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**CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THREE MONTHS
PERIOD ENDED 31 MARCH, 2022
(UNAUDITED)**

City Service SE

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH, 2022
(UNAUDITED)**

Beginning of the reporting period	1 January 2022
End of the reporting period	31 March 2022
Business name	City Service SE
Registration number	12827710
Legal address	Narva mnt. 5, 10117 Tallinn, the Republic of Estonia
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E-mail	info@cityservice.eu
Website	http://www.cityservice.eu
Auditor	Ernst & Young Baltic AS

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Declaration of the management

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

Chairman of the Management Board



Artūras Gudelis

31 May 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 31 March 2022	As of 31 December 2021
Assets			
NON-CURRENT ASSETS			
Goodwill	3	15,598	10,580
Other intangible assets	5	21,734	21,089
Property, plant and equipment	6	4,363	4,520
Right of use assets	7	5,239	5,825
Non-current receivables	8	5,936	6,056
Deferred income tax asset		2,718	2,464
Total non-current assets		55,588	50,534
CURRENT ASSETS			
Inventories		1,433	1,430
Prepayments		3,054	1,716
Trade receivables	8	24,648	28,722
Receivables from related parties	15	636	545
Contract assets		2,045	2,128
Other receivables and current assets		5,360	5,326
Cash and cash equivalents		6,859	6,172
Total current assets		44,035	46,039
Total assets		99,623	96,573

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 31 March 2022	As of 31 December 2021
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		9,483	9,483
Other reserves		948	948
Share premium		21,067	21,067
Foreign currency translation reserve		(3,341)	(3,249)
Retained earnings (deficit)		(9,500)	(8,865)
		<hr/>	<hr/>
		18,657	19,384
Non-controlling interests		493	492
TOTAL EQUITY		19,150	19,876
Liabilities			
Non-current liabilities			
Non-current borrowings	9	2,625	2,715
Lease liabilities	7	3,746	4,242
Deferred income tax liabilities		1,661	1,748
Non-current payables		8,234	6,504
TOTAL NON-CURRENT LIABILITIES		16,266	15,209
Current liabilities			
Current portion of non-current borrowings	9	16,197	16,232
Current portion of lease liabilities	7	1,886	1,963
Current loans	9	12,178	5,901
Trade payables		10,982	12,049
Payables to related parties	15	1,110	979
Contract liabilities		6,068	5,540
Other current liabilities		15,786	18,824
TOTAL CURRENT LIABILITIES		64,207	61,488
Total liabilities		80,473	76,697
Total equity and liabilities		99,623	96,573

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(for the period 1 January – 31 March)

	Notes	2022 Q1	2021 Q1
Revenue from contracts with customers	1.7	33,004	37,951
Cost of sales	10	(25,625)	(28,951)
Gross profit (loss)		7,379	9,000
General and administrative expenses	11	(7,251)	(7,405)
Credit loss expenses on financial assets		(252)	(467)
Other operating activity, net	12	82	86
Profit (loss) from operations		(42)	1,214
Interest and other finance income	13	47	628
Interest and other finance expenses	13	(465)	(441)
Profit (loss) before tax		(460)	1,401
Income tax		(177)	(263)
Net profit (loss)		(637)	1,138
Other comprehensive income			
Exchange differences on translation of foreign operations		(89)	146
Total comprehensive income		(726)	1,284
Attributable to:			
The shareholders of the Company		(635)	1,139
Non-controlling interests		(2)	(1)
		(637)	1,138
Total comprehensive income attributable to:			
The shareholders of the Company		(724)	1,285
Non-controlling interests		(2)	(1)
		(726)	1,284
Basic and diluted earnings per share (EUR)		(0.02)	0.04

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total
Balance as of 1 January 2021		9,483	21,067	(3,501)	948	19,836	47,833	413	48,246
Net profit		-	-	-	-	1,139	1,139	(1)	1,138
Other comprehensive Income		-	-	140	-	-	140	6	146
Total comprehensive Income		-	-	140	-	1,139	1,279	5	1,284
Balance as of 31 March 2021		9,483	21,067	(3,361)	948	20,975	49,112	418	49,530
Balance as of 1 January 2022		9,483	21,067	(3,249)	948	(8,865)	19,384	492	19,876
Net profit		-	-	-	-	(635)	(635)	(2)	(637)
Other comprehensive Income		-	-	(92)	-	-	(92)	3	(89)
Total comprehensive Income		-	-	(92)	-	(635)	(727)	1	(726)
Balance as of 31 March 2022		9,483	21,067	(3,341)	948	(9,500)	18,657	493	19,150

