2026

INTERIM CONSOLIDATED REPORT

for the six months of 2026

CITYSERVICE

In service of your property

INTERIM CONSOLIDATED REPORT
(for the six months of 2026)

Beginning of the reporting period	1 January 2026
End of the reporting period	30 June 2026
Business name	City Service SE
Registration number	12827710
Legal address	Narva mnt. 5, 10117 Tallinn, the Republic of Estonia
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Fax	+370 5 239 48 48
E-mail	info@cityservice.eu
Website	http://www.cityservice.eu
Auditor	Ernst & Young Baltic AS

CONTENT

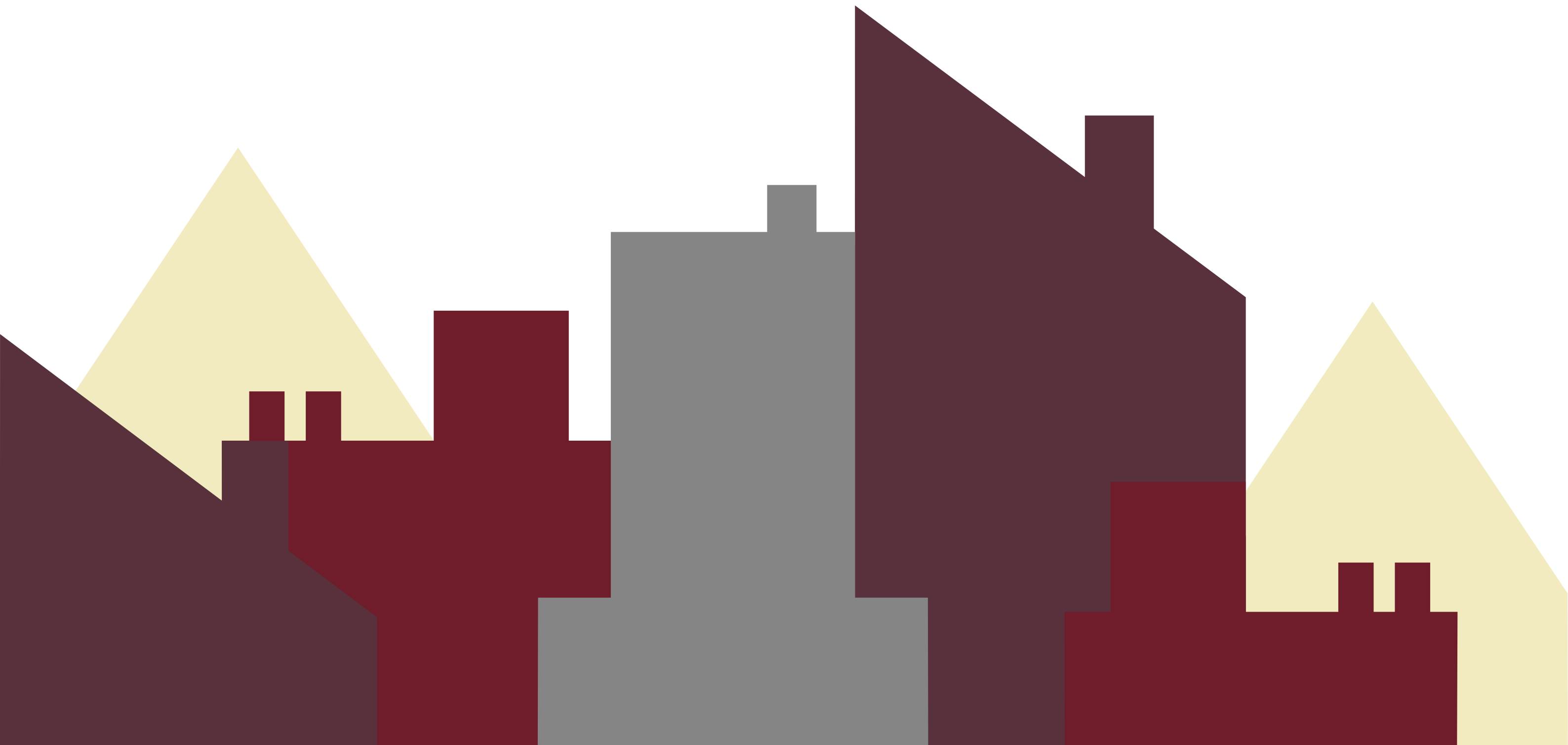
DECLARATION OF THE MANAGEMENT

31 August 2026

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 and sustainability reports, prepared according to the accounting standards in force, gives a correct and fair view of the development and results of the business activities, financial status and aims in environmental, social and governance areas 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 parent company of a group of companies providing integrated facility management and property services in Lithuania and Latvia.

The Group's companies provide a broad range of services, including residential and commercial property management, operation, maintenance and repair of engineering systems, AI-driven energy management and building modernization solutions, technical and energy audits, cleaning and maintenance of buildings and surrounding areas, residential rental and property administration, as well as IT, fuel station maintenance and debt administration services.

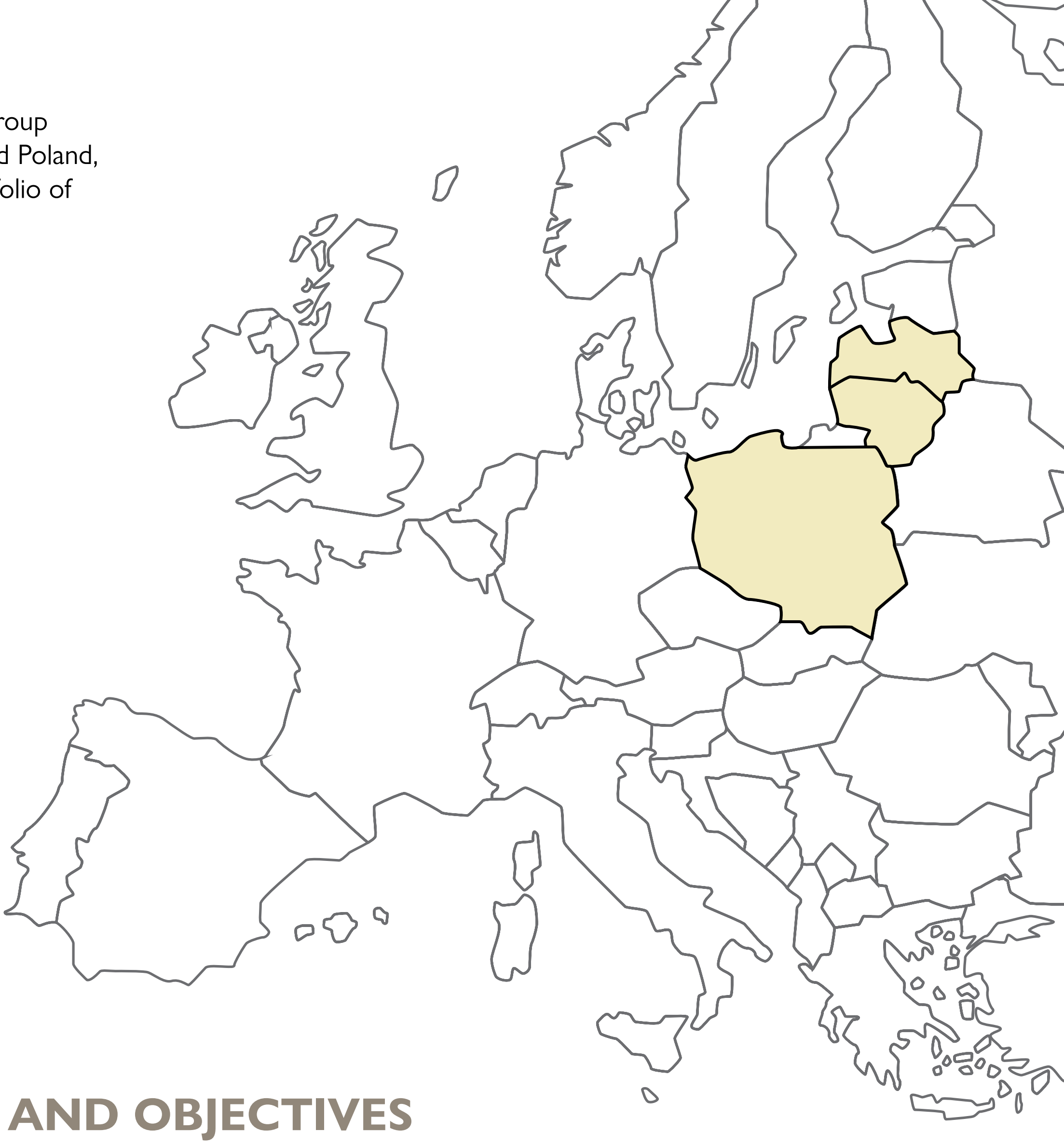
The Group's principal business segments are:

