



2024

INTERIM CONSOLIDATED REPORT

CITYSERVICE
In service of your property

INTERIM CONSOLIDATED REPORT

for the six months of 2024

Beginning of the reporting period	1 January 2024
End of the reporting period	30 June 2024
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Auditor	Ernst & Young Baltic AS



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DECLARATION OF THE MANAGEMENT

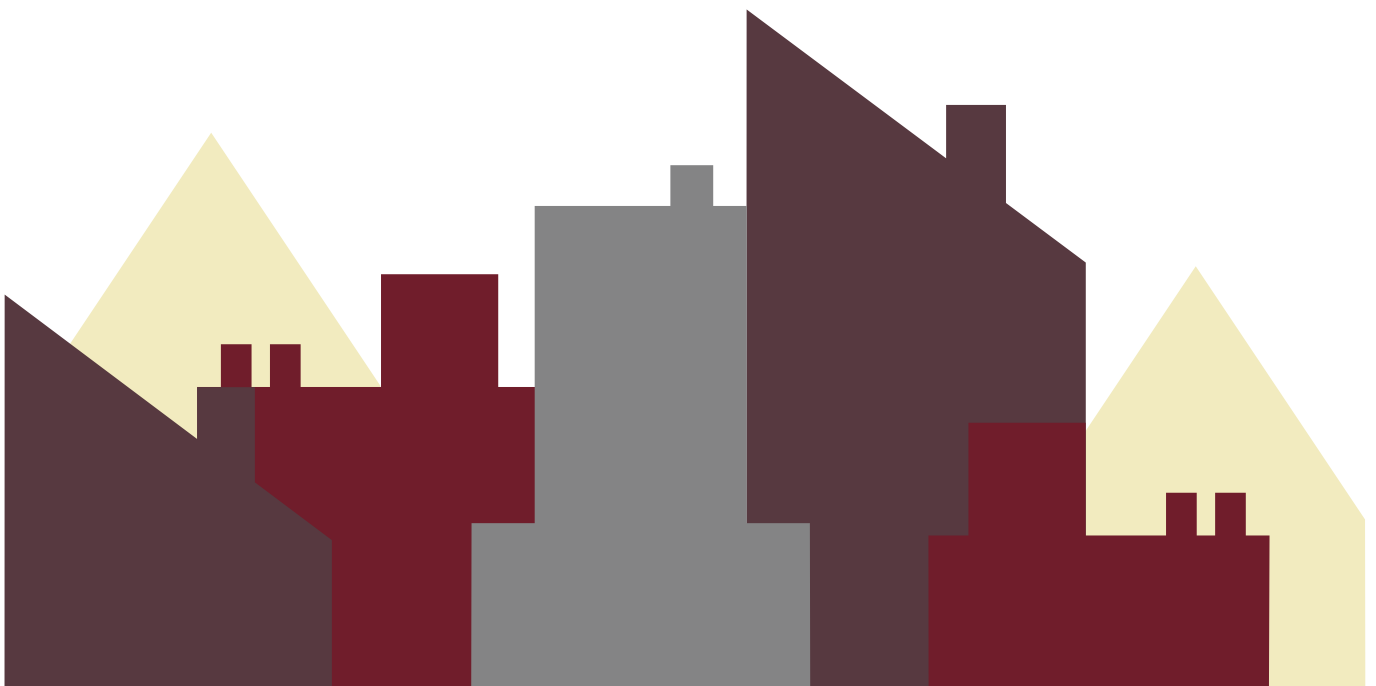
30 August 2024

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 a holding company managing a group of facility maintenance and integrated services companies in Baltics.

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.

Main business areas of the Group:



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

15.4 millions m²

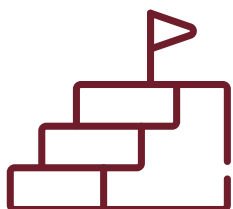


1.2. STRATEGY AND OBJECTIVES

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

*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, caring out preventive maintenance, tuning, 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. During the first

half of 2024, new comprehensive housing maintenance services were additionally provided to 77 apartment buildings, the total area of which is almost 112,000 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 percent. The Group has initiated the development of an Artificial Intelligence (AI) assistant.

This tool will generate detailed and high-quality responses to customer inquiries instantly and will have a significant impact on the routine of customer service representatives. Once the system is fully implemented, clients will receive answers to their concerns within moments. This tool will be capable of analysing extensive databases to provide highly detailed and quality responses to Group's clients. Currently, the AI assistant is being tested in the email channel. The Group plans to integrate it into all customer communication channels, including voice calls. The Group's companies continued focusing on the development of digitized services. "BonoDomo", a self-service platform launched in March 2022, had 157,000 active accounts by June 2024. Customers handled almost 294 thousand invoices via this platform and the total number of user logins exceeded 1,6 million in half year period. Area of currently maintained buildings in Lithuania amounts to 9 million m².