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022 Q1	2021 Q1
Cash flows from (to) operating activities			
Net (loss) profit from continued operations		(637)	1,138
Adjustments for non-cash items:			
Income tax expenses		177	263
Depreciation and amortisation	5,6,7	887	1,456
Impairment and discounting of accounts receivable		187	311
(Gain) on disposal of property, plant and equipment	12	(137)	(220)
(Gain) from sale of investments		-	(580)
Other financial activity, net		427	393
		904	2,761
Changes in working capital:			
(Increase) in inventories		(41)	(34)
Decrease in receivables, contract assets and other current assets		4,300	60
(Increase) in prepayments		(1,367)	(351)
(Decrease) increase in trade payables and payables to related parties		(635)	1,081
Income tax (paid)		(481)	(466)
(Decrease) in advances received, contract liabilities and other current liabilities		(1,728)	(1,153)
Net cash flows from operating activities		952	1,898
Cash flows from (to) investing activities			
(Acquisition) of non-current assets (except investments)	5,6	(710)	(793)
Proceeds from sale of non-current assets		248	500
(Acquisition) of investments in subsidiaries (net of cash acquired in the Group)	3	(5,144)	(184)
Disposal of investments in subsidiaries		-	712
Interest received		32	46
Loans repaid		-	19
Net cash flows (to) from investing activities		(5,574)	300
Cash flows from (to) financing activities			
Proceeds of loans		6,137	(578)
(Repayment) of financial lease liabilities		(491)	(719)
Interest (paid)		(175)	(158)
Net cash flows from (to) financial activities		5,471	(1,455)
Net increase in cash and cash equivalents		849	743
Foreign exchange difference		(162)	39
Cash and cash equivalents at the beginning of the period		6,172	14,154
Cash and cash equivalents at the end of the period		6,859	14,936

1.

GENERAL INFORMATION

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

The Company controls corporate group, engaged in provision of facility management and integrated utility services in Western, Central and Eastern Europe. The City Service group is the market leader in facility management and integrated utility services in the Baltic States. It provides services in whole Lithuania, Poland, Spain, Latvia, Czech Republic, Hungary, Romania, Portugal and in the city of St. Petersburg in Russian Federation.

1.1.

ACTIVITY

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

The most important buildings segments, administered by the City Service group are: residential apartment buildings; commercial buildings; public buildings; industrial buildings. The total area of buildings under the management of the Group is 20.7 million sq. m. at present.

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

The Group’s areas of activity are relatively stable (core activities include: commercial and residential property administration and cleaning services) and tend not to fluctuate materially throughout the year unless significant acquisitions or divestments of certain subsidiaries occur during the reporting period.

1.2.

SHARE CAPITAL OF THE COMPANY

The share capital of the Company is EUR 9,483 thousand as of 31 March 2022. It is divided into 31,610 thousand ordinary shares with the nominal value of EUR 0.30 each. All shares of the Company are paid up.

The Company does not have any other classes of shares than ordinary shares mentioned above, there are no any restrictions of share rights or special control rights for the shareholders settled in the Articles of Association of the Company. No shares of the Company are held by itself or its subsidiaries. No convertible securities, exchangeable securities or securities with warrants are outstanding; likewise, there are no outstanding acquisition rights or undertakings to increase share capital.

As of 31 March 2022 all 31,610 thousand ordinary shares of the Company are included into the Parallel Market of Warsaw Stock Exchange and Baltic First North Foreign Shares trading list of NASDAQ Baltic Market (ISIN Code of the shares is EE3100126368). Trading Code of the shares on Warsaw Stock Exchange is CTS, on NASDAQ Baltic Market - CTS1L.

1.3.

SHAREHOLDERS OF THE COMPANY

As of 31 March 2022 the total number of shareholders of the Company was 64*.

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

COMPANY'S SHARES DISTRIBUTION AMONG SHAREHOLDERS WHO HAVE MORE THAN 5% SHARES OF THE COMPANY AS OF 31 MARCH 2022 WAS THE FOLLOWING:

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

1.4.

CITY SERVICE GROUP

AS OF 31 MARCH 2022 THE CITY SERVICE GROUP CONSISTS OF CITY SERVICE SE AND THE FOLLOWING SUBSIDIARIES (HEREINAFTER REFERRED TO AS „THE GROUP“):