- Residential property management
- Commercial property management
- Cleaning and maintenance of outdoor areas;
- Residential rental and property administration
- Other activities

The Group conducts its operations in accordance with sustainable environmental principles and applicable environmental requirements.

As of the reporting date, the Group operates in Lithuania, Latvia, and Poland, managing a total property portfolio of approximately

16.1
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 value creation of 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	
76% UAB Alytaus namų valda	**100%** UAB Mano Būstas Baltija	**100%** UAB Mano Būstas Neris	**100%** UAB Mano bendrabutis	**100%** UAB Medžiagų tiekimo centras	**100%** SIA BILANCE	**100%** SIA Manas MĀJAS serviss
100% UAB City Service Engineering	**100%** UAB Mano Būstas Ukmergė	**100%** UAB Mano Būstas Vilnius	**100%** UAB Mano Būstas Klaipėda	**100%** UAB PortalPRO	**100%** SIA Manas MĀJAS	**100%** SIA Manas MĀJAS Ventspils
100% UAB Mano Būstas Alytus	**100%** UAB Rinkų vystyma	**100%** UAB Šiaulių NT valdymas	**100%** UAB Merlangas		**100%** SIA BonoDomo	**100%** SIA Latvijas Namsaimnieks
100% UAB Mano Būstas Sostinė	**57.71%** UAB Biržų butų ūkis	**100%** UAB BonoDomo Pay	**100%** UAB City Service Cleaning		**100%** SIA Manas MĀJAS 2	**100%** SIA Livonijas Nami
100% UAB Pastatų priežiūra	**100%** UAB Kapitalo Sprendimai	**100%** UAB Žemaitijos būstas	**100%** UAB Mano Būstas		**100%** SIA Manas MĀJAS	**100%** SIA Namu serviss APSE
100% UAB Mano Būstas Aukštaitija	**100%** UAB Mano Būstas Dainava	**100%** UAB Mano aplinka	**100%** UAB Mano Būstas Radviliškis		**100%** SIA Manas MĀJAS Rīga	**100%** SIA Manas MĀJAS Tukums
100% UAB Mano Būstas Šiauliai	**99.97%** UAB Mano Būstas Vakarai	**100%** UAB Mano Būstas Kaunas	**100%** UAB Nacionalinis renovacijos fondas		**100%** SIA City Service Engineering	**100%** SIA Manas MĀJAS Jelgava
100% UAB Pastatų valdymas	**100%** UAB Skolos LT	**100%** UAB Mano Būsto priežiūra	**100%** UAB Monto EU		**100%** SIA Manas MĀJAS 3	**100%** SIA Nia Nami
100% UAB Baltijos turto sprendimai	**100%** UAB BonoDomo	**100%** UAB Mano Būstas NPC	**100%** UAB Naujininkų ūkis		**POLAND**	
100% UAB Energijos taupymo paslaugos	**100%** UAB EPC projektai	**100%** UAB Būsto aplinka	**100%** UAB GS-Servisas		**100%** MONTO Sp. z o.o	

INTERIM MANAGEMENT REPORT

2.1. MAIN AREAS OF ACTIVITY

2.1.1. Administration of apartment buildings

The Group companies provide apartment building administration services, carrying out all activities necessary to preserve common property and ensure its intended use, while also providing continuous technical maintenance.

Responsibilities include maintaining the structural integrity of buildings, repairing minor defects, performing preventive maintenance and adjustment of shared engineering systems, ensuring their safe operation, responding to emergencies, and carrying out preventive maintenance, balancing and seasonal preparation of heating and domestic hot water systems.

The Group provides apartment building administration, technical maintenance and repair services in Lithuania and Latvia.

During the reporting period, the **Group's Lithuanian companies** expanded their portfolio of managed apartment buildings by signing new agreements with homeowners' associations and apartment owners. Comprehensive residential property management services were commenced for an additional 63 apartment buildings with a total area exceeding 76 thousand sq. m.

The Group companies continued to monitor the Net Promoter Score (NPS) on a regular basis and adjusted operational processes based on customer feedback in order to improve service quality and response to customer expectations.

During the first half of 2026, 42% of the Group's customers actively used "BonoDomo" platform, through which approximately 290 thousand invoices were paid. During the reporting period, the cumulative number of user logins reached 2.1 million.

Area of currently maintained buildings in Lithuania amounts to 9.7 million m2.

Area of currently maintained buildings in Lithuania amounts to

9.7

million m²

Total number of user logins reached in BonoDomo was

2.1

million

During the reporting period, **the Latvian company** increased the total managed residential area by 7.2 thousand sq. m., further strengthening its market position.

To improve customer service efficiency, the company introduced AI-powered solutions at its Customer Service Centre. These solutions are expected to streamline customer service processes, enhance service quality and enable more efficient allocation of employee resources.

During the first half of the year, the company also implemented organizational changes within its Finance Department aimed at improving the efficiency of financial management, reporting and day-to-day operations.

To enhance maintenance planning, the company introduced an updated process for preparing annual visual building inspection reports. The new approach enables faster report preparation and more effective identification and planning of required maintenance works.

These initiatives contributed to improving operational efficiency, enhancing service quality and creating a solid foundation for the company's continued development.