Area of currently maintained buildings in Lithuania amounts to

9
million m²



The self-service platform

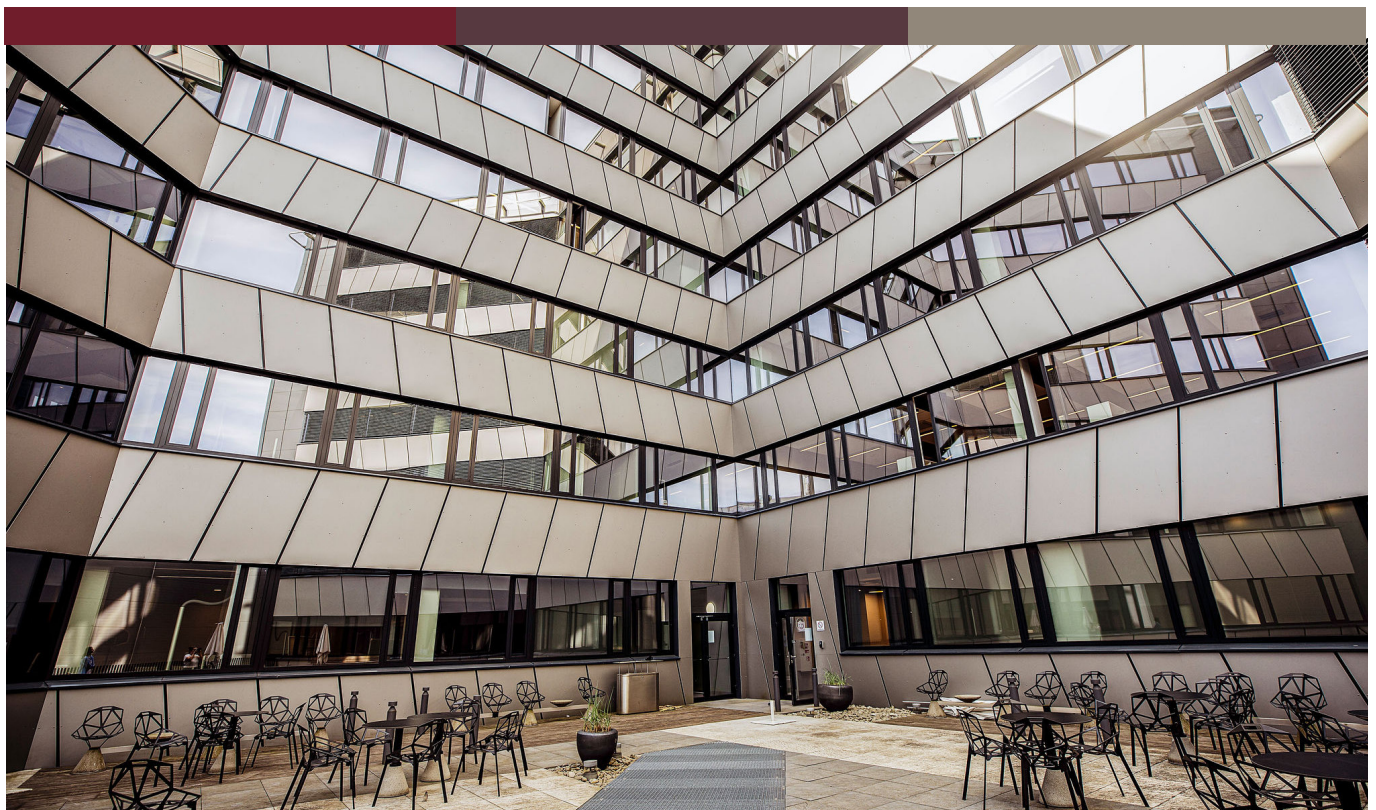
BonoDomo has

157,000
active accounts



Masters of the PortalPRO platform have already completed more than

91,000
orders in Lithuania





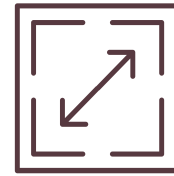
The Group's company operating in Latvia provides services in Riga, Liepaja, Ventspils, Tukums, Jelgava and Ogre Town. Customer request management, invoicing, and new customer management systems were upgraded in 2024. As a result, operation of the Company has become more efficient, and led to increased quality of services provided to customers. At the beginning of the year, the

Group acquired three companies – SIA “Nebruk Jelgava”, SIA “Nia Nami”, and SIA “Jauntukums” – which provide residential building administration services in Riga, Tukums, and Jelgava. These acquisitions increased the serviced area by over 300,000 square meters. 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 Latvia amounts to 1 million m².



Area of currently maintained buildings in Latvia amounts to

1
million m²

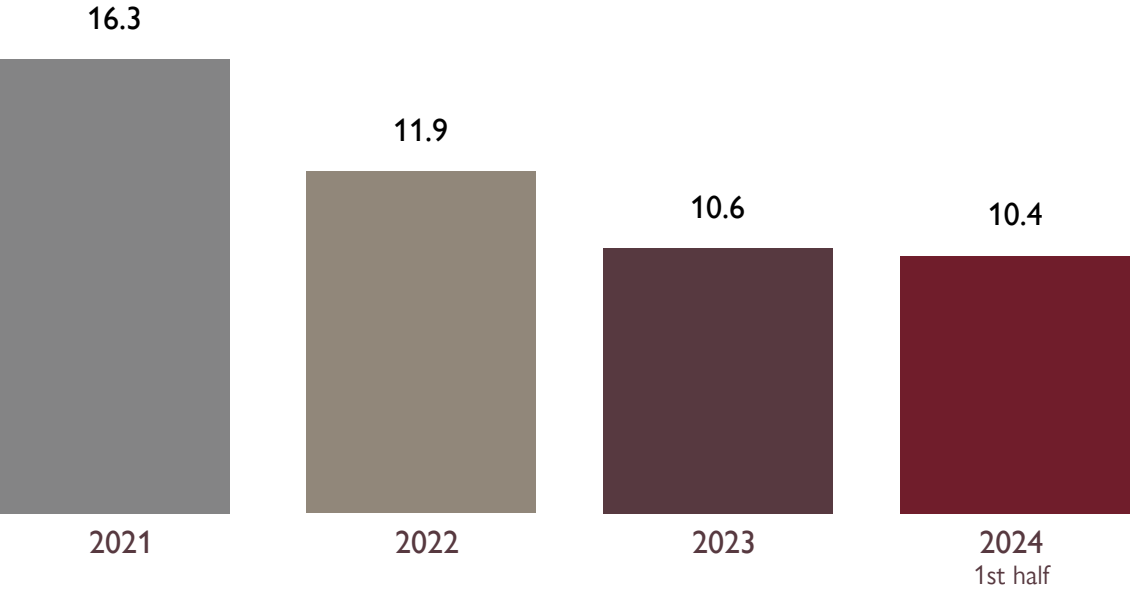


acquisitions increased the serviced area by over

157,000 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 subsidiaries operating in St. Petersburg during 2022 (3.6 million m²) and 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, management and saving of energy resources, to interior 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 2024 with 23 newly signed contracts. Among the most notable is the contract with Turto bankas, related to the maintenance of state real estate properties across Lithuania. Additionally, a contract was signed with the business centre Artery, one of the most unique business and attraction centres in Vilnius, attracting numerous international and local companies. New maintenance projects include the supervision of a new LIDL warehouse in Kaunas and a 20,000 square meter Maxima warehouse in Lentvaris. New maintenance contracts were also signed with Teltonika for the maintenance of a 10,600 square meters new administrative building in Vilnius, and with Axioma for the maintenance of a new smart meter factory in Kaunas. A comprehensive facilities management contract was concluded with the Stockholm office and warehouse centre. Building maintenance services also began for Kalnapilis Arena in Panevėžys.