Company	Region	Share of the stock held by the Group as of 31 March 2022	Share of the stock held by the Group as of 31 March 2021	Main activities
UAB Alytaus namų valda	Lithuania	76%	76%	Dormant
UAB Apex intelligence	Lithuania	100%	100%	IT energy saving solutions for buildings
UAB Baltijos būsto priežiūra	Lithuania	100%	100%	Dormant
UAB Baltijos NT valdymas	Lithuania	100%	100%	Real estate management
UAB Baltijos transporto valdymas	Lithuania	100%	100%	Asset management
UAB Baltijos turto valdymas	Lithuania	100%	100%	Holding company
UAB Biržų butų ūkis	Lithuania	57.71%	57.71%	Administration of dwelling-houses
UAB BonoDomo	Lithuania	100%	100%	Dormant
UAB Butų ūkio valdos	Lithuania	100%	-	Administration of dwelling-houses
UAB Būsto aplinka	Lithuania	100%	100%	Maintenance and cleaning of dwelling-houses territories and premises
UAB Citenga	Lithuania	-	100%	Holding company
UAB City Service	Lithuania	100%	100%	Holding company
UAB City Service Cleaning	Lithuania	100%	100%	Maintenance and cleaning of commercial real estate, territories and premises
UAB City Service Engineering	Lithuania	100%	100%	Commercial real estate management and building maintenance
UAB CSG IT	Lithuania	100%	100%	IT services
UAB Energijos taupymo paslaugos	Lithuania	100%	100%	Energy saving solution services
UAB Enter tech	Lithuania	100%	100%	Technical maintenance of gates and entrance automation
UAB EPC projektai	Lithuania	100%	100%	Dormant
UAB InHouse Digital	Lithuania	100%	100%	Holding company
UAB Getfiks	Lithuania	100%	-	Supply chain management
UAB Neries būstas	Lithuania	100%	100%	Dormant
UAB Mano aplinka	Lithuania	100%	100%	Maintenance and cleaning of public territories and premises
UAB Mano aplinka plus	Lithuania	100%	100%	Maintenance and cleaning of territories and premises

UAB Mano bendrabutis	Lithuania	100%	100%	Administration of buildings
UAB Mano Būstas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas Alytus	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būstas 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 Aukštaitija	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%	-	Administration of dwelling-houses
UAB Mano Būstas Vakarai	Lithuania	99.84%	99.84%	Administration of dwelling-houses
UAB Mano Būstas Vilnius	Lithuania	100%	100%	Administration of dwelling-houses
UAB Mano Būsto priežiūra	Lithuania	100%	100%	Building maintenance
UAB Medžiagų tiekimo centras	Lithuania	100%	100%	Supply of materials
UAB Merlangas	Lithuania	100%	100%	Administration of dwelling-houses
UAB Nacionalinis renovacijos fondas	Lithuania	100%	100%	Administration of dwelling-houses renovation projects
UAB Pastatų priežiūra	Lithuania	100%	100%	Building maintenance
UAB Pastatų priežiūros tarnyba	Lithuania	100%	-	Technical maintenance of heating systems
UAB Pastatų valdymas	Lithuania	100%	100%	Administration of dwelling-houses
UAB PortalPRO	Lithuania	100%	100%	Supply chain management
UAB Rinkų vystymas	Lithuania	100%	100%	Dormant
UAB Skolos LT	Lithuania	100%	100%	Debt collection services
UAB Šiaulių NT valdymas	Lithuania	100%	100%	Dormant
UAB Unitechna	Lithuania	100%	100%	Maintenance and construction of gas stations
INTEGRI s.r.o.	Czech	100%	-	IT services
STARLIT s.r.o.	Czech	100%	-	IT services
InHouse Finance Kft.	Hungary	100%	-	Dormant
Administracion Urbana y Rural Chorro, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Afinem administración de finques, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Aresi administracion de fincas S. L.	Spain	-	100%	Administration of dwelling-houses
Aresi Gestion residencial, S.L.	Spain	-	100%	Administration of dwelling-houses
Concentra Servicios y Mantenimiento, S.A.*	Spain	100%	100%	Commercial real estate management and building maintenance

Elche administracion de fincas, S.L.U.	Spain	-	100%	Administration of dwelling-houses
Eurobroker Advisors Sorreduria de Seguros, S.L.	Spain	100%	100%	Insurance services
Euronamas Gestion de Fincas Levante, S.L.U.	Spain	-	100%	Dormant
Euronamas Gestion de Fincas Sur, S.L.	Spain	-	100%	Administration of dwelling-houses
Euronamas Gestion de Fincas Meseta Central, S.L.U.	Spain	-	100%	Dormant
Euronamas Gestion de Fincas Centro, S.L.	Spain	100%	100%	Administration of dwelling-houses
Euronamas gestion de fincas Madrid, S.L.	Spain	-	100%	Administration of dwelling-houses
EUROHUB, S.L.	Spain	-	100%	Dormant
Grupo Aresi de Inversiones, S.L.	Spain	100%	100%	Holding company
Inmonamas, S.L.	Spain	-	100%	Dormant
PORTALPRO, S.L.	Spain	100%	-	Dormant
URBAN HUB, S.L.	Spain	-	100%	Supply chain management
Vetell dos iberica, S.L.*	Spain	100%	100%	Administration of dwelling-houses
SIA BILANCE	Latvia	100%	-	Administration of dwelling-houses
SIA BonoDomo	Latvia	100%	100%	Dormant
SIA City Service	Latvia	100%	100%	Holding company
SIA City Service Engineering	Latvia	100%	100%	Commercial real estate management and building maintenance
SIA Ēku pārvaldīšanas serviss	Latvia	100%	100%	Building maintenance
SIA PortalPRO	Latvia	100%	100%	Dormant
SIA Latvijas Namsaimnieks	Latvia	100%	100%	Administration of dwelling-houses
SIA Livonijas Nami	Latvia	100%	-	Administration of dwelling-houses
SIA Namu serviss APSE	Latvia	100%	100%	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana	Latvia	100%	-	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana 2	Latvia	100%	-	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekosana-Salnas 21	Latvia	100%	-	Administration of dwelling-houses
SIA NIRA Fonds apsaimniekošana 3	Latvia	100%	-	Administration of dwelling-houses
SIA Ventspils nami	Latvia	100%	100%	Administration of dwelling-houses
Atrium 21 sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
City Service Polska sp. z o.o.	Poland	100%	100%	Country holding company
Certus-Serwis Sp. z o. o.	Poland	100%	100%	Administration of dwelling-houses
Concierge - Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Dom Best sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
EnergiaOK sp. z o.o.	Poland	100%	100%	Sale of electricity
Famix sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses