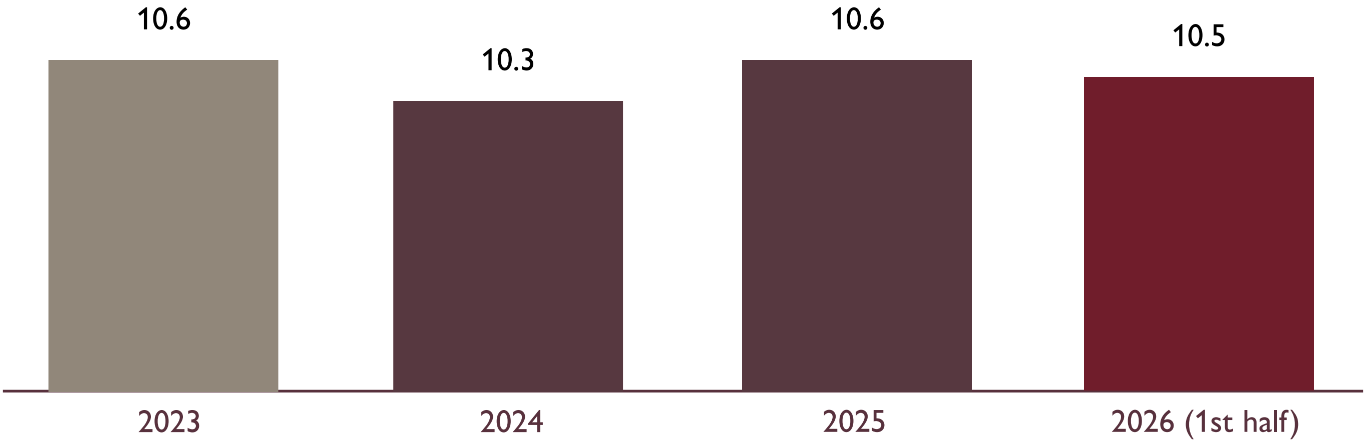
Area of currently maintained buildings in Latvia amounts to 0.8 million m2.

Area of currently maintained buildings in Latvia amounts to

0.8

million m²

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



2.1.2. Management of commercial building facilities

The Group companies provide commercial building facility management services designed to ensure the reliable operation of building systems while reducing maintenance costs. Their services cover the full spectrum of building management, from the maintenance of engineering systems and energy management and efficiency solutions to indoor cleaning services.

The Group provides commercial building facility management services in Lithuania and Latvia.

During the first half of 2026, the Group's Lithuanian company signed 21 new service agreements. Among the most significant projects of the reporting period were contracts to provide facility management services for the "Sąvaržėlė" business center (Lords LB Asset Management), "Tech Zity", "K34", and "Skuba", as well as the "CUP" and "Pupa" shopping centers.

A significant share of the newly signed contracts includes not only conventional building maintenance services but also Smart Maintenance solutions. These are being implemented at the "Tech Zity", "K34", and "Skuba" properties, where data-driven monitoring and optimization of engineering systems helps to improve operational efficiency, reduce energy consumption, and enhance service quality.

During the first half of the year, the company also expanded its operations in the electric vehicle charging infrastructure segment. One of the most significant projects of the reporting period was the signing of a contract for the installation of electric vehicle charging stations at the "SymbioCity" development.

The newly signed contracts reflect the company's continued focus on expanding its service portfolio, implementing smart building solutions, and strengthening long-term partnerships with commercial real estate owners, property managers, and developers.

During the reporting period, the Group's Latvian company further strengthened its position in the market for integrated building engineering systems maintenance and technical facility management. The company expanded its portfolio of managed properties by commencing the provision of comprehensive maintenance services for all building engineering systems at several significant commercial and public sector facilities.

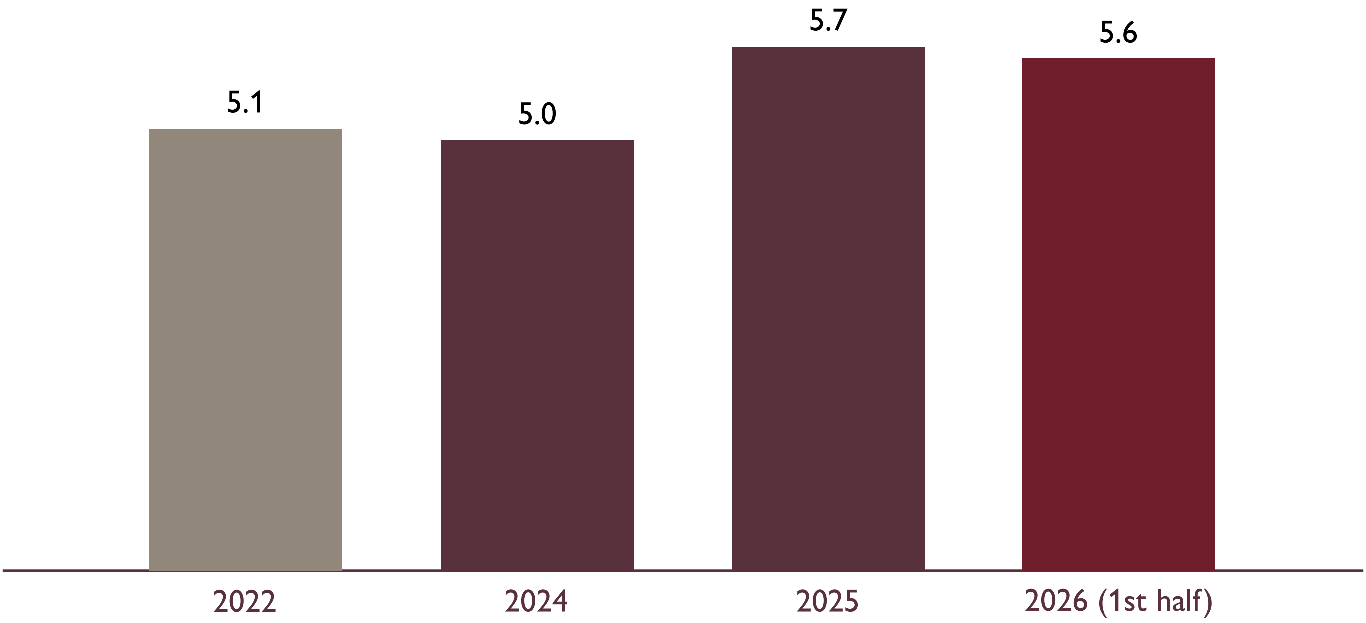
Newly added properties include "Carillon Aparthotel", three "Hačapuri" restaurants across Latvia, the office buildings at 38 Blaumaņa Street and 1 Grēcinieku Street in Riga, managed by Colliers, as well as "Valmiera Technical School" and the "Valmiera Drama Theatre". At these facilities, the Group company provides maintenance services for electrical, heating, ventilation and air conditioning (HVAC), water supply, wastewater and other building engineering systems, ensuring their reliable operation and efficient performance.

The company continues to expand its technical maintenance services in both the commercial real estate and public sectors. Company is focused on enhancing service quality, improving operational efficiency, optimizing maintenance processes, and strengthening long-term partnerships with clients.

21
new service agreements were signed in Lithuania.

The company continues to expand its technical maintenance services in both the commercial real estate and public sectors

Changes in the areas of commercial, public and industrial buildings in managed by the Group companies, m^2



2.1.3. Maintenance and cleaning of territories

The Group provides a comprehensive range of cleaning and grounds maintenance services, including indoor and outdoor cleaning, maintenance of residential surroundings and private territories, snow, sand and leaf removal, lawn mowing, specialized cleaning services, and the supply of hygiene products. These services are provided in Lithuania.

The Group delivers cleaning and grounds maintenance services for residential properties in Vilnius, Kaunas, Klaipėda, Šiauliai, Alytus, Šilutė, Šilalė, Telšiai, Radviliškis, Panevėžys, Palanga, and Tauragė.

Cleaning services for commercial properties, including shopping centers, sports clubs, exhibition venues, manufacturing facilities, energy sector sites, and other public and commercial buildings, are provided in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, and Alytus.