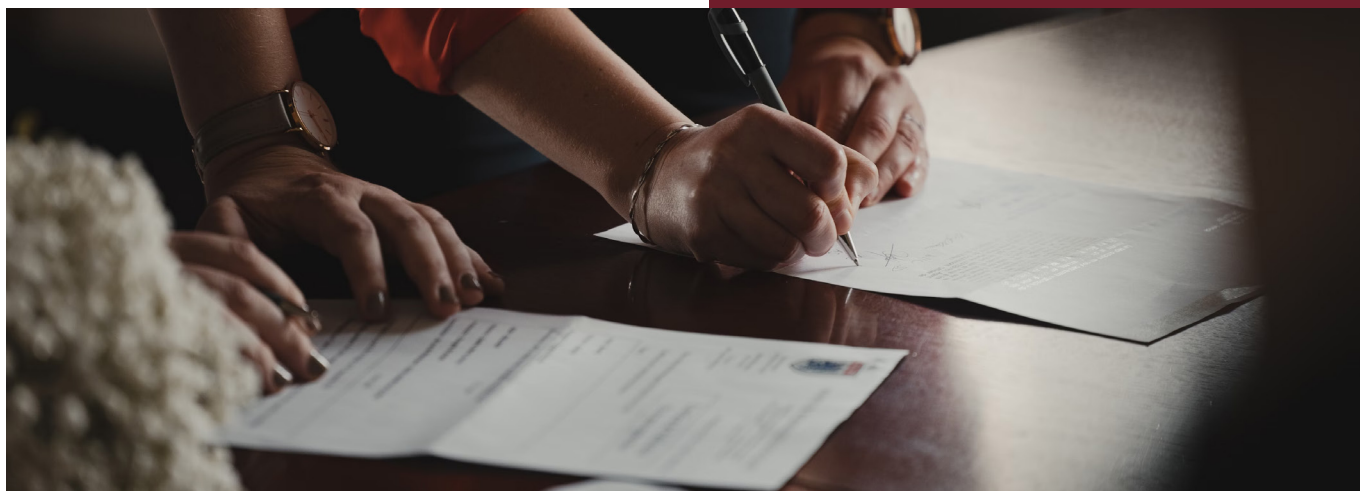
23
contracts with customers were signed in Lithuania



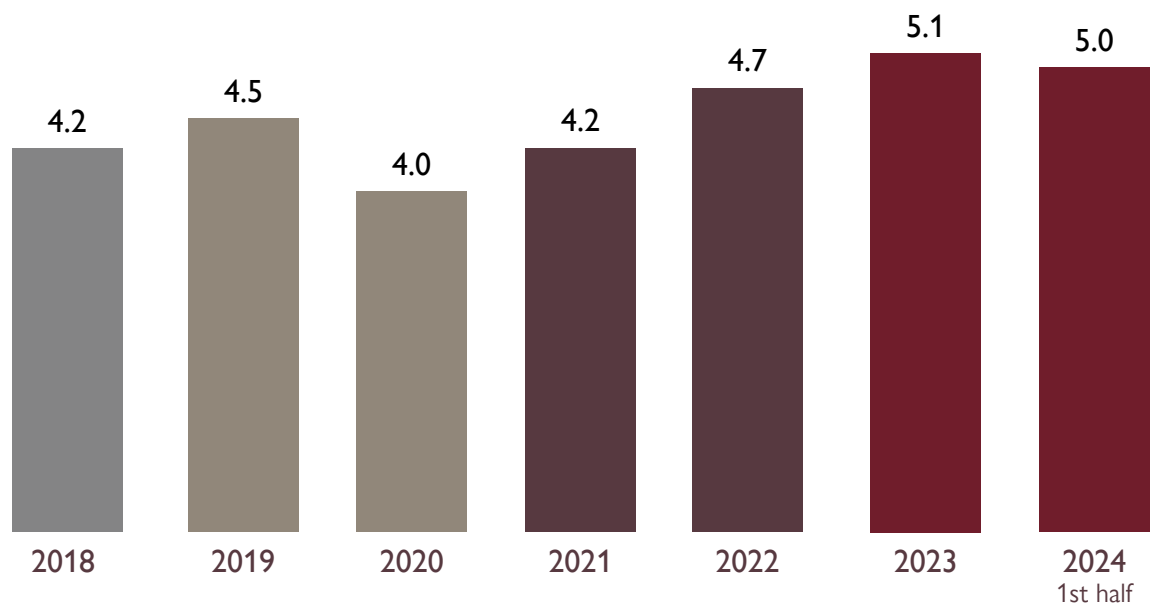
In Latvia, new comprehensive building management and maintenance contracts were signed or extended with IGNITIS Latvia, Rija VEF Hotel, Rixwell Gertrude Hotel, Rixwell Old Riga Palace Hotel, Vetklīnika24, Zelļu iela 25, Hilton Garden Inn Riga Old Town, an 84-rental apartment building and a logistics center under an existing contract with SIRIN Development.



Multiple contracts with customers were signed in Latvia



Changes in the areas of commercial, public and industrial buildings in 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: interior and exterior cleaning, maintenance of private grounds and the environment around apartment buildings, snow, sand and leaf removal, grass cutting, special cleaning and supply of hygiene materials. Cleaning and territory maintenance services are available in Lithuania and Latvia.

In Lithuania, Group's companies provide staircase, 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, production and energy facilities, etc. 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.

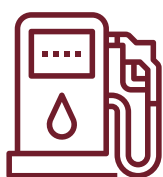


2.1.4. Other activities

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 gas stations, and recovered debts of approximately 1.52 million euros in court and through pre-trial proceedings on behalf of customers.



the Group companies provided maintenance services to

198
petrol stations.



The Company operating in Latvia continued the renovation of apartment buildings under a new governance initiative. Renovation was carried out in 36 buildings.



Renovation organisation works were carried out in

36
houses.



MANAGEMENT AND CORPORATE GOVERNANCE REPORT

2.2. PERFORMANCE IMPROVEMENT

The Group continued using business process management methods, strategy planning, and cascading tools according to the LEAN 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. In the first half of 2024, a process architecture audit was conducted, identifying outdated organizational processes. Twenty gemba walks were performed to identify process discrepancies. In the first quarter of 2024, the first Hackathon was implemented, aiming to apply artificial intelligence to address organizational challenges. The event involved 11 teams composed of employees with

different competencies. Projects were initiated within the Group companies, focusing on the application of artificial intelligence solutions in services provided and the automation of internal processes. Continuous training on artificial intelligence is conducted for employees to familiarize them with the field and stimulate interest. Regular consultations on business processes, procedures, and project activities are provided to employees. In the first half of 2024, Group employees submitted 30 ideas via the initiative "Idea Bank".