Grupa Techniczna 24 sp. z o.o.	Poland	100%	100%	Building maintenance
Home Rent sp. z o.o.	Poland	50%	50%	Administration of dwelling-houses
Parama Blue sp. z o.o.	Poland	100%	100%	Dormant
Parama Group sp. z o.o.	Poland	100%	100%	Holding company
Parama Yellow sp. z o.o.	Poland	100%	100%	Dormant
Parama Red sp. z o.o.	Poland	100%	100%	Dormant
Parama White sp. z o.o.	Poland	100%	100%	Dormant
PORTALPRO sp. z o.o.	Poland	100%	-	Dormant
Progresline sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Santer Zarządzanie Nieruchomościami sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
Skydas - Przeglądy Budowlane sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
TED sp. z o.o.	Poland	100%	100%	Real estate management
Tumieszkamy sp. z o. o.	Poland	100%	100%	Dormant
Wolska Aparthotel sp. z o. o.**	Poland	100%	100%	Accommodation services
Zespół Zarządców Nieruchomości sp. z o.o.	Poland	100%	100%	Administration of dwelling-houses
ZZN Inwestycje sp. z o.o.	Poland	100%	100%	Dormant
IMPROXY - TECHNOLOGIAS DE INFORMACAO, LDA	Portugal	100%	-	IT services
Homefile S.R.L.	Romania	100%	-	IT services
Homefile Suport Solutions S.R.L.	Romania	100%	-	IT services
ОАО Сити Сервис / ОАО City service	St. Petersburg	100%	100%	Administration of dwelling-houses
ЗАО Сити Сервис / ЗАО City service	St. Petersburg	100%	100%	Administration of dwelling-houses
ООО Специализи-рованное ремонтно-наладочное управление	St. Petersburg	100%	100%	Construction and engineering
ООО МН Групп	St. Petersburg	100%	100%	Country holding company
ООО Жилкомсервис № 3 Фрунзенского района	St. Petersburg	80%	80%	Administration of dwelling-houses
ООО Чистый дом	St. Petersburg	100%	100%	Maintenance and cleaning of territories
ООО Подъемные механизмы	St. Petersburg	100%	100%	Elevator installing & tech. support
ООО ПорталПРО	St. Petersburg	100%	100%	Dormant

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

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

1.5.

COMPANY'S SUPERVISORY BOARD

AS OF 31 MARCH 2022, THE SUPERVISORY BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:

Name and surname	Position	Start of term	End of term
Andrius Janukonis	Chairman of the Supervisory Board	June 19, 2019	June 19, 2023
Gintautas Jaugielavičius	Member of the Supervisory Board	June 19, 2019	June 19, 2023

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

**Andrius Janukonis**

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

**Gintautas Jaugielavičius**

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

1.6.

COMPANY'S MANAGEMENT BOARD

AS OF 31 MARCH 2022 AND AS OF DATE OF SUBMISSION OF THIS REPORT, THE MANAGEMENT BOARD OF THE COMPANY COMPRISES OF THE FOLLOWING PERSONS:

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

They do not own any shares of the Company.

Artūras Gudelis



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

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

Tomas Kleiva



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

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

Tomas Kleiva is responsible and accountable for any and all financial matters and operations within the Group in all the jurisdictions and carries functions of Group's CFO, except for Lithuania, Latvia and Estonia. Tomas Kleiva is also responsible for the organization and supervision of Group activities in Russia.

1.6.

COMPANY'S MANAGEMENT BOARD (cont'd)



Vytautas Turonis

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

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



Dalius Šimaitis

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

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

1.7.