During the first half of the year, the Group renewed its cleaning services agreement with "Litexpo" for three years and signed new service contracts with "Tech Zity" and the law firm "Cobalt".

The Group company providing cleaning services for commercial, industrial, and public buildings uses only environmentally sustainable cleaning products instead of conventional chemical cleaners. These products are free from substances harmful to human health and the environment, reflecting the Group's commitment to reduce its environmental impact while maintaining high cleaning standards and promoting the well-being of both clients and employees.

2.1.4. Apartment rental and property management

In 1st half of 2026, the group company "Monto" continued providing apartment rental and property management services. The company assists with all aspects of the real estate rental or sale process—from preparing the property to finding tenants or buyers, as well as ensuring long-term management and maintenance.

Having become one of the largest residential rental management companies, it currently manages more than 570 real estate properties across Lithuania, Latvia, and Poland. The company's clients include both individual property owners and institutional investors managing large, distinctive, and unique real estate portfolios.

The company plans to expand further in Lithuania and other European regions.

Monto acquired UAB "Mano Bendrabutis", a student accommodation management company managing over 2,100 student accommodation units.

Companay currently manages more than
570
real estate properties across Lithuania, Latvia, and Poland.

2.1.5. Other activities

In addition to its core business activities, the Group provides a range of complementary services.

In Lithuania, the Group implemented building renovation projects for 140 residential buildings, provided maintenance services to 203 fuel stations, and recovered EUR 1.7 million in outstanding receivables on behalf of its clients through judicial and out-of-court collection procedures.

the Group companies provided maintenance services to
203
fuel stations.

recovered debts for the benefit of clients
1.7
million

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.

During the first half of 2026, the Customer Service Centre continued the systematic implementation and development of the strategic artificial intelligence solutions initiated in 2025, further advancing the objectives of increased operational efficiency, cost optimization, and enhanced customer experience. Automation remained focused on the same core areas — customer service, maintenance operations, and administrative processes. Companies are still reviewing new opportunities to automate processes using both artificial intelligence and other technological solutions.

In the area of customer service, the AI solutions were used across written and voice communication channels and were further developed and refined. Work on voice-based solutions continued, alongside the development of dedicated AI agents for specific use cases. These solutions continued to accelerate request handling, automate repetitive tasks, and ensure uninterrupted service delivery during seasonal peak loads. Automated solutions supporting proactive customer engagement — including outbound communications for service sales, customer activation, and information collection of additional service needs — were maintained and strengthened.

Within its maintenance operations, the organization built on the voice-based technologies introduced earlier by developing dedicated AI agents to support the preparation and processing of defect reports. These agents reduce manual effort and accelerate documentation and reporting. AI agents, developed within internal systems, continued to take over routine internal tasks, contributing to process acceleration and further reduction of manual workload.

In the area of administrative processes, the organization continued to expand its automation initiatives, including the use of virtual assistants to support internal operations and the application of AI solutions for document analysis and evaluation, which further reduced processing times and improved accuracy. In parallel, a continuous effort was maintained to identify additional processes suitable for automation, applying artificial intelligence alongside other solutions wherever it delivered the greatest value.

The Group continued to focus on enhancing employees' AI literacy. Regular training sessions covered AI fundamentals, application opportunities, associated risks, and principles of responsible use. Trainings were tailored to different competency levels and the specific needs of individual departments. In addition, the organization issued internal guidelines for the use of AI, accompanied by practical recommendations and tips, with the aim of encouraging the safe and responsible use of AI tools across the organization.

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 were further improved through the introduction of AI-powered solutions at the Customer Service Centre, organizational changes within the Finance Department and enhancements to maintenance planning processes. The Group's companies also focused on increasing employee engagement and developing managerial and professional competencies.

2.3. SIGNIFICANT EVENTS

On 28 January 2026 the Group's subsidiary UAB "Monto EU" acquired "Santer SP. Z o.o" (acquisition price EUR 309 thousand), from unrelated party. "Santer SP. Z o.o" is engaged in rental properties management activities in Poland. After the acquisition "Santer SP. Z o.o". is renamed to "MONTO Sp. z o.o".

On 30 January 2026 the Group signed an amendment to the cash pool loan agreement with Swedbank, AB in connection with the refinancing of the loan.

On 05 February 2026 the Group's subsidiary SIA "Multihouse" was merged with SIA "Livonijas Nami". Following the completion of the reorganization, SIA "Multihouse" ceased to exist as a separate legal entity, and all its rights and obligations were assumed by SIA "Livonijas Nami".

On 26 February 2026 the Group changed Latvian subsidiary company name SIA "Ēku pārvaldīšanas serviss" to SIA "Manas MĀJAS serviss". Other contact details did not change.

On 07 April 2026 the Group's subsidiary UAB "Unitechna" was merged with UAB "City Service Engineering". Following the completion of the reorganization, UAB "Unitechna" ceased to exist as a separate legal entity, and all its rights and obligations were assumed by UAB "City Service Engineering".

On 05 May 2026 the Group's subsidiary UAB "Mano Būsto klientų patirčių centras" was merged with UAB "Mano Būstas". Following the completion of the reorganization, UAB "Mano Būsto klientų patirčių centas" ceased to exist as a separate legal entity, and all its rights and obligations were assumed by UAB "Mano Būstas".

On 05 May 2026 the Group's subsidiary UAB "Namų priežiūros tarnyba" was merged with UAB "Mano Būstas Kaunas". Following the completion of the reorganization, UAB "Namų priežiūros tarnyba" ceased to exist as a separate legal entity, and all its rights and obligations were assumed by UAB "Mano Būstas Kaunas".

On 06 May 2026 the Group's subsidiary UAB "Baltijos NT valdymas" was merged with UAB "Baltijos Transporto valdymas". Following the completion of the reorganization, UAB "Baltijos NT valdymas" ceased to exist as a separate legal entity, and all its rights and obligations were assumed by UAB "Baltijos Transporto valdymas".

On 06 May 2026 the Group changed Lithuanian subsidiary company name UAB "Baltijos Transporto valdymas" to UAB "Baltijos turto sprendimai". Other contact details did not change.

On 06 May 2026 UAB "Monto" acquired 100% of the shares of UAB "Mano Bendrabutis" (acquisition price EUR 30 thousand) from UAB "Mano Būstas" . UAB "Mano Bendrabutis" is engaged in administration of buildings in Lithuania.

On 11 May 2026 the Group changed Latvian subsidiary company name SIA "Manas MĀJAS Salnas 21" to SIA "Manas MĀJAS Rīga". Other contact details did not change.

On 02 June 2026 the Company announced a bond issuance and its intention to acquire UAB "Axioma servisas".

On 11 June 2026 UAB "Mano Būstas" acquired 100% of the shares of UAB "Medžiagų tiekimo centras" (acquisition price EUR 104 thousand) from related party. UAB Medžiagų tiekimo centras is engaged in construction materials supply activities in Lithuania.

On 22 June 2026 UAB "Mano Būstas" acquired 100% of the shares of UAB "PortalPRO" (acquisition price EUR 121 thousand) from related party. UAB PortalPRO is engaged in property maintenance services in Lithuania.