In Latvia, processes are constantly reviewed and improved. The service model is being improved and is resulting in faster and higher quality services provided

to customers. Increasing involvement of managers and employees as well as developing competencies remained a major focus point.



2.3. Significant and latest events

On 8 January 2024 a member of the Management Board Mr. Dalius Šimaitis has resigned from the management board. As from 8 January 2024, City Service SE Management Board shall consist of 2 (two) members: Artūras Gudelis and Vytautas Turonis.

On 12 February 2024 the title of UAB Energetinių projektų valdymas was changed into UAB Kapitalo sprendimai. Other contact details did not change.

On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Jauntukums (acquisition price EUR 205 thousand) which is based in Latvia. SIA Jauntukums is engaged in administration of dwelling-houses.

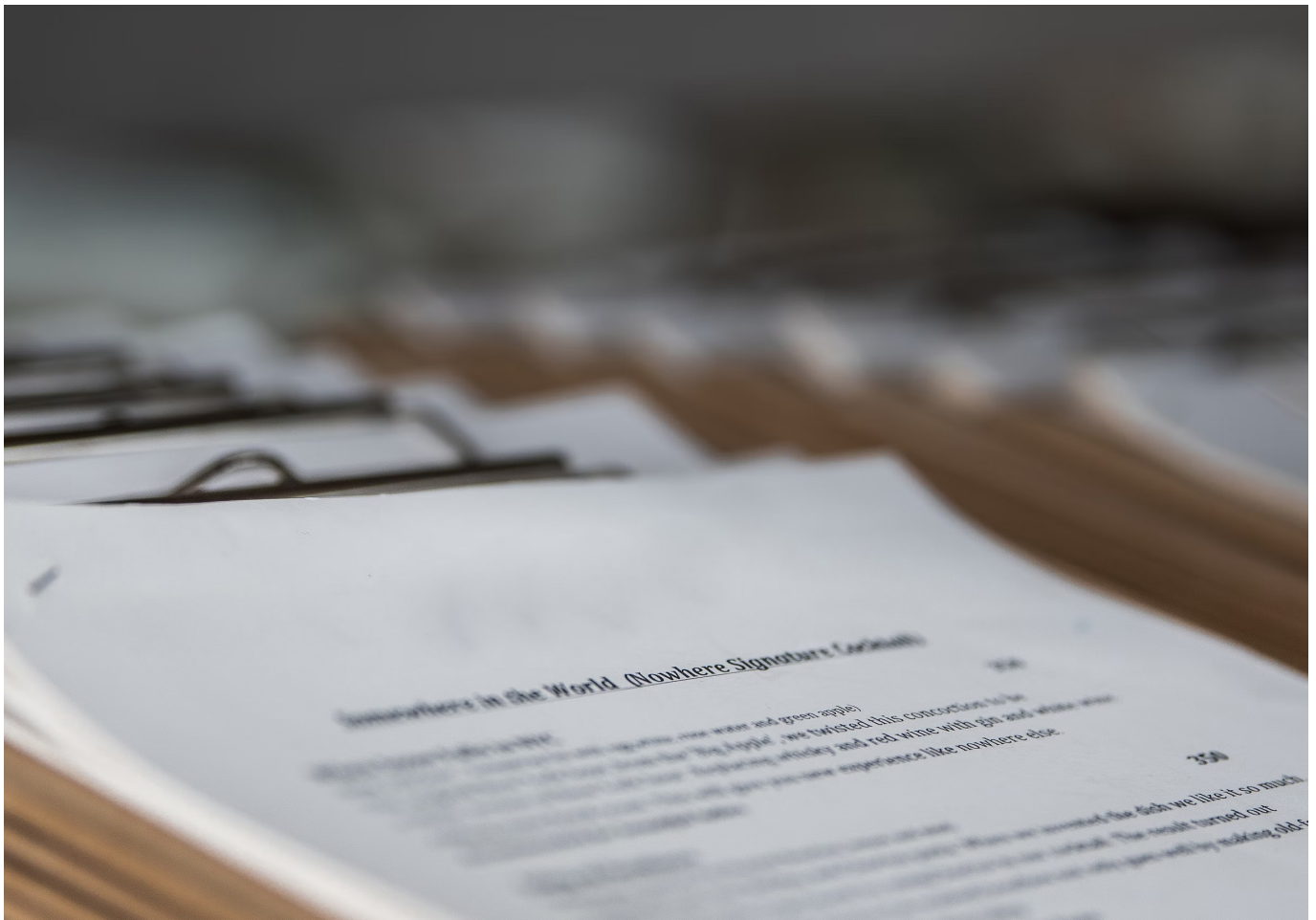
On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Nebruk Jelgava (acquisition price EUR 212 thousand) which is based in Latvia. SIA Nebruk Jelgava is engaged in administration of dwelling-houses.

On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Nia Nami (acquisition price EUR 533

thousand) which is based in Latvia. SIA Nia Nami is engaged in administration of dwelling-houses.

On 29 March 2024 due to the acquisition of three new companies in the Republic of Latvia, credit agreement between City Service SE and Swedbank, AB concluded on 30 November 2023, has been amended, increasing the amount taken under the credit agreement from EUR 9 000 000 (nine million euros) to EUR 9 440 000 (nine million four hundred forty thousand euros) with borrowing capacity increased (the purpose of which is an overdraft) from EUR 8 925 000 (eight million nine hundred twenty-five thousand euros) to EUR 9 585 000 (nine million five hundred eighty five thousand euros).

On 6 June 2024 the Group sold UAB Exergio, which was providing IT energy saving solutions for buildings. Value of the share sale – purchase agreement is EUR 2,5 thousand. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR 341 thousand.



2.4. KEY RISK ACTIVITY TYPES AND UNCERTAINTIES

In the first half of 2024 the market was stable, prices and purchasing power did not decline in comparison with 2023. 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 2024, and neither were there 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 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 2024 and 2023. The Group doesn't see significant interest rates risk as the loan from the bank was refinanced with more convenient terms – longer maturity period, interest rates margin is lower.

INTEREST RATE RISK

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 2024, note 1.7 page 33.

2.5. Significant related party transactions

Significant related party transactions are provided in the Consolidated interim financial statements for the six months period ended 30 June 2024, note 16 page 44.