ACTIVITY AND SEGMENT INFORMATION

INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

2022 Q1	Baltic states	St. Petersburg	Poland	Spain	All other segments	Total
Revenue from contracts with customers:	17,978	11,480	612	54	2,880	33,004
Total revenue from contracts with customers						33,004
Segment results	820	379	(286)	(190)	(522)	201
Unallocated expenses						(243)
Profit from operations						(42)
Net financial income						(418)
Profit before income tax						(460)
Income tax expenses						(177)
Net profit for the year						(637)

OTHER SEGMENT INFORMATION

Capital expenditure	679	14	-	1	5	699
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2021 Q1	Baltic states	St. Petersburg	Poland	Spain	All other segments	Total
Revenue from contracts with customers:	19,563	13,521	1,498	863	2,506	37,951
Total revenue from contracts with customers						37,951
Segment results	1,780	694	(1,169)	(590)	647	1,362
Unallocated expenses						(148)
Profit from operations						1,214
Net financial income						187
Profit before income tax						1,401
Income tax expenses						(263)
Net profit for the year						1,138

OTHER SEGMENT INFORMATION

Capital expenditure	754	22	0	17	-	793
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1.7.
ACTIVITY AND SEGMENT INFORMATION (cont'd)
INFORMATION ON MAIN GROUP'S GEOGRAPHICAL SEGMENTS:

	Baltic states	St. Petersburg	Poland	Spain	All other segments	Total
Revenue from contracts from external customers						
2022 Q1	17,978	11,480	612	54	2,880	33,004
2021 Q1	19,563	13,521	1,498	863	2,506	37,951

	Baltic states	St. Petersburg	Poland	Spain	All other segments	Total
Segment non-current assets						
As of 31 March 2022	41,420	2,999	794	59	10,316	55,588
As of 31 December 2021	40,958	3,195	1,532	69	4,780	50,534

MAIN ACTIVITY INDICATORS FOR THE GROUP:

	2022 Q1	2021 Q1	Change
Area of residential apartment buildings under administration (million square meters)	15.8	21.9	(27.9%)
Area of public, commercial building and atypical properties under administration (million square meters)	4.9	3.7	32.4%
Number of employees	2,275	2,774	(18.0%)
Sales for the period	33,004	37,951	(13.0%)
Sales (main activity)*	25,012	30,383	(17.7%)
Gross margin*	29.5%	29.6%	(0.1) p.p.
EBITDA margin*	3.4%	8.8%	(5.4) p.p.
EBIT margin*	-0.2%	4.0%	(4.2) p.p.
Net margin*	-2.5%	3.7%	(6.2) p.p.
Number of shares (thousand)	31,610	31,610	-
Return on equity	-3.3%	2.3%	(5.6) p.p.
Return on assets	-0.6%	1.0%	(1.6) p.p.
Financial Net Debt to equity**	126.1%	9.7%	116.4 p.p.

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

** 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 authorised for issue on 31 May 2022 by responsible persons listed in the confirmation, which is attached to the Interim Financial Statements.

3.

GOODWILL

COST:

Balance as of 1 January 2021	10,575
Additions	1,542
Exchange differences	27
Balance as of 31 December 2021	12,144
Additions	5,005
Exchange differences	3
Balance as of 31 March 2022	17,152

IMPAIRMENT:

Balance as of 1 January 2021	1,322
Exchange differences	(8)
Impairment recognized	250
Balance as of 31 December 2021	1,564
Exchange differences	(10)
Balance as of 31 March 2022	1,554

Net book value as of 31 March 2022	15,598
Net book value as of 31 December 2021	10,580

3.
GOODWILL (cont'd)

During reporting period the Company through its subsidiary acquired Improxy - Tecnologias de informacao LDA, Homefile S.R.L, Homefile Support S.R.L, UAB Getfiks and INTEGRRI, s.r.o.

Fair value of assets, liabilities and contingent liabilities of acquired subsidiaries	Improxy - Tecnologias de informacao LDA		Homefile Support S.R.L UAB Getfiks		INTEGRRI, s.r.o.
	01 March	02 March	02 March	04 March	18 March
At the date of acquisition					
Intangible assets	180	-	-	-	-
Property, plant and equipment	104	-	-	1	-
Trade receivables	7	15	8	4	3
Other current assets	77	19	-	1	1,139
Total assets	368	34	8	6	1,142
Long-term liabilities	50	-	-	-	-
Trade payables	10	-	-	-	4
Other current liabilities	119	18	1	-	843
Total liabilities	179	18	1	-	847
Total identifiable net assets at fair value	189	16	7	6	295
Fair value of acquired assets, liabilities and contingent liabilities	189	16	7	6	295
Goodwill	2,811	604	279	207	1,104
Total purchase consideration	3,000	620	286	213	1,399
Cash acquired	61	19	-	1	293
Total purchase consideration, net of cash acquired	2,939	601	286	212	1,106

4.

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

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

On 17 February 2022 Court of Appeal of Lithuania announced its decision in a case where Vilnius City municipality administration and General Prosecutor's office initially claimed the Company regarding recovery of EUR 20,6 million losses. The Court of Appeal of Lithuania adjudged EUR 4,6 million from the Company to Vilnius City municipality. The Court also stated that Vilnius City municipality is also liable for the part of the losses. The Company will get acquainted in detail with the decision of the appellate court and its reasoning and will decide on the possibility to file a cassation appeal after evaluating them.