LATEST EVENTS

On 10 July 2026 City Service SE acquired 100% of the shares of UAB "Axioma servisas" (acquisition price EUR 91.7 million) from related party. UAB Axioma servisas is engaged in industrial equipment maintenance, repair, installation and automation services activities in Lithuania. At the moment of issuance of these financial statements Group's management was not able to obtain reliable financial information of the newly acquired company and evaluate fair value of net assets as at the acquisition.

On 15 July 2026 MONTO EU acquired 70% of the shares of UAB "Valdantis" (acquisition price EUR 350 thousand) from unrelated party and agreed to acquire the remaining 30% by 31 March 2028. Company conduct business as administrator for rented properties. At the moment of issuance of these financial statements Group's management was not able to obtain reliable financial information of the newly acquired company and evaluate fair value of net assets as at the acquisition.

On 20 August 2026 The Group changed Lithuanian subsidiary company name UAB Mano Būstas Ukmergė to UAB Būstas Plius. Other contact details did not change.

2.4. KEY RISK ACTIVITY TYPES AND UNCERTAINTIES

In the first half of 2026 the market was stable, prices and purchasing power did not decline in comparison with 2025. 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. Local authorities impose sanctions for failure to comply with the set requirements. 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 2026, and neither there were any decisions providing significant additional obligations for service providers. Supervising institutions did not identify any major 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 6 and 8). There are no financial instruments designated in the financial statements to manage the exposure to the interest rate risk outstanding as of 30 June 2026 and 2025. The Group doesn't see significant interest rates risk as the Company increased borrowing capacity with the same terms in 2025.

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 2026, note 1.7 page 34.**

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 2026, note 14 page 43.**

20/26

FINANCIAL STATEMENTS, FOR THE SIX MONTHS PERIOD ENDED

CITYSERVICE

In service of your property

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 June 2026	As of 31 December 2025
Assets			
NON-CURRENT ASSETS			
Goodwill	3	10 400	10 068
Other intangible assets	5	22 674	22 595
Property, plant and equipment	6	950	935
Right of use assets	8	2 567	2 948
Receivables from related parties (including loans granted)	16	-	7 711
Non-current receivables	9	5 013	5 182
Deferred income tax asset		2 105	1 762
TOTAL NON-CURRENT ASSETS		**43 709**	**51 201**
CURRENT ASSETS			
Inventories		723	501
Prepayments		1 780	1 965
Trade receivables	9	29 403	27 204
Receivables from related parties (including loans granted)	16	23 686	3 569
Other receivables		5 082	6 035
Prepaid income tax		66	224
Accrued income and other current assets		1 152	1 143
Cash and cash equivalents		10 223	7 459
TOTAL CURRENT ASSETS		**72 115**	**48 100**
Total assets		**115 824**	**99 301**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30 June 2026	As of 31 December 2025
Equity and liabilities			
EQUITY			
Share capital		9 483	9 483
Share premium		8 490	8 490
Reserves		948	948
Retained earnings		18 169	13 805
		37 090	32 726
Non-controlling interests		234	238
TOTAL EQUITY		**37 324**	**32 964**
Liabilities			
NON-CURRENT LIABILITIES			
Non-current borrowings	10	16 146	1 777
Lease liabilities	8	2 145	2 233
Non-current provisions for employee benefits		105	100
Deferred income tax liabilities		1 106	1 203
Contract liabilities		3 255	3 285
Trade and other payables		635	806
TOTAL NON-CURRENT LIABILITIES		**23 392**	**9 404**
CURRENT LIABILITIES			
Current portion of non-current borrowings	10	2 118	17 629
Current portion of lease liabilities	8	458	805
Current loans	10	10 117	7 729
Trade payables and payables to related parties	16	30 921	19 355
Current provisions for employee benefits		117	122
Income tax payable		983	1 477
Current contract liabilities		10 394	9 816
TOTAL CURRENT LIABILITIES		**55 108**	**56 933**
Total liabilities		78 500	66 337
Total equity and liabilities		**115 824**	**99 301**

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

	Notes	2026 Q2	2025 Q2
Revenue from contracts with customers	1.7	57 650	56 125
Cost of sales	11	(42 161)	(40 836)
Gross profit (loss)		**15 489**	**15 289**
General and administrative expenses	12	(10 466)	(10 824)
Impairment of goodwill, other intangibles and other non-current assets		18	-
Credit loss expenses on financial assets		(36)	4
Other operating income	13	172	85
Other operating expenses	13	(199)	(187)
Profit (loss) from operations		**4 978**	**4 367**
Finance income	14	262	467
Finance costs	14	(667)	(778)
Profit (loss) before tax		**4 573**	**4 056**
Income tax		(213)	247
Profit (loss) from continued operations		**4 360**	**4 303**
Discontinued operations			
Net profit (loss) from discontinued operations	7	-	-
Net profit (loss)		**4 360**	**4 303**
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
Total comprehensive income		**-**	**-**
Attributable to:			
The shareholders of the Company		4 364	4 287
Non-controlling interests		(4)	16
		4 360	**4 303**
Total comprehensive income attributable to:			
The shareholders of the Company		4 364	4 287
Non-controlling interests		(4)	16
		4 360	**4 303**
Basic and diluted earnings per share (EUR)		**0,14**	**0,14**

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

	2026 Q2	2025 Q2
Revenue from contracts with customers	29 686	29 267
Cost of sales	(21 910)	(21 732)
Gross profit (loss)	**7 776**	**7 535**
General and administrative expenses	(5 261)	(5 028)
Impairment of goodwill, other intangibles and other non-current assets	7	-
Credit loss expenses on financial assets	26	(74)
Other operating income	110	40
Other operating expenses	(109)	(189)
Gain on sale of investments	-	-
Profit (loss) from operations	**2 549**	**2 284**
Finance income	128	48
Finance costs	(667)	(278)
Loss on sale of investments	349	-
Profit (loss) before tax	**2 359**	**2 054**
Income tax	431	599
Profit (loss) from continued operations	**2 790**	**2 653**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Assets held for sale	Total	Non-controlling interest	Total
Balance as of 1 January 2025		**9 483**	**8 490**	**-**	**420**	**10 285**	**-**	**28 678**	**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**
Balance as of 1 January 2026		**9 483**	**8 490**	**-**	**948**	**13 805**	**-**	**32 726**	**238**	**32 964**
Net profit (loss)		-	-	-	-	4 364	-	4 364	(4)	4 360
Other comprehensive Income		-	-	-	-	-	-	-	-	-
Total comprehensive Income		-	-	-	-	4 364	-	4 364	(4)	4 360
Transfers		-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-
Balance as of 30 June 2026		**9 483**	**8 490**	**-**	**948**	**18 169**	**-**	**37 090**	**234**	**37 324**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2026 Q2	2025 Q2
Cash flows from (to) operating activities			
Net profit (loss) from continued operations		4 315	4 304
Net profit (loss) from discontinued operations		-	-
Adjustments for non-cash items:			
Income tax expenses		213	(247)
Depreciation and amortization	5,6,8	1 479	1 074
Impairment and write-off of accounts receivable		(449)	218
Gain (loss) on disposal of property, plant and equipment	13	(3)	(11)
Gain (loss) from sale of investments		-	-
Finance income		(240)	(414)
Finance costs		657	778
Impairment of goodwill		-	-
Other financial activity result, net		(5)	-
		5 967	**5 702**
Changes in working capital:			
(Increase) decrease in inventories		(214)	(42)
(Increase) decrease in receivables, contract assets and other current assets		(21 006)	(2 262)
(Increase) decrease in prepayments		234	17
Increase (decrease) in trade payables and payables to related parties		10 864	(499)
Income tax (paid)		(1 115)	(372)
Increase (decrease) in advances received, contract liabilities and other current liabilities		(894)	2 209
Net cash flows from (to) operating activities		**(6 164)**	**4 753**
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(1 107)	(991)
Proceeds from sale of non-current assets		21	43
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		(110)	-
Disposal of investments in subsidiaries		120	-
Interest received		240	414
Loans (granted)		(29)	-
Loans (repaid)		7 733	2 701
Net cash flows from (to) investing activities		**6 868**	**2 167**
Cash flows from (to) financing activities			
Proceeds from loans		2 402	143
(Repayment) of financial lease liabilities		(405)	(358)
Dividends paid		-	(5 499)
Loans (repaid)		717	(891)
Interest (paid)		(657)	(778)
Net cash flows from (to) financing activities		**2 057**	**(7 383)**
Net increase (decrease) in cash and cash equivalents		2 761	(463)
Foreign exchange difference		3	-
Cash and cash equivalents at the beginning of the period*		**7 459**	**4 826**
Cash and cash equivalents at the end of the period		**10 223**	**4 363**