2024

INTERIM CONSOLIDATED REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 June 2024	As of 31 December 2023
Assets			
NON-CURRENT ASSETS			
Goodwill	3	9 611	8 799
Other intangible assets	5	19 509	18 956
Property, plant and equipment	6	821	813
Right of use assets	8	1 871	2 153
Non-current receivables	9	5 275	5 533
Deferred income tax asset		2 466	2 090
TOTAL NON-CURRENT ASSETS		39 553	38 344
CURRENT ASSETS			
Inventories		852	672
Prepayments		1 652	1 736
Trade receivables	9	25 197	25 506
Receivables from related parties	16	1 503	2 196
Accrued income and other current assets		1 358	1 154
Other receivables		2 760	4 039
Prepaid income tax		189	200
Cash and cash equivalents		6 642	9 176
TOTAL CURRENT ASSETS		41 207	44 679
Total assets		80 760	83 023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30 June 2024	As of 31 December 2023
Equity and liabilities			
EQUITY			
Share capital		9 483	9 483
Share premium		8 490	8 490
Reserves		420	-
Retained earnings (deficit)		7 690	5 874
		<u>26 083</u>	<u>23 847</u>
Non-controlling interests		195	176
TOTAL EQUITY		26 278	24 023
Liabilities			
NON-CURRENT LIABILITIES			
Non-current borrowings	10	9 849	10 279
Lease liabilities	8	1 460	1 542
Non-current provisions for employee benefits		115	119
Deferred income tax liabilities		1 959	1 729
Non-current payables		4 032	3 876
TOTAL NON-CURRENT LIABILITIES		17 415	17 545
CURRENT LIABILITIES			
Current portion of non-current borrowings	10	1 228	1 138
Current portion of lease liabilities	8	520	681
Current loans	10	7 008	9 000
Trade payables and payables to related parties	16	10 387	13 281
Current provisions for employee benefits		-	155
Advances received		7 829	6 893
Income tax payable		385	975
Other current liabilities		9 710	9 332
TOTAL CURRENT LIABILITIES		37 067	41 455
Total liabilities		54 482	59 000
Total equity and liabilities		80 760	83 023

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

	Notes	2024 Q2	2023 Q2
Revenue from contracts with customers	1.7	52 301	48 339
Cost of sales	11	(38 447)	(35 264)
Gross profit (loss)		13 854	13 075
General and administrative expenses	12	(10 192)	(10 167)
Credit loss expenses on financial assets		(242)	144
Other operating income	13	239	157
Other operating expenses	13	(28)	(6)
Profit (loss) from operations		3 631	3 203
Interest income	14	134	821
Other finance income	14	-	(1 380)
Interest expenses	14	(552)	-
Other finance expenses	14	(1)	-
Gain on sale of investments	14	341	-
Profit (loss) before tax		3 553	2 644
Income tax		376	(829)
Profit (loss) from continued operations		3 929	1 815
Discontinued operations			
Net profit (loss) from discontinued operations	7	-	(60)
Net profit (loss)		3 929	1 755
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
Total comprehensive income		-	-
Attributable to:			
The shareholders of the Company		3 911	1 731
Non-controlling interests		19	24
		3 929	1 755
Total comprehensive income attributable to:			
The shareholders of the Company		3 911	1 731
Non-controlling interests		18	24
		3 929	1 755
Basic and diluted earnings per share (EUR)		0,12	0,05

STATEMENTS OF COMPREHENSIVE INCOME

(for the period 1 April – 30 June)

	2024 Q2	2023 Q2
Sales	27 477	25 442
Cost of sales	(20 188)	(18 711)
Gross profit (loss)	7 289	6 731
General and administrative expenses	(4 951)	(4 894)
Credit loss expenses on financial assets	(235)	171
Other operating income	27	103
Other operating expenses	45	(6)
Gain (loss) from operations	2 175	2 105
Interest income	108	787
Other finance income	341	(1 094)
Interest expenses	(255)	-
Gain (loss) before tax	2 369	1 798
Income tax	597	(417)
Net gain (loss) from continued operations	2 966	1 381
Discontinued operations		
Net profit (loss) from discontinued operations	-	(174)
Net profit (loss)	2 966	1 207

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 2023		9 483	21 067	-	948	(13 525)	(92)	17 881	138	18 019
Net profit (loss)		-	-	-	-	1 731	-	1 731	24	1 755
Other comprehensive Income		-	-	-	-	-	-	-	-	-
Total comprehensive Income		-	-	-	-	1 731	-	1 731	24	1 755
Disposal of subsidiaries		-	-	-	-	-	92	92	-	92
Balance as of 30 June 2023		9 483	21 067	-	948	(11 794)	-	19 704	162	19 866
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
Dividends declared		-	-	-	-	(1 675)	-	(1 675)	-	(1 675)
Transfers to reserves		-	-	-	420	(420)	-	-	-	-
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-
Balance as of 30 June 2024		9 483	8 490	-	420	7 691	-	26 084	194	26 278

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2024 Q2*	2023 Q2*
Cash flows from (to) operating activities			
Net profit (loss) from continued operations		3 930	1 815
Net profit (loss) from discontinued operations		-	(60)
Adjustments for non-cash items:			
Income tax expenses		(376)	859
Depreciation and amortization	5,6,8	1 080	2 380
Impairment and write-off of accounts receivable		113	(910)
Gain (loss) on disposal of property, plant and equipment	13	(136)	(60)
Gain (loss) from sale of investments		(341)	322
Other adjustments for non-cash items		-	-
Impairment of goodwill		-	(15)
Interest income		(132)	(13)
Interest expenses		552	603
Other financial activity result, net		1	(294)
		4 691	4 627
Changes in working capital:			
(Increase) decrease in inventories		(292)	520
(Increase) decrease in receivables, contract assets and other current assets		1 341	(3 980)
(Increase) decrease in prepayments		81	240
Increase (decrease) in trade payables and payables to related parties		(4 627)	8 040
Income tax (paid)		(416)	(442)
Increase (decrease) in advances received, contract liabilities and other current liabilities		2 480	(11 216)
		3 258	(2 211)
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(1 485)	(1 860)
Proceeds from sale of non-current assets		48	1 006
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)		(478)	52
Disposal of investments in subsidiaries		973	(709)
Interest received		132	13
Loans (granted)		(1 072)	-
Loans (repaid)		937	4 412
		(945)	2 914
Cash flows from (to) financing activities			
Dividends (paid)		(1 675)	-
Proceeds from loans		25	2 107
(Repayment) of financial lease liabilities		(289)	(1 793)
Loans (repaid)		(2 356)	-
Interest (paid)		(552)	(603)
		(4 847)	(289)
Net increase (decrease) in cash and cash equivalents		(2 534)	414
Foreign exchange difference		-	48
Cash and cash equivalents at the beginning of the period*		9 176	3 666
Cash and cash equivalents at the end of the period		6 642	4 128

* Group cash flows for 2023 Q2 comprise total consolidated Group, including discontinued operations.