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

On 17 February 2022 Court of Appeal of Lithuania announced its decision in a case where Vilnius City municipality administration and General Prosecutor's office initially claimed the Company regarding recovery of EUR 20,6 million losses. The Court of Appeal of Lithuania adjudged EUR 4,6 million from the Company to Vilnius City municipality. The Court also stated that Vilnius City municipality is also liable for the part of the losses. The Company will get acquainted in detail with the decision of the appellate court and its reasoning and will decide on the possibility to file a cassation appeal after evaluating them. On 24 February 2022 the Company received notifications, prepared pursuant to the Article 69 of the Act of July 29th, 2005 on public offering and the conditions for introducing financial instruments to the organized trading system and on public companies Journal of Laws 2005 No. 184 item 1539, regarding changes in the total number of votes at the Company's General Meeting due to reorganization of UAB Lag&d from UAB Lag&d to UAB Unit Invest of 26,813,293 shares in the Company, giving the right to exercise 26,813,293 of votes constituting 84,83% of the total number of votes at the City Service SE's General Meeting since 09 February 2022 when the reorganization of the UAB Lag&d was completed.

On 24 February 2022, the Russian Federation has launched an invasion of the Republic of Ukraine. Shortly after the invasion, the EU and rest of the world, including global bodies, imposed wide-ranging set of restrictive measures against Russia, which is updated and expanded on a regular basis. Until the disposal of subsidiaries operating in Russia, the restrictive measures imposed had no significant impact on the Group's performance in the Russian Federation, no operations had been suspended and no significant direct losses related to the restrictive measures had been incurred at the date of the financial statements (Note 16).

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

4.

SIGNIFICANT EVENTS (cont'd)

On 02 March, 2022, the Group, through its Lithuanian subsidiary acquired 90% of the shares of Homefile S.R.L. and Homefile Suport Solutions S.R.L. (acquisition price EUR 620 thousand and EUR 286 thousand respectively) which are based in Romania. Homefile S.R.L. and Homefile Suport Solutions S.R.L. are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc. 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 03 March 2022, the Group, through its Lithuanian subsidiary established a new company InHouse Finance KFT (share capital HUF 3 million (EUR 8 thousand)).

On 04 March 2022, the Group, through its Lithuanian subsidiary acquired 100% of the shares of UAB Getfiks (acquisition price EUR 213 thousand) which is based in Lithuania. UAB Getfiks is engaged in supply chain management services. 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 11 March 2022 the Group, through its Spanish subsidiary, initiated voluntary liquidation of three dormant subsidiaries Inmonamas S.L, Urban Hub S.L.U, Eurohub S.LU.

On 18 March 2022 the Group, through its Lithuanian subsidiary, acquired 100% stake in INTEGRI s.r.o (acquisition price CZK 34.7 million (EUR 1.399 thousand)) which is based on Czech Republic. INTEGRI s.r.o are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc. 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 18 March 2022 SIA Connecto Pay title was changed into SIA BonoDomo. Other contact details did not change.

On 22 March 2022, City Service SE hereinafter - the Company and Vilnius City Municipality Administration hereinafter - the Municipality signed an agreement regarding the payment of the amount of EUR 4,646,753 awarded from the Company in favor of the Municipality by the decision of the Lithuanian Court of Appeal of 17 February 2022. The specified amount will be paid by 31 December 2023, according to the instalment plan, which was agreed with the Municipality.

5.

OTHER INTANGIBLE ASSETS

Movement of other intangible assets in 2022 Q1 and 2021 is presented below:

	Total
COST:	
Balance as of 1 January 2021	41,010
Additions arising from acquisitions of subsidiaries	1,571
Additions	3,872
Exchange differences	38
Disposals and retirements	(4,768)
Discontinued operations	(4,011)
Balance as of 31 December 2021	37,712
Additions arising from acquisitions of subsidiaries	180
Additions	609
Disposals and retirements	(142)
Exchange differences	(240)
Balance as of 31 March 2022	38,119
ACCUMULATED AMORTISATION AND IMPAIRMENT:.	
Balance as of 1 January 2021	16,261
Charge for the year	2,381
Exchange differences	(40)
Disposals and retirements	(4,735)
Impairment recognised	5,062
Discontinued operations	(2,306)
Balance as of 31 December 2021	16,623
Charge for the period	252
Disposals and retirements	(355)
Exchange differences	(155)
Balance as of 31 March 2022	16,385
Net book value as of 31 March 2022	21,734
Net book value as of 31 December 2021	21,089

6.