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 16.3 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 2026. 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 2026 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 2026 the total number of shareholders of the Company was 72.

COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 30 JUNE 2026 WAS THE FOLLOWING:

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

1.4. CITY SERVICE GROUP

AS OF 30 JUNE 2026 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 June 2026	Share of the stock held by the Group as of 31 December 2025	Main activities
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos turto sprendimai	Lithuania	100%	100%	Asset management
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%	100%	Intermediary activities of an electronicmoney institution
UAB Žemaitijos būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Būsto aplinka	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
UAB Mano būstas	Lithuania	100%	100%	Holding company
UAB City Service Cleaning	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate managementand building maintenance
UAB Energijos taupymo paslaugos	Lithuania	100%	100%	Energy saving solution services
UAB Kapitalo Sprendimai	Lithuania	100%	100%	PPP project company
UAB EPC projektai	Lithuania	100%	100%	Dormant
UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of publicterritories and premises
UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būstas Alytus	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Aukštaitija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Baltija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Dainava	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Neris	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas NPC	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Kaunas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Klaipėda	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Radviliškis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Sostinė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Šiauliai	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Ukmergė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Vakarai	Lithuania	99.97%	99.97%	Administration of dwelling-houses
UAB Mano Būstas Vilnius	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būsto priežiūra	Lithuania	100%	100%	Building maintenance
UAB Merlangas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	100%	Administration of dwelling-housesrenovation projects

UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance
UAB Pastatų valdymas	Lithuania	100%	100%	Administration of dwelling-houses
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 Monto EU	Lithuania	100%	100%	Administrator for rented properties
UAB Naujininkų ūkis	Lithuania	100%	100%	Administration of dwelling-houses
UAB GS-Servisas	Lithuania	100%	100%	Automated gates maintenance and installation
UAB Medžiagų tiekimo centras	Lithuania	100%	100%	Construction materials supply
UAB PortalPRO	Lithuania	100%	100%	Property maintenance services
SIA BILANCE	Latvia	100%	100%	Administration of dwelling-houses
SIA BonoDomo	Latvia	100%	100%	Dormant
SIA Manas MĀJAS	Latvia	100%	100%	Holding company
SIA City Service Engineering	Latvia	100%	100%	Commercial real estate managementand building maintenance
SIA Manas MĀJAS serviss	Latvia	100%	100%	Building maintenance
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Livonijas Nami	Latvia	100%	100%	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 1	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 2	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas Mājas Salnas 21	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 3	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS Ventspils	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS Tukums	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS Jelgava	Latvia	100%	100%	Administration of dwelling-houses
SIA Nia Nami	Latvia	100%	100%	Administration of dwelling-houses
MONTO Sp. z o.o	Poland	100%	-	Administrator for rented properties

1.5. COMPANY'S SUPERVISORY BOARD

AS OF 30 JUNE 2026, 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 is the Chairman of the Supervisory Board of City Service SE. In 2004, he worked as a consultant to UAB "ICOR" and has since served as Chairman of the Board of the company. From 2009 to 2015, he was Chairman of the Board of AB "City Service".
Mr. Janukonis holds a Master's degree in Law.

Gintautas Jaugielavičius

Gintautas Jaugielavičius is a Member of the Supervisory Board of City Service SE. In 2004, he worked as a consultant to UAB "ICOR" and has since been a Member of the Board of the company. From 2009 to 2015, he served as a Member of the Board of AB "City Service".
Mr. Jaugielavičius holds a Bachelor's degree in Economics.

1.6. COMPANY'S MANAGEMENT BOARD

AS OF 30 JUNE 2026 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, 2029
Vytautas Turonis	Member of the Management Board	June 26, 2021	June 26, 2029
Mindaugas Genys	Member of the Management Board	December 03, 2025	December 03, 2029
Aistė Cikanaitė-Jankauskė	Member of the Management Board	December 03, 2025	December 03, 2029
Giedrius Jakubauskas	Member of the Management Board	December 03, 2025	December 03, 2029
Tomas Sujeta	Member of the Management Board	December 03, 2025	December 03, 2029

They do not own any shares of the Company.

Artūras Gudelis

Artūras Gudelis has been working within the ICOR group of companies since 2006 and has served as Chairman of the Management Board of City Service SE since 2017. From 2015 to 2017, he was a Member of the Supervisory Board of the Company.

Mr. Gudelis is responsible for performing the functions of the Chairman of the Management Board, ensuring the efficient organization of the Board's activities, and overseeing the implementation of strategic decisions. He ensures proper corporate governance of the Company, coordinates the activities of the Management Board, and contributes to the development and execution of the Company's long-term strategy.

His professional experience enables him to ensure the Company's sustainable development, transparency, and responsible management in the interests of shareholders and investors.

Mr. Gudelis holds a Bachelor's degree in Economics and a Master's degree in Business Administration.

Vytautas Turonis

Vytautas Turonis has been working within the Group since 2004, initially as Head of the Market Development Department, and subsequently held various managerial positions. Since 2017, he has been a Member of the Board of City Service SE and is currently responsible for the Baltic countries.

Mr. Turonis oversees the strategic and operational management of the Group's activities in Lithuania and Latvia. His responsibilities include operational planning and execution, supervision of financial performance, budget control, enhancement of operational efficiency, risk management, and ensuring compliance and sustainability.

Mr. Turonis holds a Bachelor's degree in International Business.

Mindaugas Genys

Mindaugas Genys has been working within the Group since 2007. He began his career as a Project Manager, later served as Head of the Klaipėda Region, and also led the Multi-Apartment Building Administration Department. Since 2023, he has been the CEO of the "Mano BŪSTAS" group of companies, and since 2025 – a Member of the Board of City Service SE.

Mr. Genys is responsible for the strategic and operational management of "Mano BŪSTAS." His responsibilities include operational planning and implementation, ensuring service quality and efficiency, supervision of financial results, budget control, improvement of organizational processes, coordination of team performance, and creation of long-term business value.

Mr. Genys has completed studies in history, theology, and business.

Aistė Cikanaitė-Jankauskė

Aistė Cikanaitė-Jankauskė has been working within the Group for 21 years and currently serves as Chief Executive Officer of City Service SE. During this period, she has gained significant experience in legal affairs, operational management, and the building maintenance services sector. Since 2025, she has been a Member of the Board of City Service SE.