1.

GENERAL INFORMATION

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

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

1.1.

ACTIVITY

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

The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 15.4 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 2024. 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 2024 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 2024 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 2024 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 2024 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 2024	Share of the stock held by the Group as of 31 December 2023	Main activities
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos transporto valdymas	Lithuania	100%	100%	Asset management
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB BonoDomo	Lithuania	100%	100%	IT services
UAB BonoDomo Pay	Lithuania	100%	100%	Intermediary activities of an electronic money institution
UAB Butų ūkio valdos	Lithuania	100%	100%	Administration of dwelling-houses
UAB Būsto aplinka	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
UAB Mano būstas	Lithuania	100%	100%	Holding company
UAB City Service Cleaning	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB CSG IT	Lithuania	100%	100%	IT services
UAB Energijos taupymo paslaugos	Lithuania	100%	100%	Energy saving solution services
UAB 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 public territories and premises
UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būsto klientų patirčių centras	Lithuania	100%	100%	Client service center services
UAB Mano Būstas Alytus	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Aukštaitija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Baltija	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Dainava	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Neris	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas NPC	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Kaunas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Klaipėda	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Radviliškis	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Sostinė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Šiauliai	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Ukmergė	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Vakarai	Lithuania	99.97%	99.97%	Administration of dwelling-houses
UAB Mano Būstas Vilnius	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būsto priežiūra	Lithuania	100%	100%	Building maintenance
UAB Merlangas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	100%	Administration of dwelling-houses renovation projects
UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance

UAB Pastatų 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 Unitechna	Lithuania	100%	100%	Maintenance and construction of gas stations
Concentra Servicios y Mantenimiento, S.A.*	Spain	100%	100%	Commercial real estate management and building maintenance
Vetell dos iberica, S.L.*	Spain	100%	100%	Administration of dwelling-houses
SIA BILANCE	Latvia	100%	100%	Administration of dwelling-houses
SIA BonoDomo	Latvia	100%	100%	Dormant
SIA City Service	Latvia	100%	100%	Holding company
SIA City Service Engineering	Latvia	100%	100%	Commercial real estate management and building maintenance
SIA Ēku pārvaldīšanas serviss	Latvia	100%	100%	Building maintenance
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Livonijas Nami	Latvia	100%	100%	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 2	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas Mājas Salnas 21	Latvia	100%	100%	Administration of dwelling-houses
SIA Manas MĀJAS 3	Latvia	100%	100%	Administration of dwelling-houses
SIA Multihouse	Latvia	100%	100%	Administration of dwelling-houses
SIA Ventspils nami	Latvia	100%	100%	Administration of dwelling-houses
SIA Jauntukums	Latvia	100%	-	Administration of dwelling-houses
SIA Nebruk Jelgava	Latvia	100%	-	Administration of dwelling-houses
SIA Nia Nami	Latvia	100%	-	Administration of dwelling-houses

* 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.

1.5.

COMPANY'S SUPERVISORY BOARD

AS OF 30 JUNE 2024, 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 2024 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):

2024 Q2	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	47 894	4 407	-	52 301
Total revenue from contracts with customers				52 301
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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2023 Q2	Lithuania	Latvia	All other segments	Total
Revenue from contracts with customers:	44 936	3 302	101	48 339
Total revenue from contracts with customers				48 339
Segment results	4 145	2	(228)	3 919
Unallocated expenses				(716)
Profit (loss) from operations				3 203
Net financial income (expenses)				(559)
Profit (loss) before income tax				2 644
Income tax expenses				(829)
Net profit (loss) for the year				1 815

OTHER SEGMENT INFORMATION

Capital expenditure	1 117	17	-	1 134
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1.7.

ACTIVITY AND SEGMENT INFORMATION (cont'd)

INFORMATION ON MAIN GROUP'S OPERATING SEGMENTS:

	Lithuania	Latvia	All other segments	Total
Revenue from contracts from external customers				
2024 Q2	47 894	4 407	-	52 301
2023 Q2	44 936	3 302	101	48 339

	Lithuania	Latvia	All other segments	Total
Segment non-current assets				
As of 30 June 2024	33 869	5 684	-	39 553
As of 31 December 2023	33 017	5 327	-	38 344

MAIN ACTIVITY INDICATORS FOR THE GROUP*:

	2024 Q2	2023 Q2	Change
Area of residential apartment buildings under administration (million square meters)	10,4	10,7	(2,8%)
Area of public, commercial building and atypical properties under administration (million square meters)	5,0	4,9	2,0%
Number of employees	1 551	1 421	9,1%
Sales for the period	52 301	56 145	(6,8%)
Gross margin	26,5%	24,4%	2,1 p.p.
EBITDA margin	9,0%	9,9%	(0,9) p.p.
EBIT margin	6,9%	5,7%	1,2 p.p.
Net margin	7,5%	3,1%	4,4 p.p.
Number of shares (thousand)	31 610	31 610	-
Return on equity	15,0%	8,8%	6,2 p.p.
Return on assets	4,9%	2,4%	2,5 p.p.
Financial Net Debt to equity**	43,5%	65,2%	(21,7) p.p.

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

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

2.

ACCOUNTING POLICY

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 30 August 2024 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

GOODWILL

COST:

Balance as of 1 January 2023	10 475
Balance as of 31 December 2023	10 475
Acquisitions of subsidiaries	811
Balance as of 30 June 2024	11 286

IMPAIRMENT:

Balance as of 1 January 2023	1 676
Balance as of 31 December 2023	1 676
Balance as of 30 June 2024	1 676

Net book value as of 31 December 2023	8 799
Net book value as of 30 June 2024	9 610

3.

GOODWILL (cont'd)

During reporting period the Company through its subsidiary acquired SIA Jauntukums, SIA Nebruk Jelgava and SIA Nia Nami.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	SIA Jauntukums	SIA Nebruk Jelgava	SIA Nia Nami
At the date of acquisition	10 March	10 March	10 March
Property, plant and equipment	5	4	28
Trade receivables	73	105	96
Other current assets	302	148	107
Total assets	380	257	231
Long term liabilities	25	-	-
Trade payables	155	51	27
Other current liabilities	156	157	158
Total liabilities	336	208	185
Total identifiable net assets at fair value	44	49	46
Goodwill	161	163	487
Total purchase consideration	205	212	533
Cash acquired	248	128	95
Total purchase consideration, net of cash acquired	(68)	84	438

4.