PROPERTY, PLANT AND EQUIPMENT

Movement of fixed assets in 2022 Q1 and 2021 is presented below:

	Buildings	Vehicles	Other property, plant and equipment	Construction in progress	Total
COST:					
Balance as of 1 January 2021	1,616	4,340	11,953	25	17,934
Additions arising from acquisitions of subsidiaries	107	8	39	-	154
Additions	-	32	346	-	378
Disposals of subsidiaries	-	(22)	(34)	-	(56)
Disposals and retirements	(645)	(1,241)	(2,097)	-	(3,983)
Exchange differences	8	45	(34)	(4)	15
Balance as of 31 December 2021	1,086	3,162	10,173	21	14,442
Additions arising from acquisitions of subsidiaries	96	-	9	-	105
Additions	-	2	88	-	90
Disposals and retirements	(145)	(127)	(578)	-	(850)
Exchange differences	-	(58)	(172)	-	(230)
Balance as of 31 March 2022	1,037	2,979	9,520	21	13,557
ACCUMULATED DEPRECIATION:					
Balance as of 1 January 2021	852	3,908	6,590	-	11,350
Charge for the year	230	151	1,418	-	1,799
Disposals and retirements	(641)	(1,119)	(1,633)	-	(3,393)
Impairment	11	26	112	-	149
Disposals of subsidiaries	-	-	(4)	-	(4)
Exchange differences	-	19	2	-	21
Balance as of 31 December 2021	452	2,985	6,485	-	9,922
Charge for the year	6	21	202	-	229
Disposals and retirements	(35)	(185)	(535)	-	(755)
Exchange differences	-	(55)	(147)	-	(202)
Balance as of 31 March 2022	423	2,766	6,005	-	9,194
Net book value as of 31 March 2022	614	213	3,515	21	4,363
Net book value as of 31 December 2021	634	177	3,688	21	4,520

7.

RIGHT OF USE ASSETS AND LEASE

Effect to the consolidated statement of financial position as at 31 March 2022 and 2021:

	Buildings	Vehicles	Total
ASSETS			
Cost			
Balance as of 1 January 2021	8,505	4,649	13,154
Disposals and retirements	(1,383)	(707)	(2,090)
Exchange differences	63	-	63
Balance as of 31 December 2021	7,185	3,942	11,127
Additions	12	-	12
Disposals and retirements	(280)	(225)	(505)
Exchange differences	(118)	-	(118)
Balance as of 31 March 2022	6,799	3,717	10,516
Accumulated depreciation			
Balance as of 1 January 2021	1,590	2,883	4,473
Charge for the year	1,379	537	1,916
Disposals and retirements	(536)	(551)	(1,087)
Balance as of 31 December 2021	2,433	2,869	5,302
Charge for the year	296	121	417
Disposals and retirements	(220)	(203)	(423)
Exchange differences	(19)	-	(19)
Balance as of 31 March 2022	2,490	2,787	5,277
Right of use assets as of 31 March 2022	4,309	930	5,239
Right of use assets as of 31 December 2021	4,752	1,073	5,825

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

	2022 Q1	2021 Q1
Depreciation expense of right-of-use assets	417	488
Interest expense on lease liabilities	18	37
Expense relating to leases of low-value assets (included in administrative expenses)	147	179
Profit from operations	582	704

Group has no variable lease payments.

The Group had total cash outflows for leases of EUR 510 thousand as at 31 March 2021 (EUR 719 thousand as at 31 March 2021). The Group had EUR 12 thousand non-cash additions to right-of-use assets and lease liabilities as at 31 March 2021 (none as at 31 March 2021).

8.

TRADE RECEIVABLES

TRADE RECEIVABLES OF THE GROUP AS OF 31 MARCH 2022 AND 31 DECEMBER 2021 WERE AS FOLLOWS:

	Balance as of 31 March 2022	Balance as of 31 December 2021
Trade receivables, gross	39,384	43,571
Less: allowance for doubtful trade receivables	(14,736)	(14,849)
Trade receivables, net	24,648	28,722

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.

9.

BORROWINGS

BORROWINGS OF THE GROUP AND THE COMPANY AS OF 31 MARCH 2022 AND 31 DECEMBER 2021 WERE AS FOLLOWS:

Creditor	Currency	Balance as of 31 March 2022	Balance as of 31 December 2021
SHORT-TERM LOANS			
Bank loans	EUR	12,178	5,901
SHORT-TERM LOANS BALANCE		12,178	5,901
LONG-TERM LOANS			
Bank loans	EUR	18,822	18,947
Minus: long term loans of the current year		(16,197)*	(16,232)*
LONG-TERM LOANS BALANCE		2,625	2,715

*EUR 15,952 thousand was reclassified from the long-term to the short-term part of the loan due to the company's non-compliance with bank covenants. For more detail disclosure refer to Note 16.

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

UAB City Service, UAB Mano Būstas Baltija, UAB Mano Būstas Neris, UAB Mano Būstas NPC, UAB Mano Būstas Sostinė, UAB Mano Būstas Vilnius, UAB Mano Būstas Aukštaitija, UAB Mano Būstas Dainava, UAB Mano Būstas Radviliškis, UAB Mano Būstas Šiauliai, UAB Mano Būstas Vakarai, UAB Mano Būstas Kaunas have pledged claim rights to receivables under concluded agreements, except for receivables under factoring agreement.

