	(56)	(1)
Gain on sale of investments	14	-	341
Profit (loss) before tax		4 056	3 553
Income tax		247	376
Profit (loss) from continued operations		4 303	3 929
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
Total comprehensive income		4 303	3 929
Attributable to:			
The shareholders of the Company		4 287	3 911
Non-controlling interests		16	19
		4 303	3 929
Total comprehensive income attributable to:			
The shareholders of the Company		4 287	3 911
Non-controlling interests		16	19
		4 303	3 929
Basic and diluted earnings per share (EUR)		0,14	0,12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(for the period 1 April – 30 June)

	2025 Q2	2024 Q2
Revenue from contracts with customers	29 267	27 477
Cost of sales	(21 732)	(20 188)
Gross profit (loss)	7 535	7 289
General and administrative expenses	(5 028)	(4 951)
Credit loss expenses on financial assets	(74)	(235)
Other operating income	40	27
Other operating expenses	(189)	45
Profit (loss) from operations	2 284	2 175
Interest income	211	108
Interest expenses	(347)	(255)
Other finance income	(163)	-
Other finance expenses	69	(1)
Gain on sale of investments	-	341
Profit (loss) before tax	2 054	2 368
Income tax	599	597
Profit (loss) from continued operations	2 653	2 965

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	Total
Balance as of 1 January 2024	9 483	8 490	-	5 874	23 847	176	24 023
Net profit (loss)	-	-	-	3 912	3 912	18	3 930
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive Income	-	-	-	3 912	3 912	18	3 930
Transfers to reserves	-	-	420	(420)	-	-	-
Dividends paid	-	-	-	(1 675)	(1 675)	-	(1 675)
Balance as of 30 June 2024	9 483	8 490	420	7 691	26 084	194	26 278
Balance as of 1 January 2025	9 483	8 490	420	10 285	26 678	220	28 898
Net profit (loss)	-	-	-	4 287	4 287	16	4 303
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive Income	-	-	-	4 287	4 287	16	4 303
Transfers to reserves	-	-	528	(528)	-	-	-
Dividends paid	-	-	-	(5 499)	(5 499)	-	(5 499)
Balance as of 30 June 2025	9 483	8 490	948	8 545	27 466	236	27 702

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025 Q2	2024 Q2
Cash flows from (to) operating activities			
Net profit (loss) from continued operations		4 304	3 930
Adjustments for non-cash items:			
Income tax expenses		(247)	(376)
Depreciation and amortization	5,6,8	1 074	1 080
Impairment and write-off of accounts receivable		218	113
Gain (loss) on disposal of property, plant and equipment	13	(11)	(136)
Gain (loss) from sale of investments		-	(341)
Interest income		(414)	(132)
Interest expenses		778	552
		5 702	4 691
Changes in working capital:			
(Increase) decrease in inventories		(42)	(292)
(Increase) decrease in receivables, contract assets and other current assets		(2 262)	1 341
(Increase) decrease in prepayments		17	81
Increase (decrease) in trade payables and payables to related parties		(499)	(4 627)
Income tax (paid)		(372)	(416)
Increase (decrease) in advances received, contract liabilities and other current liabilities		2 209	2 480
Net cash flows from (to) operating activities		4 753	3 258
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(991)	(1 485)
Proceeds from sale of non-current assets		43	48
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		-	(478)
Disposal of investments in subsidiaries		-	973
Dividends and interest received		414	132
Loans (granted)		-	(1 072)
Loans (repaid)		2 701	937
Net cash flows from (to) investing activities		2 167	(945)
Cash flows from (to) financing activities			
Proceeds from loans		143	25
(Repayment) of financial lease liabilities		(358)	(289)
Dividends paid		(5 499)	(1 675)
Loans (repaid)		(891)	(2 356)
Interest (paid)		(778)	(552)
Net cash flows from (to) financing activities		(7 383)	(4 847)
Net increase (decrease) in cash and cash equivalents		(463)	(2 534)
Cash and cash equivalents at the beginning of the period*		4 826	9 176
Cash and cash equivalents at the end of the period		4 363	6 642

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 15.5 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 June 2025. 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 June 2025 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 June 2025 the total number of shareholders of the Company was 73.

COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 JUNE 2025 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 %

1.5.

COMPANY'S SUPERVISORY BOARD

AS OF 30 JUNE 2025, 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 JUNE 2025 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

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 for the Baltics at CS SE. 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.

1.7.