Ms. Cikanaitė-Jankauskė is responsible for the legal, human resources, procurement, real estate, and fleet management functions across the Group. Her responsibilities include strengthening internal processes, increasing organizational maturity, and ensuring sustainable growth of the Group.

Ms. Cikanaitė-Jankauskė is an experienced executive with competencies in data analytics, strategic planning, business development, legal affairs, and sales management.

She holds a Master's degree in Law.

Giedrius Jakubauskas

Giedrius Jakubauskas joined the City Service SE group of companies in 2025 as Group Chief Financial Officer. He has extensive experience in financial management and has worked in companies operating in the building maintenance sector, as well as in corporate groups such as AB "Achema Group," "KIKA Group," and others. Since 2025, he has been a Member of the Board of City Service SE.

Mr. Jakubauskas is responsible for the overall financial management of the Group. His responsibilities include financial planning and control, budgeting and budget supervision, organization of accounting, and ensuring the efficiency of financial processes across all jurisdictions in which the Group operates.

Mr. Jakubauskas holds a Master's degree in Finance.

Tomas Sujeta

Tomas Sujeta has been working within the group of companies since 2006. He started his career as a Manager and later became Director of City Service Engineering. Since 2025, he has been a Member of the Management Board of City Service SE.

Within the Group, Mr Sujeta is responsible for commercial segment buildings. He oversees engineering operations management, ensuring the quality of technical solutions, service efficiency, and technological advancement across commercial real estate properties. His responsibilities include operational planning and implementation, coordination of engineering teams, process improvement, and the creation of long-term value for clients.

Mr Sujeta holds a Bachelor's degree in Law.

1.7. ACTIVITY AND SEGMENT INFORMATION

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

2026 Q2	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	54 468	3 146	36	57 650
Total revenue from contracts with customers				**57 650**
Cost of good sold	(40 604)	(2 203)	(29)	(42 836)
General and administrative expenses	(7 228)	(1 241)	2	(8 467)
Segment results	6 636	(298)	9	6 347
Unallocated expenses				(1 369)
Profit (loss) from operations				**4 978**
Net financial income (expenses)				(405)
Profit (loss) before income tax				4 573
Income tax expenses				(213)
Net profit (loss) for the year				**4 360**
OTHER SEGMENT INFORMATION				
Capital expenditure	1 098	9	-	**1 107**
Non-current assets	40 904	3 114	(309)	**43 709**

2025 Q2	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	52 775	3 350	-	56 125
Total revenue from contracts with customers				**56 125**
Cost of good 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**
Non-current assets	47 744	3 457		**51 201**

1.7. ACTIVITY AND SEGMENT INFORMATION (cont'd)

INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS:

	Lithuania	Latvia	All other segments	Total
Revenue from contracts from external customers				
2026 Q2	54 468	3 146	36	**57 650**
2025 Q2	52 775	3 350	-	**56 125**

MAIN ACTIVITY INDICATORS FOR THE GROUP:

	2026 Q2	2025 Q2	Change
Area of residential apartment buildings under administration (million square meters)	10,5	10,2	3,1%
Area of public, commercial building and atypical properties under administration (million square meters)	5,5	5,3	4,7%
Number of employees	1 311	1 378	(4,8%)
Sales for the period	57 650	56 125	2,7 p.p.
Gross margin	26,9%	27,2%	(0,3) p.p.
EBITDA margin	11,2%	9,7%	1,5 p.p.
EBIT margin	8,6%	7,8%	0,8 p.p.
Net margin	7,6%	7,7%	(0,1) p.p.
Number of shares (thousand)	31 610	31 610	-
Return on equity	11,7%	15,5%	(3,8) p.p.
Return on assets	3,8%	4,7%	(0,9) p.p.
Financial Net Debt to equity*	48,6%	78,3%	(29,7) 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 May 2026 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3. GOODWILL

COST:	
Balance as of 1 January 2025	**10 805**
Additions	**939**
Balance as of 31 December 2025	**11 744**
Acquisitions of subsidiaries	330
Other movements	
Balance as of 30 June 2026	**12 077**
IMPAIRMENT:	
Balance as of 1 January 2025	**1 676**
Balance as of 31 December 2025	**1 676**
Balance as of 30 June 2026	**1 676**
Net book value as of 31 December 2025	10 068
Net book value as of 30 June 2026	**10 401**

3. GOODWILL (cont'd)

During reporting period the Company through its subsidiary acquired UAB Medžiagų tiekimo centras, UAB PortalPro and MONTO Sp. z o.o.

Fair value of assets, liabilities andcontingent liabilities of acquired subsidiaries	UAB Medžiagų tiekimo centras	UAB PortalPro	MONTO Sp. z o.o.
At the date of acquisition	**11 June 2026**	**28 June 2026**	**28 January 2026**
Goodwill	-	333	-
Intangible assets	1	103	-
Property, plant and equipment	-	5	-
Trade receivables	86	74	15
Other non-current assets	-	-	-
Deferred tax asset	8	(154)	-
Other current assets	36	53	352
Total assets	**131**	**414**	**367**
Long term liabilities	-	-	-
Deferred tax liability	-	-	-
Trade payables	(1)	252	12
Other current liabilities	20	20	36
Total liabilities	**19**	**272**	**48**
Total identifiable net assets at fair value	**112**	**142**	**319**
Total purchase consideration	**104**	**121**	**309**
Cash acquired	27	121	309
Total purchase consideration, net of cash acquired	**77**	**75**	**(42)**

4. OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2026 Q2 and 2025 is presented below:

	Customer related intangibles	Computer software and other intangibles	Total
COST:			
Balance as of 1 January 2025	19 892	7 745	27 637
Additions arising from acquisitions of subsidiaries	1 518	-	1 518
Additions	-	1 992	1 992
Disposals of subsidiaries	-	-	-
Disposals and retirements	-	(759)	(759)
Reclassifications	-	2	2
Balance as of 31 December 2025	**21 410**	**8 980**	**30 390**
Additions arising from acquisitions of subsidiaries	-	103	103
Additions	-	835	835
Disposals and retirements	-	(8)	(8)
Disposals of subsidiaries	-	-	-
Reclassifications	-	(2)	(2)
Balance as of 30 June 2026	**21 410**	**9 908**	**31 318**
ACCUMULATED AMORTIZATION AND IMPAIRMENT:			
Balance as of 1 January 2025	6 716	765	7 481
Charge for the period	686	387	1 073
Disposals and retirements	-	(759)	(759)
Discontinued operations	-	-	-
Balance as of 31 December 2025	**7 402**	**393**	**7 795**
Charge for the period	343	517	860
Disposals of subsidiaries	-	-	-
Disposals and retirements	-	(9)	(9)
Reclassifications	-	(2)	(2)
Balance as of 30 June 2026	**7 745**	**899**	**8 644**
Net book value as of 31 December 2025	**14 008**	**8 587**	**22 595**
Net book value as of 30 June 2026	**13 665**	**9 009**	**22 674**