10.

COST OF SALES

	2022 Q1	2021 Q1
Services of subcontractors and materials used	16,673	19,243
Wages and salaries and social security	6,683	7,740
Cost of goods sold	298	576
Depreciation	149	143
Other	1,822	1,249
Total cost of sales	25,625	28,951

11.

GENERAL AND ADMINISTRATIVE EXPENSES

	2022 Q1	2021 Q1
Wages and salaries and social security	3,570	3,626
Depreciation and amortisation	749	1,313
Consulting and similar expenses	539	221
Taxes other than income tax	475	197
Computer software maintenance	219	277
Advertising	211	110
Commissions for collection of payments	170	134
Rent of premises and other assets	147	179
Transportation and fuel expenses	133	89
Communication expenses	92	89
Insurance	56	52
Representational costs	49	32
Utilities	46	41
Bank payments	45	47
Business trips and training	42	37
Charity and support	5	56
Other	703	905
Total general and administrative expenses	7,251	7,405

12.

OTHER OPERATING INCOME (EXPENSES)

	2022 Q1	2021 Q1
Gain on disposal of property, plant and equipment	137	220
Income from rent	9	8
Other (expenses), net	(64)	(142)
Total other operating activity	82	86

13.

INTEREST AND OTHER FINANCE INCOME AND (EXPENSES)

	2022 Q1	2021 Q1
Gain on sale of investments	-	580
Interest income	32	46
Foreign currency exchange gain	6	2
Other financial income	9	-
Total finance income	47	628
Interest (expenses)	(176)	(158)
Foreign currency exchange (loss)	(289)	(283)
Total finance (expenses)	(465)	(441)
Financial activity, net	(418)	187

14.

DIVIDENDS PER SHARE

	2022 Q1	2021 Q1
Approved dividends	-	-
Number of shares (in thousand)	31,610	31,610
Approved dividends per share	-	-

15.

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);
- Gudelis, T. Kleiva, V. Turonis, D. Šimaitis (Company’s management board);

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

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

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

2022 Q1	Purchases	Sales	Receivables and prepayments	Borrowings	Payables
UAB ICOR	99	24	9	-	53
AB Axis Industries	-	2	1	-	-
Other subsidiaries of UAB Lag&d	85	159	626	50	1,007
Total	184	185	636	50	1,060

16.

SUBSEQUENT EVENTS

On 05 April 2022 the Group, through its Lithuanian subsidiary, acquired 100% stake in Invert KFT (acquisition price EUR 370 thousand) which is based on Hungary. Invert KFT are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc. 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 29 April 2022 City Service SE received decision from the bank to change existing financing contract conditions regarding the breach of keeping minimum capital requirements. Currently EUR 34 million of maximum borrowing facility will be decreased to the current utilization level of EUR 28 million. Moreover, payments of EUR 5,100 thousand will be made during financial year 2022 and additional payments of EUR 5,400 thousand will be made during the financial period 2023 - 2025. Remaining obligation to settle at the end of the contract at 1 September, 2025 will be EUR 17,500 thousand. Moreover, subsidiaries of the Group will be obliged to dispose companies operating in digital business area to City Service SE direct shareholder UAB Unit Invest which were acquired during the period including December 2021 – April 2022. Group management evaluated the possible outcome of the matters described above to Group's consolidated working capital and concluded that there is no material uncertainty in regard to Group's ability to continue as a going concern due respective explained measures taken, and therefore, Group management believes that these consolidated financial statements are presented fairly in accordance with going concern accounting principle.

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

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

On 13 May 2022 the Group, through its Czech subsidiary, acquired 100% stake in SWAN Liberec, s.r.o. (acquisition price CZK 4,394 thousand (EUR 178 thousand)) which is based on Czech Republic. SWAN Liberec, s.r.o are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc. 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 18 May 2022 the Group, through its Czech subsidiary, acquired 100% stake in O.K.-Soft Sokolov s.r.o. (acquisition price CZK 16,100 thousand (EUR 563 thousand)) which is based on Czech Republic. O.K.-Soft Sokolov s.r.o. are engaged in the production and development of IT products for apartment building managers, administrators, communities, etc. 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 18 May 2022, the Group sold 100% stake in UAB Baltijos turto valdymas, which was a 100% shareholder of companies based in St. Petersburg, Russian Federation. Value of the share sale – purchase agreement is EUR 1.472 thousand. The carrying value of the net asset of the subsidiary disposed included in the consolidated financial statements as of 31 March 2022 amounted to EUR 3,178 thousand. The transaction was concluded in pursuance of the Company's decision to terminate business activities in the Russian Federation. Following today's sale, City Service SE no longer has any business in the Russian Federation.



City Service SE

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