ACTIVITY AND SEGMENT INFORMATION

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

2025 Q2	Lithuania	Latvia	Total
Revenue from contracts with customers:	52 775	3 350	56 125
Total revenue from contracts with customers			56 125
Cost of goods sold	(38 715)	(2 129)	(40 844)
General and administrative expenses	(8 450)	(1 179)	(9 629)
Segment results	5 610	42	5 652
Unallocated expenses			(1 284)
Profit (loss) from operations			4 368
Net financial income (expenses)			(311)
Profit (loss) before income tax			4 057
Income tax expenses			247
Net profit (loss) for the year			4 304

OTHER SEGMENT INFORMATION

Capital expenditure	2 727	10	2 737
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2024 Q2	Lithuania	Latvia	Total
Revenue from contracts with customers:	47 894	4 407	52 301
Total revenue from contracts with customers			52 301
Cost of goods sold	(35 871)	(2 591)	(38 462)
General and administrative expenses	(7 623)	(1 705)	(9 328)
Segment results	4 400	111	4 511
Unallocated expenses			(879)
Profit (loss) from operations			3 632
Net financial income (expenses)			(77)
Profit (loss) before income tax			3 555
Income tax expenses			376
Net profit (loss) for the year			3 931

OTHER SEGMENT INFORMATION

Capital expenditure	1 411	74	1 485
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1.7.

ACTIVITY AND SEGMENT INFORMATION (cont'd)

INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS:

	Lithuania	Latvia	Total
2025 Q2	52 775	3 350	56 125
2024 Q2	47 894	4 407	52 301

MAIN ACTIVITY INDICATORS FOR THE GROUP:

	2025 Q2	2024 Q2	Change
Area of residential apartment buildings under administration (million square meters)	10,2	10,4	(1,9%)
Area of public, commercial building and atypical properties under administration (million square meters)	5,3	5,0	6,0%
Number of employees	1 378	1 551	(11,2%)
Sales for the period	56 125	52 301	7,3%
Gross margin	27,2%	26,5%	0,7 p.p.
EBITDA margin	9,7%	9,0%	0,7 p.p.
EBIT margin	7,8%	6,9%	0,9 p.p.
Net margin	7,7%	7,5%	0,2 p.p.
Number of shares (thousand)	31 610	31 610	-
Return on equity	15,5%	15,0%	0,5 p.p.
Return on assets	4,7%	4,9%	(0,2) p.p.
Financial Net Debt to equity*	78,3%	43,5%	34,8 p.p.

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

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 authorized for issue on 29 August 2025 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

GOODWILL

COST:

Balance as of 1 January 2024	10 475
Additions	330
Balance as of 31 December 2024	10 805
Additions	37
Balance as of 30 June 2025	10 842

IMPAIRMENT:

Balance as of 1 January 2024	1 676
Balance as of 31 December 2024	1 676
Balance as of 30 June 2025	1 676

Net book value as of 31 December 2024	9 129
Net book value as of 30 June 2025	9 166

5.
OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2025 Q2 and 2024 is presented below:

	Customer related intangibles	Computer software	Other	Total
COST:				
Balance as of 1 January 2024	19 397	5 075	1 836	26 308
Additions arising from acquisitions of subsidiaries	495	-	-	495
Additions	-	1 979	1	1 980
Disposals of subsidiaries	-	(741)	-	(741)
Disposals and retirements	-	(233)	(172)	(405)
Reclassifications	-	2 634	(2 634)	-
Balance as of 31 December 2024	19 892	8 714	(969)	27 637
Additions	-	634	1 666	2 300
Balance as of 30 June 2025	19 892	9 348	697	29 937
ACCUMULATED AMORTIZATION AND IMPAIRMENT:				
Balance as of 1 January 2024	6 066	2 093	(807)	7 352
Charge for the period	649	337	-	986
Disposals and retirements	-	(233)	(172)	(405)
Discontinued operations	-	(453)	-	(453)
Balance as of 31 December 2024	6 716	1 744	(979)	7 480
Charge for the period	177	169	177	523
Balance as of 30 June 2025	6 893	1 913	(802)	8 003
Net book value as of 31 December 2024	13 176	6 970	10	20 156
Net book value as of 30 June 2025	12 999	7 435	1 499	21 933

6.
PROPERTY, PLANT AND EQUIPMENT

Movement of fixed assets in 2025 Q2 and 2024 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Total
COST:				
Balance as of 1 January 2024	95	1 082	2 155	3 332
Additions arising from acquisitions of subsidiaries	-	18	37	55
Additions	-	44	425	469
Disposals and retirements	(1)	(183)	(267)	(451)
Balance as of 31 December 2024	94	961	2 350	3 405
Additions	-	-	438	438
Disposals and retirements	-	(16)	(70)	(723)
Reclassifications	-	(61)	-	(61)
Balance as of 30 June 2025	94	88	2 081	3 059
ACCUMULATED DEPRECIATION:				
Balance as of 1 January 2024	95	946	1 478	2 519
Charge for the year	-	54	331	385
Disposals and retirements	(1)	(133)	(226)	(360)
Additions arising from acquisitions of subsidiaries	-	-	1	1
Balance as of 31 December 2024	94	867	1 584	2 545
Charge for the year	-	2	223	225
Disposals and retirements	-	(16)	(673)	(689)
Reclassifications	-	2	-	2
Balance as of 30 June 2025	94	855	1 134	2 083
Net book value as of 31 December 2024	-	94	766	860
Net book value as of 30 June 2025	-	29	947	976

8. RIGHT OF USE ASSETS AND LEASE

Effect to the consolidated statement of financial position as at 2025 Q2 and 2024:

	Buildings	Vehicles	Total
ASSETS			
Cost			
Balance as of 1 January 2024	2 440	2 471	4 911
Additions	645	262	907
Decrease related to lease modifications	(9)	-	(9)
Balance as of 31 December 2024	3 076	2 733	5 809
Additions	-	61	61
Decrease related to lease modification	-	(29)	(29)
Reclasification	-	63	63
Balance as of 30 June 2025	3 076	2 828	5 904
Accumulated depreciation			
Balance as of 1 January 2024	509	2 249	2 758
Charge for the year	656	144	800
Decrease related to lease termination	(1)	-	(1)
Balance as of 31 December 2024	1 164	2 393	3 557
Charge for the year	327	54	381
Decrease related to lease modification	-	(29)	(29)
Balance as of 30 June 2025	1 491	2 418	3 909
Right of use assets as of 31 December 2024	1 912	340	2 252
Right of use assets as of 30 June 2025	1 585	410	1 995

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

	2025 Q2	2024 Q2
Depreciation expense of right-of-use assets	381	432
Interest expense on lease liabilities	42	33
Expense relating to leases of low-value assets (included in administrative expenses)	191	168
Profit (loss) from operations	614	633

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 400 thousand as at 30 June 2025 (322 thousand as at 30 June 2024). The Group had EUR 61 thousand non-cash additions to right-of-use assets and lease liabilities as at 30 June 2025 (EUR 19 thousand as at 30 June 2024).

9.
TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 30 JUNE 2025 AND 31 DECEMBER 2024 WERE AS FOLLOWS:

	Balance as of 30 June 2025	Balance as of 31 December 2024
Trade receivables, gross	31 647	31 400
Less: allowance for doubtful trade receivables	(6 454)	(6 047)
Trade receivables, net	25 193	25 353

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 JUNE 2025 AND 31 DECEMBER 2024 WERE AS FOLLOWS:

	Currency	Balance as of 30 June 2025	Balance as of 31 December 2024
<u>CURRENT LOANS</u>			
Bank loans	EUR	5 606	5 469
CURRENT LOANS BALANCE		5 606	5 469
<u>NON-CURRENT LOANS</u>			
Bank loans	EUR	20 435	21 320
Less: current portion of non-current loans		(2 115)	(1 967)
NON-CURRENT LOANS BALANCE		18 320	19 353

For the loans and overdraft the Company has pledged to the bank the shares of UAB Mano būstas. Under credit agreement SIA City Service and UAB Mano būstas have provided surety for City Service SE.

11.

COST OF SALES

	2025 Q2	2024 Q2
Services of subcontractors and materials used	26 935	25 080
Wages and salaries and social security	13 892	13 368
Cost of goods sold	17	13
Depreciation	1	2
Other	(8)	(15)
Total cost of sales	40 837	38 447

12.

GENERAL AND ADMINISTRATIVE EXPENSES

	2025 Q2	2024 Q2
Wages and salaries and social security	5 504	5 168
Depreciation and amortization	1 073	1 078
Computer software maintenance	590	327
Consulting and similar expenses	828	931
Advertising	234	169
Rent of premises and other assets	191	168
Insurance	216	157
Commissions for collection of payments	413	159
Transportation	148	160
Representational costs	137	110
Office expenses	133	-
Business trips and training	88	117
Taxes other than income tax	80	64
Communication expenses	55	49
Utilities	46	140
Other personnel related expenses	43	-
Bank payments	25	44
Other	967	1 299
Total general and administrative expenses	10 824	10 191

13.

OTHER OPERATING INCOME (EXPENSES)

	2025 Q2	2024 Q2
Gain on disposal of property, plant and equipment	11	163
Fines and penalties	63	59
Other income	11	17
Total other operating income	85	239

	2025 Q2	2024 Q2
Fines and penalties	-	-
Loss on disposal of property, plant and equipment	-	27
Other expenses	187	-
Total other operating expenses	187	27

14.

INTEREST AND OTHER FINANCE INCOME AND (EXPENSES)

	2025 Q2	2024 Q2
Interest income	414	130
Gain on sale of investments	-	341
Other financial income	53	4
Total finance income	677	14 683
Interest (expenses)	(722)	(552)
Loss on sale of investments	-	1
Other financial expenses	(56)	-
Total finance expenses	(778)	(552)
Financial activity, net	(311)	(77)

15.

DIVIDENDS PER SHARE

	2025 Q2	2024 Q2
Number of shares (in thousand)	31 610	31 610
Approved dividends	5 499	1 675
Approved dividends per share	0,17	0,05

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 (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 Mano būstas and SIA City Service have provided surety for City Service SE to AB Swedbank 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 Mano būstas are pledged to AB Swedbank well.

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.

2025 Q2	Purchases	Sales	Receivables and prepayments	Loans granted	Payables and advances received
UAB Unit Invest	-	253	311	7 711	-
UAB Verslo finansavimo sprendimai	-	-	1 800	-	(1 800)
UAB Vandens parkas	1	301	60	-	-
UAB Exergio	166	133	285	1 600	(285)
Associates and other related parties	701	638	485	-	5 545
Total	868	1 325	2 941	12 000	3 460