5. PROPERTY, PLANT AND EQUIPMENT

Movement of fixed assets in 2026 Q2 and 2025 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Total
COST:				
Balance as of 1 January 2025	94	961	2 350	3 405
Additions arising from acquisitions of subsidiaries	-	22	19	41
Additions	-	-	550	550
Disposals and retirements	-	(102)	(789)	(891)
Reclassifications	-	(55)	(2)	(57)
Balance as of 31 December 2025	**94**	**826**	**2 128**	**3 048**
Additions arising from acquisitions of subsidiaries	-	-	5	5
Additions	-	65	207	272
Disposals and retirements	-	(39)	(216)	(255)
Reclassifications	-	-	2	2
Balance as of 30 June 2026	**94**	**852**	**2 126**	**3 072**
ACCUMULATED DEPRECIATION:				
Balance as of 1 January 2025	94	867	1 584	2 545
Charge for the year	-	(3)	376	373
Disposals and retirements	-	(78)	(727)	(805)
Additions arising from acquisitions of subsidiaries	-	-	-	-
Reclassifications	-	2	(2)	-
Balance as of 31 December 2025	**94**	**788**	**1 231**	**2 113**
Additions arising from acquisitions of subsidiaries	-	-	-	-
Charge for the year	-	45	197	242
Disposals and retirements	-	(39)	(196)	(235)
Disposals of subsidiaries	-	-	-	-
Reclassifications	-	-	2	2
Balance as of 30 June 2026	**94**	**794**	**1 234**	**2 122**
Net book value as of 31 December 2025	**-**	**38**	**897**	**935**
Net book value as of 30 June 2026	**-**	**58**	**892**	**950**

6. RIGHT OF USE ASSETS AND LEASE

Effect to the consolidated statement of financial position as at 30 June 2026 and 2025:

	Buildings	Vehicles	Total
ASSETS			
Cost			
Balance as of 1 January 2025	**3 076**	**2 733**	**5 809**
Additions	1 271	206	1 477
Decrease related to lease modifications	(945)	(78)	(1 023)
Reclasification	-	56	56
Balance as of 31 December 2025	**3 402**	**2 917**	**6 319**
Additions	-	-	-
Decrease related to lease modifications	-	-	-
Reclasification	-	-	-
Balance as of 30 June 2026	**3 402**	**2 917**	**6 319**
Accumulated depreciation			
Balance as of 1 January 2025	**1 164**	**2 393**	**3 557**
Charge for the year	698	137	800
Decrease related to lease termination	(943)	(78)	(1 021)
Balance as of 31 December 2025	**919**	**2 452**	**3 371**
Charge for the year	362	19	381
Decrease related to lease modifications	-	-	-
Balance as of 30 June 2026	**1 281**	**2 471**	**3 752**
Right of use assets as of 31 December 2025	**2 483**	**465**	**2 948**
Right of use assets as of 30 June 2026	**2 121**	**446**	**2 567**

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

	2026 Q2	2025 Q2
Depreciation expense of right-of-use assets	381	381
Interest expense on lease liabilities	44	42
Expense relating to leases of low-value assets (included in administrative expenses)	198	191
Other expenses relating to right-of-use assets		-
Profit (loss) from operations	**623**	**614**

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 449 thousand as at 30 June 2026 (400 thousand as at 30 June 2025). The Group had EUR 0 thousand non-cash additions to right-of-use assets and lease liabilities as at 30 June 2026 (EUR 61 thousand as at 30 June 2025).

7. TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 30 JUNE 2026 AND 31 DECEMBER 2025 WERE AS FOLLOWS:

	Balance as of 30 June 2026	Balance as of 31 December 2025
Trade receivables, gross	34 389	32 424
Less: allowance for doubtful trade receivables	(4 986)	(5 220)
Trade receivables, net	**29 403**	**27 204**

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.

8. BORROWINGS

BORROWINGS OF THE GROUP AND THE COMPANY AS OF 30 JUNE 2026 AND 31 DECEMBER 2025 WERE AS FOLLOWS:

	Currency	Balance as of 30 June 2026	Balance as of 31 December 2025*
CURRENT LOANS			
Bank loans	EUR	10 117	7 729
CURRENT LOANS BALANCE		**10 117**	**7 729**
NON-CURRENT LOANS			
Bank loans	EUR	18 264	19 406
Less: current portion of non-current loans		(2 118)	(17 629)
NON-CURRENT LOANS BALANCE		**16 146**	**1 777**

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.

* As of 31 December 2025 the Group exceeded amount of allowed investments stated in the loan agreement with the bank. As a result, bank borrowings in amount of EUR 15,508 previously classified as long-term have been reclassifiedS to short-term. The breach and reclassification did not affect the Group's and the Company's cash flows or its ability to meet obligations, because subsequently to the reporting date, the Group received a waiver from the bank, dated as of 10 February 2026. As of 30 June 2026 the Group was in compliance with bank's covenants.

9. COST OF SALES

	2026 Q2	2025 Q2
Services of subcontractors and materials used	27 643	26 935
Wages and salaries and social security	14 599	13 892
Cost of goods sold	63	17
Depreciation	1	1
Other	(145)	(8)
Total cost of sales	**42 161**	**40 837**

10. GENERAL AND ADMINISTRATIVE EXPENSES

	2026 Q2	2025 Q2
Wages and salaries and social security	5 841	5 504
Depreciation and amortization	1 485	1 073
Computer software maintenance	483	590
Advertising	274	234
Commissions for collection of payments	207	413
Rent of premises and other assets	198	191
Consulting and similar expenses	171	828
Insurance	160	216
Representational costs	131	137
Transportation	121	148
Office expenses	120	133
Business trips and training	80	88
Taxes other than income tax	70	80
Bank payments	67	55
Communication expenses	53	53
Utilities	36	46
Other personnel related expenses	24	43
Charity and support	21	25
Administrative costs	-	-
Other	924	967
Total general and administrative expenses	10 466	10 824

11. OTHER OPERATING INCOME (EXPENSES)

	2026 Q2	2025 Q2
Gain on disposal of property, plant and equipment	4	11
Income from rent	5	-
Fines and penalties	71	63
Other income	92	11
Total other operating income	**172**	**85**

	2026 Q2	2025 Q2
Fines and penalties	(171)	-
Loss on disposal of property, plant and equipment	(1)	-
Other expenses	(27)	(187)
Total other operating expenses	**(199)**	**(187)**

12. INTEREST AND OTHER FINANCE INCOME AND (EXPENSES)

	2026 Q2	2025 Q2
Interest income	240	414
Foreign currency exchange gain (loss)	11	-
Gain (loss) on sale of investments	-	-
Other financial income	11	53
Total finance income	**262**	**467**
Interest (expenses)	(620)	(722)
Loss on sale of investments	-	-
Other financial (expense)	(37)	(56)
Foreign currency exchange gain (loss)	(10)	-
Total finance expenses	**(667)**	**(778)**
Financial activity, net	**(405)**	**(311)**

13. DIVIDENDS PER SHARE

	2026 Q2	2025 Q2
Number of shares (in thousand)	31 610	31 610
Approved dividends	-	5 499
Approved dividends per share	**-**	**0,17**

14. 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.

2026 Q2	Purchases	Sales	Receivables and prepayments	Loans granted	Payables and advances received
UAB Medžiagų tiekimo centras	65	-	-	-	-
UAB Verslo finansavimo sprendimai	-	-	2 216	-	1 656
UAB ICOR	287	124	12	-	75
UAB Vandens parkas	1	323	65	-	-
Associates and other related parties	323	541	21 393	-	11 466
Total	**676**	**988**	**23 686**	**-**	**13 197**