SIGNIFICANT EVENTS**Investments and other changes during the six months of the year 2024**

On 8 January 2024 a member of the Management Board Mr. Dalius Šimaitis has resigned from the management board. As from 8 January 2024, City Service SE Management Board shall consist of 2 (two) members: Artūras Gudelis and Vytautas Turonis.

On 12 February 2024 the title of UAB Energetinių projektų valdymas was changed into UAB Kapitalo sprendimai. Other contact details did not change.

On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Jauntukums (acquisition price EUR 205 thousand) which is based in Latvia. SIA Jauntukums is engaged in administration of dwelling-houses.

On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Nebruk Jelgava (acquisition price EUR 212 thousand) which is based in Latvia. SIA Nebruk Jelgava is engaged in administration of dwelling-houses.

On 10 March 2024 the Group, through its Latvian subsidiary from unrelated party acquired 100% of the shares of SIA Nia Nami (acquisition price EUR 533 thousand) which is based in Latvia. SIA Nia Nami is engaged in administration of dwelling-houses.

On 29 March 2024 due to the acquisition of three new companies in the Republic of Latvia, credit agreement between City Service SE and Swedbank, AB concluded on 30 November 2023, have been amended, increasing the credit taken under the credit agreement from EUR 9 000 000 (nine million euros) to EUR 9 440 000 (nine million four hundred forty thousand euros) with borrowing capacity increased (the purpose of which is an overdraft) from EUR 8 925 000 (eight million nine hundred twenty-five thousand euros) to EUR 9 585 000 (nine million five hundred eighty five thousand euros).

On 6 June 2024 the Group sold UAB Exergio, which was providing IT energy saving solutions for buildings. Value of the share sale – purchase agreement is EUR 2,5 thousand. The carrying value of the net asset of the subsidiary disposed at the date of issuing these financial statements amounted to EUR 341 thousand.

5.

OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2024 Q2 and 2023 is presented below:

	Customer related intangibles	Computer software	Other	Total
COST:				
Balance as of 1 January 2023	19 397	3 961	2 825	26 183
Additions	-	1 209	-	1 209
Disposals and retirements	-	(95)	(989)	(1 084)
Balance as of 31 December 2023	19 397	5 075	1 836	26 308
Additions arising from acquisitions of subsidiaries	-	-	9	9
Additions	-	1 319	-	1 319
Disposals of subsidiaries	-	(741)	-	(741)
Disposals and retirements	-	(206)	(3 660)	(3 866)
Reclassifications	-	2 644	1 826	4 470
Balance as of 30 June 2024	19 397	8 091	11	27 499
ACCUMULATED AMORTIZATION AND IMPAIRMENT:				
Balance as of 1 January 2023	5 424	1 564	248	7 205
Charge for the period	642	496	-	1 175
Disposals and retirements	-	-	(1 022)	(1 028)
Balance as of 31 December 2023	6 066	2 060	(774)	7 352
Charge for the period	315	161	9	485
Disposals of subsidiaries	-	(452)	-	(452)
Disposals and retirements	-	(206)	(3 660)	(3 866)
Reclassifications	-	38	4 433	4 471
Balance as of 30 June 2024	6 382	1 601	8	7 990
Net book value as of 31 December 2023	13 331	3 015	2 610	18 956
Net book value as of 30 June 2024	13 015	6 490	3	19 508

6.

PROPERTY, PLANT AND EQUIPMENT

Movement of fixed assets in 2024 Q2 and 2023 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Total
COST:				
Balance as of 1 January 2023	482	1 337	1 686	3 505
Additions arising from acquisitions of subsidiaries	-	-	4	4
Additions	-	-	541	541
Disposals and retirements	(387)	(383)	(75)	(845)
Disposals related to discontinued operations	-	-	(1)	(1)
Reclassifications	-	128	-	128
Balance as of 31 December 2023	95	1 082	2 155	3 332
Additions arising from acquisitions of subsidiaries	35	7	43	85
Additions	-	20	146	166
Disposals and retirements	(35)	(40)	(5)	(80)
Disposals of subsidiaries	-	-	(8)	(8)
Reclassifications	-	-	(10)	(10)
Balance as of 30 June 2024	95	1 069	2 321	3 485
ACCUMULATED DEPRECIATION:				
Balance as of 1 January 2023	147	1 317	1 047	2 511
Charge for the year	6	3	369	378
Disposals and retirements	(58)	(374)	53	(379)
Additions arising from acquisitions of subsidiaries	-	-	3	3
Disposals related to discontinued operations	-	-	(1)	(1)
Reclassifications	-	-	7	7
Balance as of 31 December 2023	95	946	1 478	2 519
Additions arising from acquisitions of subsidiaries	11	1	37	49
Charge for the year	-	6	156	162
Disposals and retirements	(11)	(39)	3	(47)
Disposals of subsidiaries	-	-	(6)	(6)
Reclassifications	-	-	(13)	(13)
Balance as of 30 June 2024	95	914	1 655	2 664
Net book value as of 31 December 2023	-	136	677	813
Net book value as of 30 June 2024	-	155	666	821

7.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Group management evaluated IFRS 5 criteria for assets held for sale and on 30 June 2024 as well as 31 December 2023 there were no entities which met the criteria to be classified as held for sale and represented in Consolidated Statement of financial position.

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

After evaluation of IFRS 5 Discontinued operations criteria in 2023 Q2 entities related to business segment in Poland (Deleterma Sp. z o.o., PROGRESLINE Sp.z o.o., ZZN Inwestycje Sp.z o.o., Tumieszkamy Sp.z o.o., Wolska Aparthotel Sp.z o.o., Parama Group Sp.z o.o., Atrium 21 Sp.z o.o., Skydas - Przeglądy Budowlane Sp.z o.o., Parama Red Sp.z o.o., Parama White Sp.z o.o., Concierge - Zarządzanie Nieruchomościami Sp.z o.o., Parama Blue Sp.z o.o., Parama Yellow Sp.z o.o., UAB Baltijos būsto priežiūra, EnergiaOK sp. z o.o., Grupa Techniczna 24 Sp. z o.o, UAB Neries būstas, Zespół Zarządców Nieruchomości sp. z o.o., Famix sp. z.o.o., TED Sp. z o.o., Dom - Best Sp. z o.o., SANTER Zarządzanie Nieruchomościami, Certus - Serwis Sp. z o.o) were classified as discontinued operations and presented as such in Consolidated Statement of Comprehensive Income. As of the date of 2024 Q2 there were no entities that met the criteria of IFRS 5 Discontinued operations.

The result of discontinued operations is as following:

	2024 Q2	2023 Q2
Revenue from contracts with customers	-	5 740
Cost of sales	-	(4 258)
Gross profit (loss)	-	1 482
General and administrative expenses	-	(466)
Credit loss expenses on financial assets	-	54
Other operating income	-	103
Other operating expenses	-	(1 035)
Gain (loss) from operations	-	138
Interest income	-	6
Interest expenses	-	(3)
Gain (loss) before tax	-	141
Income tax	-	(28)
Net profit (loss)	-	113

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

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

	2024 Q2	2023 Q2
Net cash flows (to) from operating activities	-	1 852
Net cash flows (to) from investing activities	-	(943)
Net cash flows (to) from financing activities	-	(3)
Net increase (decrease) in cash flows	-	906

8.

RIGHT OF USE ASSETS AND LEASE

Effect to the consolidated statement of financial position as at 30 June 2024 and 2023:

	Buildings	Vehicles	Total
ASSETS			
Cost			
Balance as of 1 January 2023	4 900	2 481	7 381
Additions	385	171	556
Decrease related to lease modifications	(96)	-	(96)
Reclassifications	-	(127)	(127)
Decrease related to lease termination	(2 749)	(54)	(2 803)
Balance as of 31 December 2023	2 440	2 471	4 911
Additions	19	-	19
Decrease related to lease modifications	(174)	(63)	(237)
Balance as of 30 June 2024	2 285	2 408	4 693
Accumulated depreciation			
Balance as of 1 January 2023	1 540	1 939	3 479
Charge for the year	732	363	1 095
Decrease related to lease modifications	(28)	-	(28)
Decrease related to lease termination	(1 735)	(53)	(1 788)
Balance as of 31 December 2023	509	2 249	2 758
Charge for the year	315	117	432
Decrease related to lease modifications	(322)	(47)	(369)
Balance as of 30 June 2024	502	2 319	2 821
Right of use assets as of 31 December 2023	1 931	222	2 153
Right of use assets as of 30 June 2024	1 782	89	1 871

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

	2024 Q2	2023 Q2
Depreciation expense of right-of-use assets	432	476
Interest expense on lease liabilities	33	30
Expense relating to leases of low-value assets (included in administrative expenses)	168	275
Profit (loss) from operations	633	781

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 322 thousand as at 30 June 2024 (1,823 thousand as at 30 June 2023). The Group had EUR 19 thousand non-cash additions to right-of-use assets and lease liabilities as at 30 June 2024 (EUR 389 thousand as at 30 June 2023).

9.

TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 30 JUNE 2024 AND 31 DECEMBER 2023 WERE AS FOLLOWS:

	Balance as of 30 June 2024	Balance as of 31 December 2023
Trade receivables, gross	31 551	31 755
Less: allowance for doubtful trade receivables	(6 355)	(6 249)
Trade receivables, net	25 196	25 506

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 2024 AND 31 DECEMBER 2023 WERE AS FOLLOWS:

	Currency	Balance as of 30 June 2024	Balance as of 31 December 2023
<u>CURRENT LOANS</u>			
Bank loans	EUR	7 008	9 000
CURRENT LOANS BALANCE		7 008	9 000
<u>NON-CURRENT LOANS</u>			
Bank loans	EUR	11 077	11 417
Less: current portion of non-current loans		(1 228)	(1 138)
NON-CURRENT LOANS BALANCE		9 849	10 279

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

	2024 Q2	2023 Q2
Services of subcontractors and materials used	25 080	16 224
Wages and salaries and social security	13 368	12 205
Cost of goods sold	13	630
Depreciation	2	10
Other	(15)	6 195
Total cost of sales	38 447	35 264

12.

GENERAL AND ADMINISTRATIVE EXPENSES

	2024 Q2	2023 Q2
Wages and salaries and social security	5 168	5 063
Depreciation and amortization	1 078	1 296
Consulting and similar expenses	931	932
Utilities	140	28
Computer software maintenance	327	282
Transportation and fuel expenses	160	196
Commissions for collection of payments	159	160
Insurance	157	142
Advertising	169	248
Rent of premises and other assets	168	275
Representational costs	110	124
Business trips and training	117	66
Taxes other than income tax	64	128
Bank payments	49	53
Communication expenses	51	92
Charity and support	44	3
Other	1 299	1 079
Total general and administrative expenses	10 191	10 167

13.

OTHER OPERATING INCOME (EXPENSES)

	2024 Q2	2023 Q2
Gain on disposal of property, plant and equipment	163	-
Fines and penalties	40	-
Other income	10	54
Total other operating income	212	54

	2024 Q2	2023 Q2
Fines and penalties	38	-
Loss on disposal of property, plant and equipment	26	-
Other expenses	8	-
Total other operating expenses	72	-

14.

INTEREST AND OTHER FINANCE INCOME AND (EXPENSES)

	2024 Q2	2023 Q2
Interest income	26	10
Foreign currency exchange gain	-	2
Gain on sale of investments	-	22
Other financial income	4	48
Total finance income	26	34
Interest expenses	(297)	(283)
Foreign currency exchange loss	-	(3)
Loss on sale of investments	1	(807)
Other financial expenses	-	(1)
Total finance expenses	(297)	(286)
Financial activity, net	(271)	(252)

15.

DIVIDENDS PER SHARE

	2024 Q2	2023 Q2
Number of shares (in thousand)	31 610	31 610
Approved dividends	1 675	-
Approved dividends per share	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.

2024 Q2	Purchases	Sales	Receivables and prepayments	Loans granted	Payables and advances received
Medžiagų tiekimo centras	-	-	6	193	-
UAB Verslo finansavimo sprendimai	-	-	524	-	2 957
ICOR	137	57	249	-	96
UAB Vandens parkas	-	107	676	-	-
Associates and other related parties	275	282	244	437	206
Total	412	446	1 699	1 055	2 250

17.

SUBSEQUENT EVENTS

There were no significant subsequent events after the reporting date and as of the date of submission of this report.